

Article for Vertical Horizonz

Businesses in New Zealand are very much focused on safety and the costs associated with ensuring that all who enter the business environment (including motor vehicles) are protected against accidents.

Due to your hard work and utilising the services of Vertical Horizonz, the claims statistics for accidents are reducing. Many related overheads, however, are **not** reducing and this is due to increased costs of medical care and other services. We draw to your attention that this also does not take into account the social costs which are rarely spoken about or quantified. One major statistic is that 1 in 7 families lose their estate and livelihoods due to ill health of the primary breadwinner. Much of this is caused by either not having any insurance cover for Loss of Income insurance or more importantly the correct preventative measures in place. This is very much a case of what I term 'silent wastage'.

The preventative measure is of course the 'health' aspect. You will have noticed that the newly formatted statute about to be unleashed on the business community is titled the 'Health & Safety at Work Act' but historically attention has been always on the safety to the exclusion of **health**. The reason for this is because safety can be measured. It's a Newtonian thing - the measurement of cause and effect!

The data which is more difficult to measure and therefore is not statistically recorded is in relation to the health perspective. In recent discussions with one of the major players in the health and corporate wellbeing arena they prefer to use the term 'resilience'. This is about our ability to be resilient in an ever more hostile work environment with high stress levels, toxic chemicals, long working hours and heavy workloads.

This is where I wish to focus – on the **health** aspect of the Health & Safety at Work Act. What does it mean to our daily working lives and how does it impact on the safety within the workplace? Those in the corporate wellbeing field comment on an average **return on investment of between \$2-5 for every \$1 spent**. To look at it another way, for every person working in your business that is not fully functioning, who as a result is quietly working around the office making mistakes and causing expensive accidents the statistic is a **cost of between \$327 - \$387 per day per employee in lost productivity**. This certainly puts things in perspective.

So if we were to turn this around and make employees healthier (and that includes you in management) and able to be resilient in dealing with the stresses of everyday life what would it do to your bottom line of the business profitability? Case studies have reaped increased profitability of anywhere from **23%** and up to **78%** onto the bottom line over a 1 to 10 year time line. That's a **massive increase in profitability that can't be ignored**. Its rather interesting as a comparison that 72% of employers in New Zealand consider that they lose productivity due to employees taking drugs (Ref Carla Pallant alarm over extent of workplace drug problem). Thus if we know we are losing productivity why are we not doing something about it ?

The great thing is that many of the initiatives are based on diversion of current spending, so there is no need to get a mortgage to fund it or risk loss of capacity by cutting costs. These savings can be reinvested back into the business.

I am from the insurance industry and I have recognized that if you have healthy people able to think and learn - they don't have accidents. Interestingly in case studies written in an American Medical Journal the studies showed that the more people were depressed the more accidents they have. And that is where it costs us in terms of downtime, insurance excess costs, increased ACC costs, sick leave etc.

The study focused primarily on the building trade and recognized that those with lower back pain had a higher probability of having depression plus more accidents at the place of work. Depression comes from fatigue and when you have fatigue you have a link to stress which leads to anxiety and then depression. All a vicious cycle – and there are also the links into degenerative diseases.

Therefore to have a robust Health and Safety regime in your business as required by law it has the potential to actually save you money and increase your profitability. It can also reduce your dependency on insurance products because you are in control. And that's a big cost saving.

Having good health regime in your business is in partnership with having a safe working environment. It's just a matter of being aware of the possibilities.

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