

Workplace Wellness Report 2019



About the sponsors

Southern Cross Health Society

Southern Cross Health Society opened for business in 1961 as New Zealand's first health insurer. Today, the not-for-profit friendly society is NZ's largest health insurer with 870,000 members.

In the year ended 30 June 2018, for every \$1 received in premiums, the Health Society paid out 92c in claims. This compares to an industry average of 65c in the dollar.



Level 1, Ernst & Young Building
2 Takutai Square
Auckland 1010
New Zealand

P: 0800 800 181
E: info@southerncross.co.nz
www.southerncross.co.nz

BusinessNZ

BusinessNZ is New Zealand's largest business representation group, providing a wide range of services for member businesses.

BusinessNZ undertakes analysis and advocacy on behalf of the wider business, manufacturing, importing and exporting sectors, making representation to Government, local government and other decision makers on issues important to business.

BusinessNZ regional organisations EMA, BusinessCentral, Canterbury Employers' Chamber of Commerce and Otago Southland Employers' Association provide services and advocacy on behalf of thousands of businesses in all parts of New Zealand.



Level 6, JacksonStone House
3-11 Hunter Street
Wellington 6011
New Zealand

P: 04 496 6555
E: info@businessnz.org.nz
www.businessnz.org.nz



Contents

Foreword	4
Cut to the chase - a picture of health in the workplace	5
1. Background to the survey	7
2. Respondent demographics	8
3. Absence rates in 2018	10
4. Costs, drivers and factors around absence	12
5. Stress, fatigue and mental health in the workplace	20
6. Relationships and communication with staff	24

Foreword

Nick Astwick - CEO (Southern Cross Health Society)

Southern Cross Health Society is delighted to have again partnered with BusinessNZ to produce the Workplace Wellness Report.

Previously named the Wellness in the Workplace Survey, this is the fourth in-depth report on the health and wellness of New Zealand workplaces, and marks six years since the biennial survey began. The 2019 report represents more than 121,000 employees, or 6.21 per cent of New Zealand's workforce – the largest number since the survey began.



This report reveals that the true price of absenteeism continues to rise, at a cost to our economy of \$1.79bn in 2018. At the same, a net 23.5 per cent of businesses surveyed reported an increase in stress and anxiety, compared with 22.9 per cent in 2016. Meanwhile, employers invested an estimated \$2.37bn in workplace wellbeing last year.

For more than 50 years Southern Cross has looked after Kiwis by providing health insurance; supporting timely access to healthcare that helps people get back into life, and back to work. We also offer wellness services which support businesses to protect and maintain the health of their employees.

This report will enable businesses to better understand their workforce holistically across physical, mental and social drivers of health. We spend about 1,900 hours a year at work, so it's important to invest in wellbeing and create cultures where necessary absence is acceptable, even encouraged. After all, a culture of health leads to a healthy culture.

Kirk Hope- CEO (BusinessNZ)

Health and wellbeing are increasingly recognised as critical factors in achieving a high-performing, productive workplace.

The Southern Cross Health Society – BusinessNZ Workplace Wellness Survey provides vital data to inform New Zealand's progress towards this goal.

This fourth survey in the Workplace Wellness series gives a detailed picture of the current environment for health and safety while uncovering developments such as the factors contributing to work-related stress, costs of absences and new ways to support employee wellbeing.



This information is important for employees, employers, health professionals and many others involved in workplace practice.

BusinessNZ appreciates the co-operation of New Zealand businesses and organisations and the Southern Cross Health Society in providing this valuable data towards the goal of better New Zealand workplaces.

Cut to the chase - a picture of health in the workplace

The Southern Cross Health Society – BusinessNZ Workplace Wellness Survey is designed to provide a picture of where New Zealanders stand in terms of health and wellbeing in the workplace. Given the strong focus on safety issues for employees due to recently established health and safety legislation, there has been relatively less attention placed on health issues for staff. One of the aims of this survey is to rebalance that attention.

The fourth Workplace Wellness Survey that takes place on a biennial basis now provides a valuable time series for tracking New Zealand's progress towards an effective workplace health and safety system. Overall, the latest results are generally positive, and are a step in the right direction compared to New Zealand's landscape in 2012.

While positive trends are obviously good to see, there are also some mixed results in the latest findings. As well, the wellness landscape is changing, bringing new issues for employers to consider. A more proactive recognition of the causes of absence could lead to increased uptake of sick leave. Levels of absence have remained on average between 4.5-5 days per employee. However, any increases beyond that might be an acceptable price to pay for a healthier, happier and more productive workforce.

As in the previous Wellness surveys, it is important to identify the current situation for absence rates, costs and drivers of absence, and to provide practical advice and options to improve workplace wellness. To that end, the infographic on page 6 shows some of the key findings of the report around absence, sick leave, stress and business investment to improve wellbeing.

Our aim is to see the broad business community all playing a part in improving staff wellbeing and minimising the cost of absence.

Lastly, while we have been conscious of including key questions in every survey to build a time series of trends, in other respects the 2019 questionnaire is quite different from our first in 2013. We believe this highlights the ongoing journey wellness in the workplace is taking in New Zealand, as well as the increasingly broad scope it represents where the collection of relevant data can help guide better business practices.

Infographic

Southern Cross Health Society-BusinessNZ **Workplace Wellness Report** snapshot – August 2019



UP FROM 6.6M WORKING DAYS & \$1.51B IN 2016



Nearly half of NZ businesses (47.5%) offer 5 paid sick days per year (rolled over if unused).



While 21.2% offer more than 5



On average, businesses spend

\$1,500

per staff member annually on benefits to improve their wellbeing

23.5%

OF BUSINESSES SURVEYED REPORTED AN INCREASE IN STRESS AND ANXIETY



35%

of Kiwis turn up for work despite being sick, down from **46%** in **2017**

Research for the Southern Cross Health Society-Business NZ Workplace Wellness Report was carried out between March and June 2019 with respondents asked to report on data for the period 1 January to 31 December 2018. In total, 99 enterprises responded, representing 121, 252 staff (6.21 per cent of all NZ employees).



1. Background to the survey

Purpose and overview

This is the fourth time the Southern Cross Health Society – BusinessNZ Workplace Wellness Survey has been carried out in New Zealand.

This report outlines the main results of the fourth biennial Southern Cross Health Society – BusinessNZ Workplace Wellness survey.

The survey is intended to help employers benchmark absence levels among their own employees and identify ways to increase attendance and enhance employee health. It also provides policy makers with views on occupational health practice and absence in the workplace, information that has often been lacking in this country.

The survey also provides the business community with information on the overall health of their employees. This now has greater importance given the current health and safety legislation landscape in New Zealand.

The fourth survey was conducted between March and June 2019. Seventeen business associations including BusinessNZ regional organisations EMA, BusinessCentral, Canterbury Employers' Chamber of Commerce and Otago Southland Employers' Association, took part sending it out to a proportion of their members. In addition, BusinessNZ sent the questionnaire to a number of Major Company and Gold Group members, as well as a number of Government departments. Respondents were asked to report their absence data for the 12-month period 1 January to 31 December 2018, and to provide details of their policies and practices for managing employee attendance.

In total, 99 responses were received from entities across the private and public sectors, which was down from 109 responses in 2017. However, the respondent entities for 2019 employed 121,252 people, including 106,234 permanent staff. This was up from 93,125 and 83,994 employees respectively in 2017. The 2019 sample also

represented the highest number of employees since the survey began in 2013.

The 2019 sample represented 6.21 percent of all employees in New Zealand, up from 4.97 percent in 2017, although not quite as high as the 6.52 percent recorded in 2015. The lowest percentage result was 5.68 percent in 2013¹.

Overall, the 2019 survey represents a sizeable number of employees, both from a number and percentage perspective. By way of comparison, the most recent UK survey received 153 usable responses (representing 3.4 percent of all U.K. employees), despite its population being around 14 times larger than New Zealand's.

Notes on survey comparisons

Although the surveys took place in 2013, 2015, 2017 and 2019, the fact that respondents were asked about their absence data for 2012, 2014, 2016 and 2018 means that for the purposes of this report, comparisons between the four surveys will state 2012, 2014, 2016 and 2018 as the comparison years.

¹ Based on 1,709,000, 1,781,300, 1,874,800 and 1,953,100 filled jobs during the June 2012, 2014, 2016 and 2018 quarters respectively (Quarterly Employment Survey, StatisticsNZ).

2. Respondent demographics

Respondents by workforce size

While New Zealand has a large proportion of micro-small-sized enterprises, official data from StatisticsNZ shows that employees are typically employed by relatively large-sized businesses (figure 1).

Therefore, given the make-up of New Zealand’s enterprises by size and the types of questions asked, there was a stronger targeting of medium to large enterprises in order to cover a higher proportion of employees.

Figure 1: New Zealand workforce: Proportion of employees by organisation size (Feb 2018)

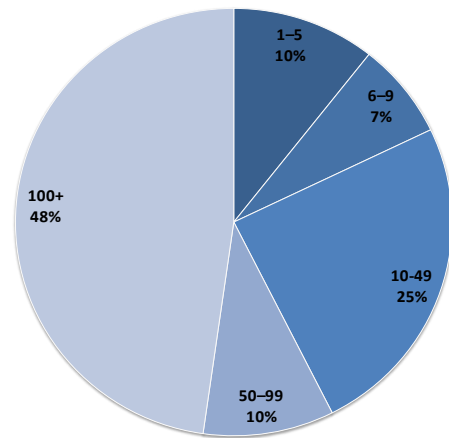


Figure 2 shows that the 2018 survey had a similar breakdown of employees to the New Zealand workforce. One point to note is that the proportion of large enterprises for 2018 (44 percent) was at its highest (compared with 43, 33 and 41 percent in 2016, 2014 and 2012 respectively). This is an important point, given any overarching hourly or monetary values between the various time periods should be treated with caution.

Figure 2: Wellness Survey: Proportion of employees by organisation size (2018)

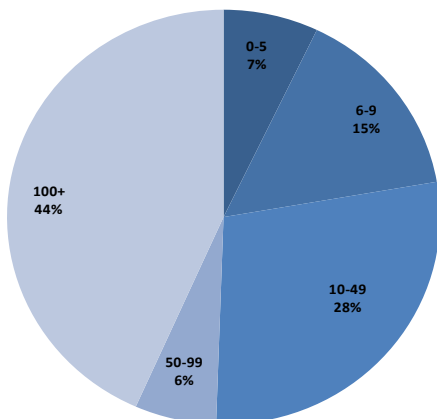


Table 1 shows the average and median number of workers by size of business that responded to the 2018 survey. While the average and median results for businesses with fewer than 50 staff were broadly similar to both 2014 and 2016, the re-inclusion of some very large employers for the 2018 results brought the average back up to 2014 levels for those with 100+ staff. The overall median number of 48 was down somewhat from 2016 as there was a higher number of micro-small-sized businesses in the 2018 dataset.

Table 1: Average and median count of employees by business size (2018)

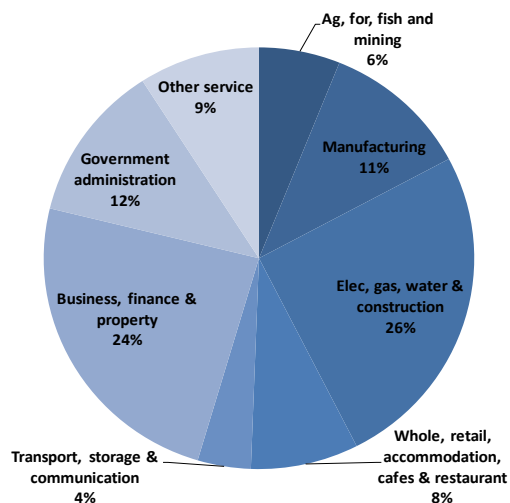
Employee Count	Number	Average	Median
1-5	7	3.9	5.0
6-9	15	7.3	7.0
10-49	28	27.5	26.5
50-99	6	69.3	70.0
100+	43	2789	1480
Fewer than 50	50	18.1	14.0
Great than 50	49	2456	1100
All	99	1225	48

Respondents by industry

Figure 3 shows that those responding to the survey continue to come from a broad range of sectors in the economy. The largest proportion was from the electricity, gas, water and construction sectors, closely followed by the business, finance and property sectors.

In addition to the 87 private sector enterprises taking part, 12 large public sector departments (down from 13 in 2016) were also targeted. The 12 public sector departments represented 26,880 staff, up from 20,604 in 2016.

Figure 3: Proportion of respondents by industry (2018)

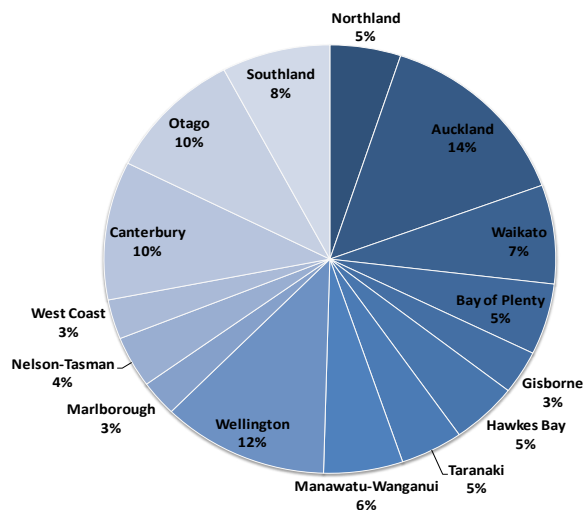


Respondents by region

As the questionnaire was again distributed by a number of regional and industry associations, responses continued to come from all parts of the country (figure 4).

Unsurprisingly, the greatest number of responses came from Auckland, although there was still good representation from the South Island and from other smaller regions.

Figure 4: Proportion of respondents by region (2018)



3. Absence rates in 2018

- The average rate of absence in 2018 was 4.7 days per employee. This compares with 4.4 days in 2016, 4.7 days in 2014 and 4.5 days in 2012.
- Absence remains higher among manual employees in large enterprises, while smaller enterprises with non-manual workers experience the lowest level of absence.
- The difference in the average number of days off between manual and non-manual workers was 0.8, which was up on the 0.6 day difference in 2016.
- When the average number of days lost is projected across the New Zealand workforce as a whole, 2018 saw 7.4 million working days lost due to absence. This is greater than in previous years that typically recorded 6.1-6.7 million working days lost.
- Average absence levels are consistently higher for public sector workers who, on average, are away 1.5-2 days more than private sector workers. However, this gap has shrunk.

Time lost to absence averaged 4.7 days per employee in 2018

Employers were asked about the average number of days of absence per employee. Survey results in [table 2](#) below show that overall absence was 4.7 days on average per employee. This was higher than 2016 (4.4), on a par with 2014 (4.7), and also higher than 2012 (4.5). It indicates that New Zealand’s overall absence rate continues to remain below five days, but clearly above four.

As in previous years, if we were to project the number of days lost on average across the New Zealand workforce as a whole, around 7.4 million days were lost to absence in 2018. While this is the highest total recorded value since the survey began, it is the increase in total employees on top of a rise in the average days lost per employee that has pushed the accumulated result higher.

Table 2: Absence levels: average days lost per employee (2018)

	Total	Private sector	Public sector
Manual	4.9	4.7	7.6
Non-manual	4.1	3.8	6.1
All	4.7	4.4	6.1

New Zealand lost around **7.4 million** working days to absence in 2018

The manual/non-manual gap

The 2018 results continue the trend seen in previous surveys and offshore results whereby manual employees record higher average levels of absence than non-manual employees. This makes intuitive sense, given the nature of manual work, especially in jobs involving work such as lifting, and provides some explanation for the higher rate of absence.

The results for 2018 (table 2) show that for manual employees, the average number of days lost per employee was 4.9, compared with 4.1 days for non-manual employees.

The 2018 results are mixed compared with previous years. While this was the second time that absences by manual workers fell below five days, these increased by 0.3 days compared with 2016. Also, absence continued to inch up higher for non-manual workers. The overall difference between manual and non-manual employees stood at 0.8 days in 2018, compared with 0.6, 1.5 and 1.2 days in 2016, 2014 and 2012 respectively. It is however much smaller than the most recent differential of 2.0 days for the latest UK findings.

Overall, the 2018 results continue to highlight the disparity between manual and non-manual workers. While the overall difference in absence rates between the two groups has largely remained unchanged since 2016, the slow but consistent increase in non-manual absence rates is something to monitor for the future.

Size of enterprise differentials

Table 3 shows average days of absence for manual/non-manual workers across those businesses with fewer or greater than 50 employees. The 2018 findings continue two consistent trends that have emerged since the Wellness survey began.

Manual workers who work in large enterprises have the highest average amount of absence per year.

Non-manual workers who are in enterprises with fewer than 50 employees have the lowest average level of absence.

As stated previously, employees in smaller enterprises are typically in a better position to be aware of how their absence may adversely affect both their work colleagues and the business as a whole. Therefore, efforts to reduce absence levels for manual workers in New Zealand's larger enterprises would go some way to bringing overall absence levels down.

It should also be noted that the total average in table 3 does not include contract workers, though they are included for the breakdown of manual/non-manual workers. This means that the total average can end up slightly beyond the range of the manual/non-manual absence rate.

Table 3: Absence by size of business (2018)

Employee Count	Average days of absence		
	Total	Manual	Non-Manual
Fewer than 50	4.2	4.2	3.5
Greater than 50	5.2	5.7	4.7

Ongoing private/public sector gap

The comparison between private and public sector absence levels in table 2 for 2018 again shows that the public sector (both central and local) has more absences than the private sector for manual, non-manual and permanent staff.

However, in terms of the overall difference between the two sectors, the 2018 results are mixed. 2018 saw the smallest differential of 1.7 days between the private and public sectors. This compares with 2.4, 2.1 and 2.3 days for 2016, 2014 and 2012 respectively. However, the drop in average days lost in the public sector was also associated with an increase in average days lost in the private sector.

4. Costs, drivers and factors around absence

Key findings

- A typical employee's absence continues to cost their employer \$600 to \$1,000 a year, with that figure closer to the \$1,000 mark in recent years.
- The direct costs of absence amounted to \$1.79 billion across the economy in 2018.
- Non-work related illness and injury remains the most widespread driver of employee absence, followed by caring for a family member or dependent due to illness or injury.
- A higher proportion of businesses are encouraging staff to stay home when sick.
- Minor illness remains the dominant cause of absence for personal reasons, with injury significantly less so.
- The majority of businesses encourage staff to take a break every day.
- The cost of health insurance remains the primary impediment to a higher take up of health insurance.

Costs of absence

Four years' worth of data suggest an absent employee typically costs their employer \$600 to \$1,000 a year

As in the previous three Wellness surveys, respondents were asked to quantify the total cost per absent employee, including the salary cost of absent individuals and replacement costs (e.g. through temporary staff or overtime worked by other employees).

Results in [table 4](#) show each absent employee costs a median total of \$1,007, a figure indicative of the cost savings to be achieved if employers can reduce the extent and duration of employee absences.

While the 2018 value is the highest recorded, it is very close to the 2016 result (\$966), and sets a new benchmark for costs compared with \$616 in 2014 and \$837 in 2012. It is also important to take into account two factors when examining this result.

First, changes in the proportion of responses from micro-small businesses means the sample of respondents' quantifiable results needs to be interpreted with care. The results are indicative, rather than substantive.

Also, a survey period going back to 2012 can now provide a time series from which conclusions can be drawn about typical costs of absence, namely that the median cost of an absent employee is around \$1,000 a year.

Table 4: Absence costs by workforce size (\$) (2018)

Employee Count	Median cost per absent employee (\$)	Total median cost by size of business (\$)
1-5	1,755	5,250
6-9	1,000	7,500
10-49	782	16,880
50-99	1,300	113,732
100+	1,545	1,800,000
Fewer than 50	822	9,000
Greater than 50	1,414	1,158,250
All	1,007	33,078

Absence costs rise above 50 staff

A consistent finding in all Wellness surveys since 2012 has been higher absence costs in larger organisations. Enterprises with more than 50 staff consistently bear higher costs per absent worker than smaller enterprises. The 2018 survey in [table 4](#) is no different. It found the average cost per absent employee is around 1.7 times greater in larger than smaller enterprises (it was more than double in 2016).

Higher wages and higher absence levels are key factors in the greater cost of absences in larger enterprises.

Costs across the economy

As in previous years, extrapolating the direct costs of absence over the entire economy provides a macroeconomic picture of the level of direct costs New Zealand faces due to absence.

For 2018, the average absence level per employee of 4.7 days amounts to a cost of around \$1.79 billion for the total economy⁵. This compares with \$1.51 billion for 2016, \$1.45 billion for 2014 and \$1.26 billion for 2012. In part, New Zealand's increasing national cost is affected by an ever increasing workforce and a natural rise in income. Any reduction or levelling out of that national cost would most likely come from a sustained decrease in average absence time lost.

Drivers of absence

Main causes of absence

Respondents were asked to list the three main causes of absence during 2018 for manual and non-manual employees.

[Figure 5](#) shows that illness (non-work related) is the most common cause of absence. Caring for an unwell family member or dependent is the second most common cause of absence. Injury (non-work related) rounds out the top three for common cause of absence. This has been a consistent finding throughout the history of the survey.

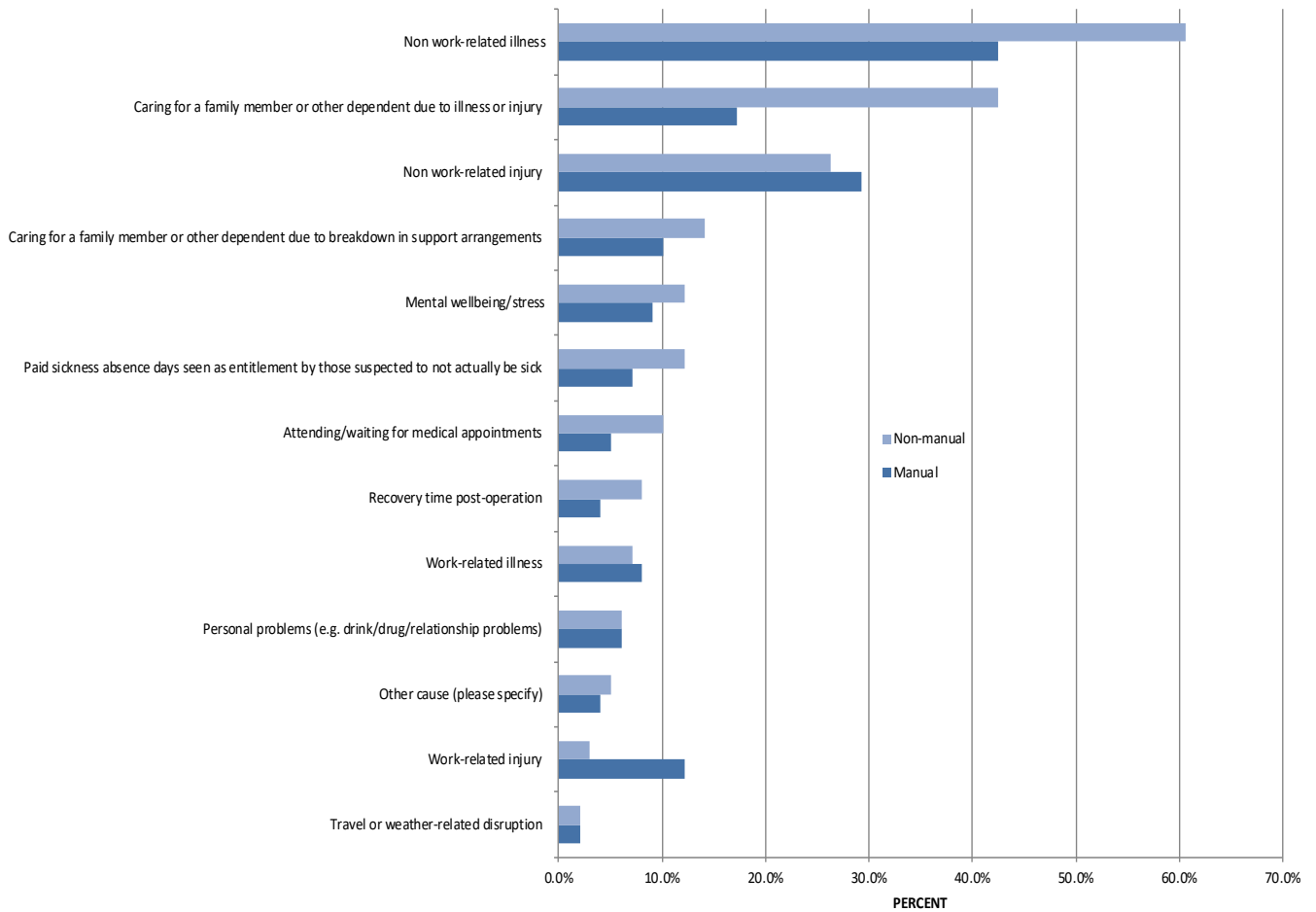
However, two other results need to be highlighted for the 2018 result. First, mental wellbeing/stress was added as a new category, and came 5th overall. Second, caring for a family member or other dependent due to breakdown in support arrangements was the big mover in 2018, rising to 4th place (7th in 2016 and second to last in 2014).

Differences between manual and non-manual occupations remain evident, with non-manual occupations showing higher absences for illness and caring for others than manual occupations.

Overall, the 2018 results echo the 2016 results where the top three reasons for absence are a more pronounced group compared with the rest. However, this does not mean that businesses should simply ignore a long tail of other causes for absence when addressing ways to improve absence levels.

⁵ Based on Quarterly Employment Survey (SNZ) average weekly earnings for FTEs at \$1,207.06 and total employed of FTEs of 1,574,600. All figures were taken from the June quarter 2018 results.

Figure 5: Main drivers of absence (2018)



Rolling sick days

For 2018, enterprises were asked for the first time what was their most common approach to sick days.

Table 5 shows that the most common approach was five days per year (rolled over if unused), with close to half (47.5 percent) of the enterprises employing this option. This was followed by more than five days per year (21.2 percent). For those that put 'Other' (14.1 percent), 10 days (typically rolled over to a set maximum) was the most common response. Interestingly, only 4 percent had unlimited leave as an option, so most enterprises still allocate a specific number of days for staff to be off sick.

Table 5: Common approach to sick days (2018)

Approach	%
Five days per year (rolled over if unused)	47.5
More than five days per year	21.2
Other	14.1
Five days per year (not rolled over if unused)	7.1
Unlimited leave	4.0
Less than five days per year (not rolled over if unused)	3.0
Don't know	3.0

Leaving getting a little easier to do

Enterprises were asked on a scale of 1 (almost never) to 5 (almost always), to what degree their staff typically turned up for work with some form of illness, when they should have stayed at home.

The mean value for 2018 was 3.11, compared with 3.36, 3.09 and 3.32 for 2016, 2014 and 2012 respectively. The median value remained at 3. [Figure 6](#) highlights two main findings. First, the proportion of staff that waver between turning up or not has been the only one that has consistently increased since the survey began. However, more encouragingly, the proportion of staff that are more likely to turn up to work despite being sick is now at its lowest point, around 35 percent in 2018 compared with the survey's highest result of 49 percent in 2012.

By size of enterprise, [table 6](#) shows that smaller-sized businesses continue to see more staff coming to work who should be at home.

As opposed to 2016, in 2018 there is not a significant difference between the private and public sector with regard to sick employees continuing to come to work. However, while the overall score has improved for the private sector, it has worsened for the public sector.

Respondents were also asked why they think their employees come in to work when they are unwell. Workload (58.6 percent) was the most common response, followed by peer role modelling (26.3 percent) and leadership role modelling (24.2 percent). Of those who put 'other' (19.2 percent), a number mentioned not wanting to let work colleagues down.

Figure 6: Degree to which staff typically turn up for work, even though they should stay home due to illness (2012, 2014, 2016 & 2018)

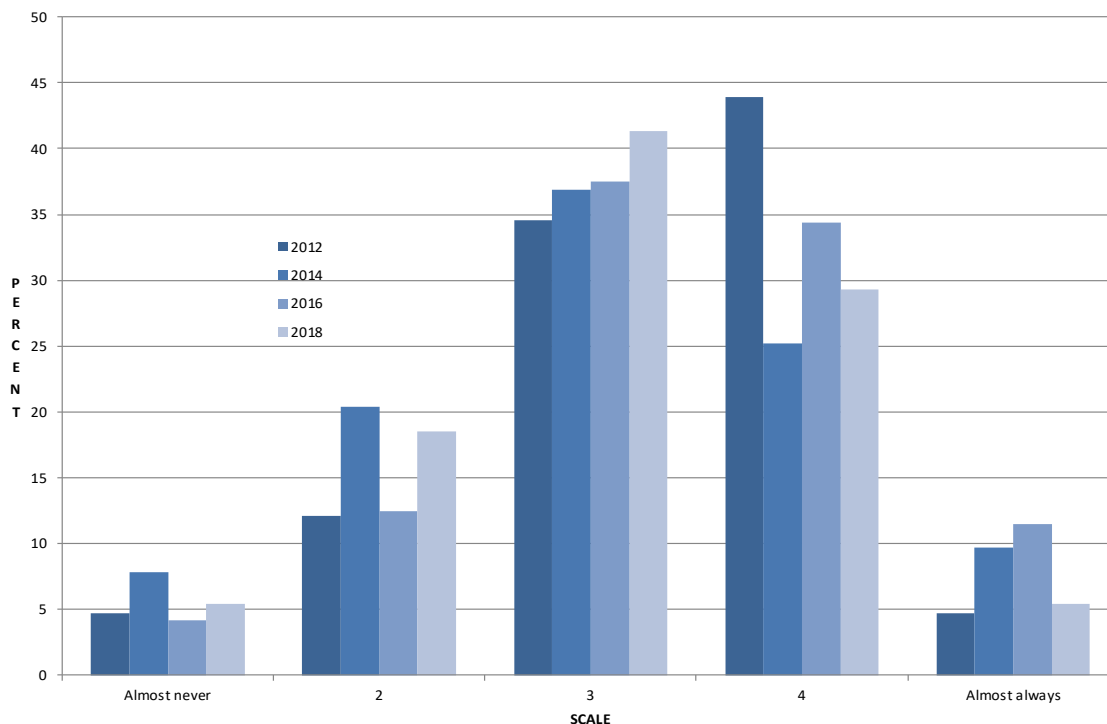


Table 6: Degree to which staff typically turn up to work even though they should stay home with some form of illness (2018)

Size of enterprise	Mean	Median
1-5	4.00	4.00
6-9	3.20	4.00
10-49	3.15	3.00
50-99	2.33	2.50
100+	3.00	3.00
<50 staff	3.29	3.00
>50 staff	2.91	3.00
Private sector	3.11	3.00
Public sector	3.13	3.00
All	3.11	3.00

A clear culture to stay home

Enterprises were again asked whether they thought the culture of their business encouraged employees to stay home when they were ill. Figure 7 shows the overall result for the four years observed, with some very encouraging findings for the most recent year. The average result increased to 4.21, compared with 3.89, 3.66 and 3.32 for 2016, 2014 and 2012 respectively. The increase in the average score from 2016 to 2018 was the largest recorded, assisted by a noticeable increase in those being transparent on this policy. We are now at the point where almost half of respondents are very clear about staying home when ill.

Combined with the fact that the overall proportion of staff turning up to work ill has also declined, the 2018 results show a greater confluence between expectation and reality.

Figure 7: Culture of respondent business encouraging employees to remain away from work if they are ill (2012, 2014, 2016 and 2018)

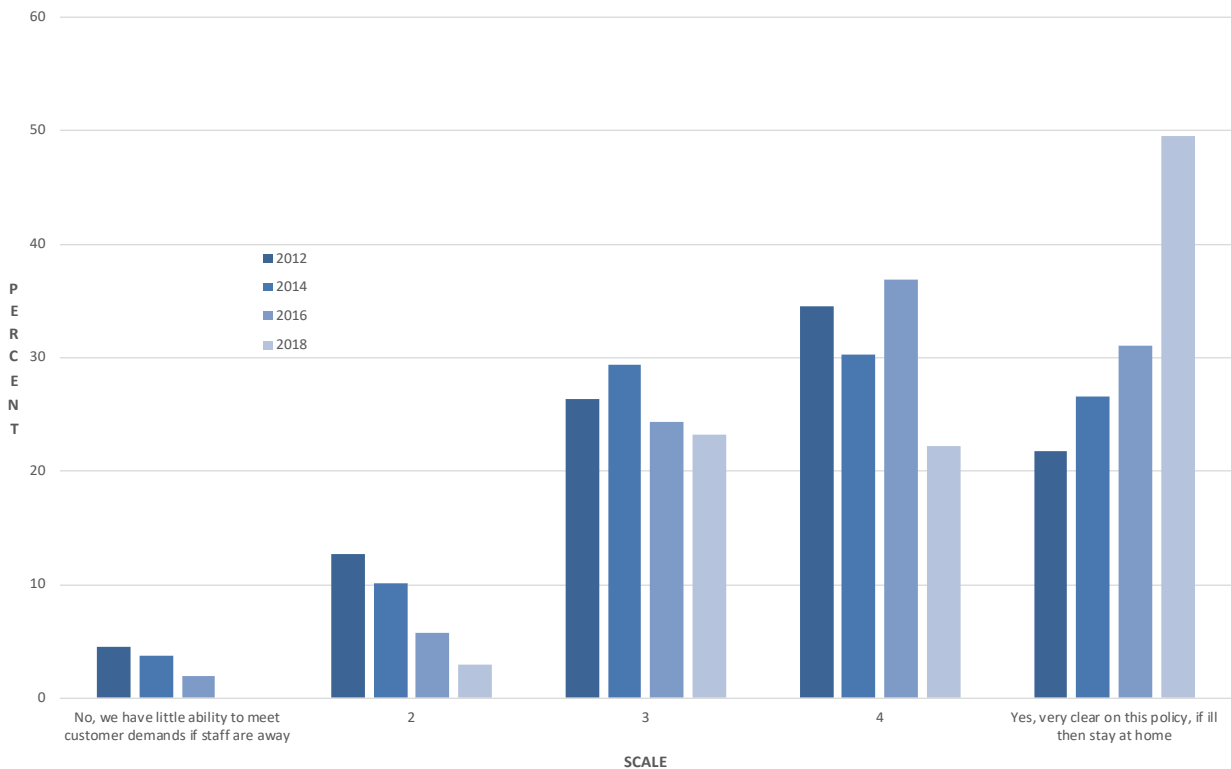


Table 7: Culture of respondent businesses encouraging employees to stay at home if they are unwell (2018)

Size of enterprise	Mean	Median
1-5	3.83	4.00
6-9	3.80	4.00
10-49	4.36	5.00
50-99	4.33	4.50
100+	4.29	5.00
<50 staff	4.12	4.00
>50 staff	4.29	5.00
Private sector	4.19	5.00
Public sector	4.33	4.50
All	4.21	5.00

Table 7 above shows that the culture of businesses encouraging employees to stay at home when unwell is evident throughout all sizes of business, albeit stronger for larger enterprises. In addition, it is good to see both the private and public sector recording values above 4 and an improvement since 2016.

Factors behind absence

Table 8 shows the most prevalent causes of absence for both 2016 and 2018. While mainly minor illnesses still clearly dominate, what is interesting about the results is the increased proportion of absence that is due to both work and non-work related anxiety/stress/depression. It is important to point out that this does not mean such illnesses are now more prevalent than in 2016. Instead, this is most likely due to organisations acknowledging such things, and sending a signal to staff that these are a legitimate cause of absence.

Table 8: Types of illness/injury that most frequently cause absence for personal reasons for manual and non-manual workers (2016 and 2018)

Type	2016 (%)	2018 (%)
Mainly minor illness (e.g. cold, flu, tummy bug, headache)	90.8	89.9
Physical pain (e.g. sore back, neck, knee, arthritis, musculoskeletal disorders etc)	27.5	38.4
Non work-related anxiety/stress/depression	14.7	27.3
Work-related anxiety/stress/depression	6.4	22.2
Injury	22.0	7.1
More major illness (e.g. heart, blood pressure, respiratory, cancer, bowel problems)	10.1	6.1
Other	1.8	1.0

The other key point to note is the drop in injury, which fell from 22.0 percent in 2016 to just 7.1 percent in 2018. In fact, injury as a most frequent cause of absence has consistently fallen down the rankings over the years, particularly for manual workers.

While the 2018 survey did not attempt to break the data down by manual and non-manual workers, the fact that the 2012 survey showed injury to contribute 31.1 percent and 26.9 percent respectively for manual and non-manual work indicates how far this has reduced in terms of importance.

Productivity and breaks

On a scale of 1-5 where 1 = almost no effect and 5 = significant impact, table 9 shows that all businesses by size say wellness impacts on the productivity of staff.

With an overall value of 3.80 for 2018, this is almost identical to the 2016 result of 3.82. In short, the wellness of staff continues to play a sizeable role in terms of the productivity of the enterprise. There is some difference in terms of impact between the private and public sector, with the latter showing a much lower impact on productivity than in 2016.

Table 9: Wellness on staff impacting on productivity of their business (2018)

Size of enterprise	Mean	Median
1-5	3.71	4.00
6-9	3.86	4.00
10-49	3.93	4.00
50-99	4.17	4.00
100+	3.65	4.00
<50 staff	3.88	4.00
>50 staff	3.72	4.00
Private sector	3.89	4.00
Public sector	3.10	3.00
All	3.80	4.00

Breaking away

Respondents were asked how much importance they placed on breaks as part of workplace wellbeing, where 1 = not at all important and 5 = extremely important. [Table 10](#) shows that overall, organisations place a very high weighting on breaks, with an average score of 4.22. Results were very consistent across size of business, although the public sector placed less importance on breaks than the private sector.

Table 10: Importance placed on breaks as part of workplace wellbeing (2018)

Size of enterprise	Mean	Median
1-5	4.14	4.00
6-9	4.14	4.50
10-49	4.33	4.00
50-99	4.20	5.00
100+	4.19	4.00
<50 staff	4.25	4.00
>50 staff	4.19	4.00
Private sector	4.27	4.00
Public sector	3.83	4.00
All	4.22	4.00

Furthermore, respondents were also asked whether they actively encourage staff to take any breaks. Close to 70 percent of organisations encouraged staff to take a break 'every day,' while 15.3 percent said 'most days'. Only 10.2 percent said 'some days'.

Overall, the two results around breaks suggest the importance of breaks and active encouragement for staff to take them every day go hand in hand.

Provision of health insurance – cost remains key

Respondents were asked what factors would prompt them to either consider providing health insurance, or if already provided to some extent, extending its provision.

[Table 11](#) shows that a decrease in the cost of health insurance was the primary factor at 56.6 percent, followed by the removal of FBT on employer-subsidised health insurance (44.4 percent) and evidence that health insurance assists in retaining staff due to perceived value as a benefit (41.4 percent).

Over the history of the survey, it is clear that the overwhelming factor that would drive increased health insurance uptake by employers is related to the cost of health insurance.

Table 11: Factors that would cause an enterprise to consider providing health insurance for their employees or, if already provided on a limited basis, extending the provision already offered (2018)

	Number	Percent
A decrease in the cost of health insurance	56	56.6
Removal of FBT on employer-subsidised health insurance	44	44.4
Evidence that it assists in retaining staff due to perceived value as a benefit	41	41.4
Evidence that it reduces absenteeism	36	36.4
It contributes to building our 'employer brand'	29	29.3
An approach by a health insurer to discuss the fundamentals of health insurance, policies, benefits and wellness programmes	14	14.1
Receiving more information and knowledge about health insurance	12	12.1
Other	12	12.1

Looking ahead

- Looking over four separate years' worth of data, overall it is encouraging to see positive moves in a number of areas relating to costs, drivers and factors associated with absence. Whereas in previous years there has been some degree of disconnect between saying one thing yet showing another, the 2018 results indicate greater consistency, with employers recognising the importance in sending the right signal to staff about legitimate absences and breaks.
- The other key point to note from the findings is the consequence for absence rates of a greater culture of staying home if unwell. A broader recognition of the main drivers of absence, along with a clear signal to stay home if unwell, should invariably lead to absence rates increasing to a certain degree. While it is perhaps too early yet to say the average absence rate rise in 2018 is evidence of this, employers need to be conscious of the fact that a lift in absence rates may be an acceptable price to pay for overall happier, healthier and more productive staff.

5. Stress, fatigue and mental health in the workplace

Key findings

- Overall stress and anxiety levels for all enterprises remain more on the moderate than the high side.
- Stress and anxiety have increased over the last two surveys, although the increase from 2016 to 2018 is minor.
- General workload remains the biggest issue for businesses of all sizes, although relationships at work are also a key factor for smaller firms.
- Relationships outside work are the key feature of non-work related stress, although the range of causes was more evident for those with fewer than 50 staff.
- Larger businesses are more likely to have practices in place to identify the mental wellbeing of staff, particularly when more formal processes can be employed across a large number of staff.
- Employee assistance programmes dominate the approach to supporting the mental wellbeing of staff, while flexible working arrangements remain a key option for smaller businesses.

Stress and fatigue in the workplace

Most western-style countries are becoming increasingly aware of health issues and the impact work and lifestyle choices can have on staff wellbeing and work performance. Many are looking for ways to deal with employee stress, fatigue and anxiety to minimise lost working time and improve overall wellbeing.

In New Zealand, recent changes to health and safety legislation have seen a fairly rapid change in mind-set towards upholding staff safety. However, safeguarding staff health has been a lesser concern, even though this is an area where much can be done in a positive and low cost fashion, particularly around stress, fatigue and anxiety.

Table 12 shows on a scale of 1 (almost never stressful for most staff) to 5 (highly stressful for most staff) the current stress/anxiety levels amongst staff. For 2018, it remains the case that the larger the business the greater the stress level, although the difference between the highest and lowest mean score has shrunk since 2016.

As with the 2016 results, the 2018 results continued to see an increase (albeit at a smaller level) in the overall score for stress/anxiety. The 2018 figure stood at

Table 12: Rating general stress/anxiety levels amongst staff (2018)

Employee Count	Stress/anxiety levels amongst staff (mean)
1-5	3.14
6-9	2.80
10-49	3.07
50-99	3.17
100+	3.18
<50	3.00
>50	3.18
Private sector	3.04
Public sector	3.42
All	3.08

3.08, compared with 3.02 in 2016 and 2.69 in 2014. Again, this is consistent with results in table 13 that showed general stress/anxiety levels increasing during 2018 for those who provided a positive or negative direction, with a net +23.5 percent of firms noting an increase, compared with +22.9 percent in 2016 and +14.3 percent in 2014. For those with 50+ staff, the

Table 13: Change in direction of general stress levels staff experienced (2018)

Option	All (%)	Fewer than 50 staff (%)	50+ staff (%)
Increased	32.7	26.0	39.6
Stayed roughly the same	54.1	64.0	43.8
Decreased	9.2	10.0	8.3
Net result	+23.5	+16.0	+31.3

net result was +31.3 percent (up from +30.5 percent in 2016), rising to +16.0 percent for fewer than 50 staff compared with +14.0 percent in 2016.

Figure 8 outlines the main causes of stress in the workplace. 'General workload' is the most stress/anxiety causing issue for businesses with either fewer than 50 or 50+ staff. However, while 'change at work' was the second most common cause of stress for businesses with 50+ staff, it was 'relationships at work' for those with fewer than 50 staff.

Figure 9 shows that for the main causes of non-work related stress, the same order of priorities was evident for the two sizes of business recorded. However, these main causes of stress tended to be more evident in those with fewer than 50 staff. Relationships outside work are a key determinant of stress, with 60.6 percent selecting this option. The only other non-work option that affected over half of all respondents was personal illness/health at 53.5 percent.

Figure 10 outlines the main practices businesses have in place to identify mental wellbeing/stress. As in previous years, larger businesses are more likely to have identification processes in place, given their ability to implement these types of structures. Also, key staff in larger organisations are less able to have a close relationship with the larger number of workers, so more formal processes are required.

What is mental wellbeing?

Mental wellbeing is a state of well-being in which the individual realises 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 his or her community.

By comparison with 2016, the 2018 data set shows the proportion of enterprises with more than 50 staff that have undertaken 'training for managers to identify and manage stress' continues to increase. In 2014 this stood at 37.3 percent, while in 2018 it has now reached 63.3 percent. Disappointingly though, for those with fewer than 50 staff, the proportion of enterprises that did not have any practices to identify stress increased to 46.0 percent in 2018, up from 36.0 percent in 2016. However, this is still not as high as the 53.2 percent recorded in 2014.

Regarding approaches to support mental wellbeing of staff in figure 11, 'employee assistance programmes' has become a dominant option for those with 50+ staff, reaching 93.9 percent in 2018, compared with 83.1 percent in 2016. Over three-quarters of larger businesses also have 'flexible working arrangements' (77.6 percent), closely followed by 'diversity and inclusion policies and practices' (71.4 percent). For those with fewer than 50 staff, 'flexible working arrangements' remains their best option at 38.0 percent, although it is pleasing to see 'employee assistance programme' edging upwards from 32 percent in 2016 to 34 percent in 2018.

Given smaller businesses have far less bandwidth to provide more formal approaches to support the mental wellbeing of staff, flexibility and a simple employee plan can often provide the best bang for their buck.

Looking ahead

- The ongoing increase in overall stress levels is one result from the 2018 findings that is an obstacle towards properly addressing stress, anxiety and fatigue in the workplace. That is not to suggest that stress levels should be close to zero as not all work stress is inherently bad. However, we need to be mindful of what an ongoing increase in stress levels means long-term, and what options can help mitigate this ongoing rise.
- Examining both the work and non-work related causes of stress, there are some key areas where steps can be taken to bring overall stress levels down. While 'workload' is the common first port of call to address, the second most common cause of stress, the 'change at work' factor, provides another opportunity to proactively reduce stress.
- While there is only so much businesses can do regarding causes of non-work related stress, even simple options around personal health and ways to address financial concerns can help mitigate ongoing rises in stress.
- Last, smaller businesses will never be able to provide the array of options larger businesses have at their disposal to try and reduce stress. Therefore, having at least something in place that directly tries to address this issue should be a priority, given the high proportion of smaller business that currently have no plan to identify mental wellbeing/stress levels.

Figure 8: Main causes of work related stress (2018)

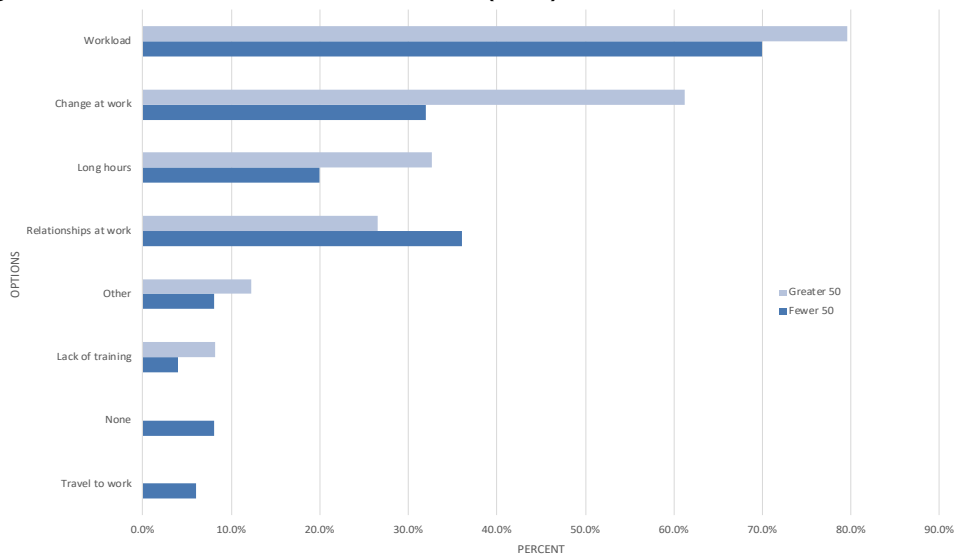


Figure 9: Main causes of non-work related stress (2018)

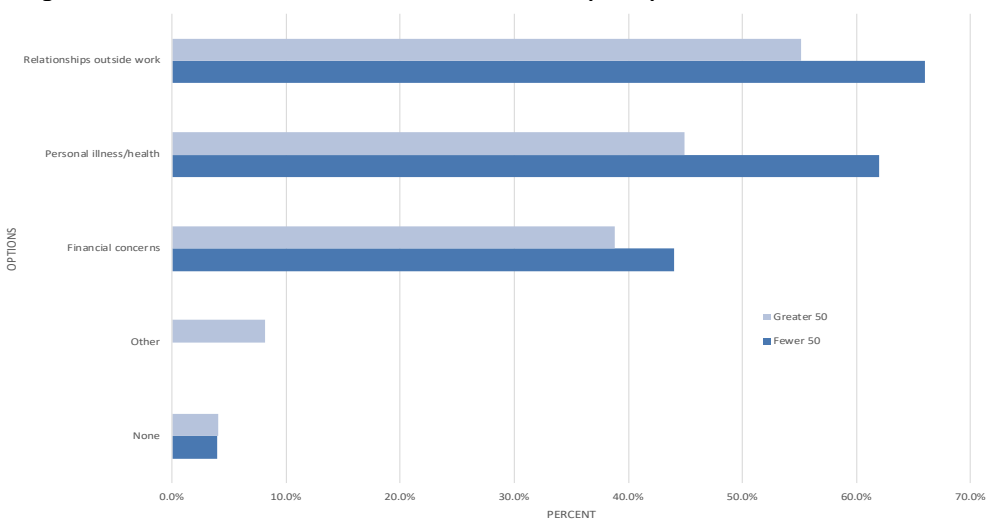


Figure 10: Practices in place to identify mental wellbeing/stress (2018)

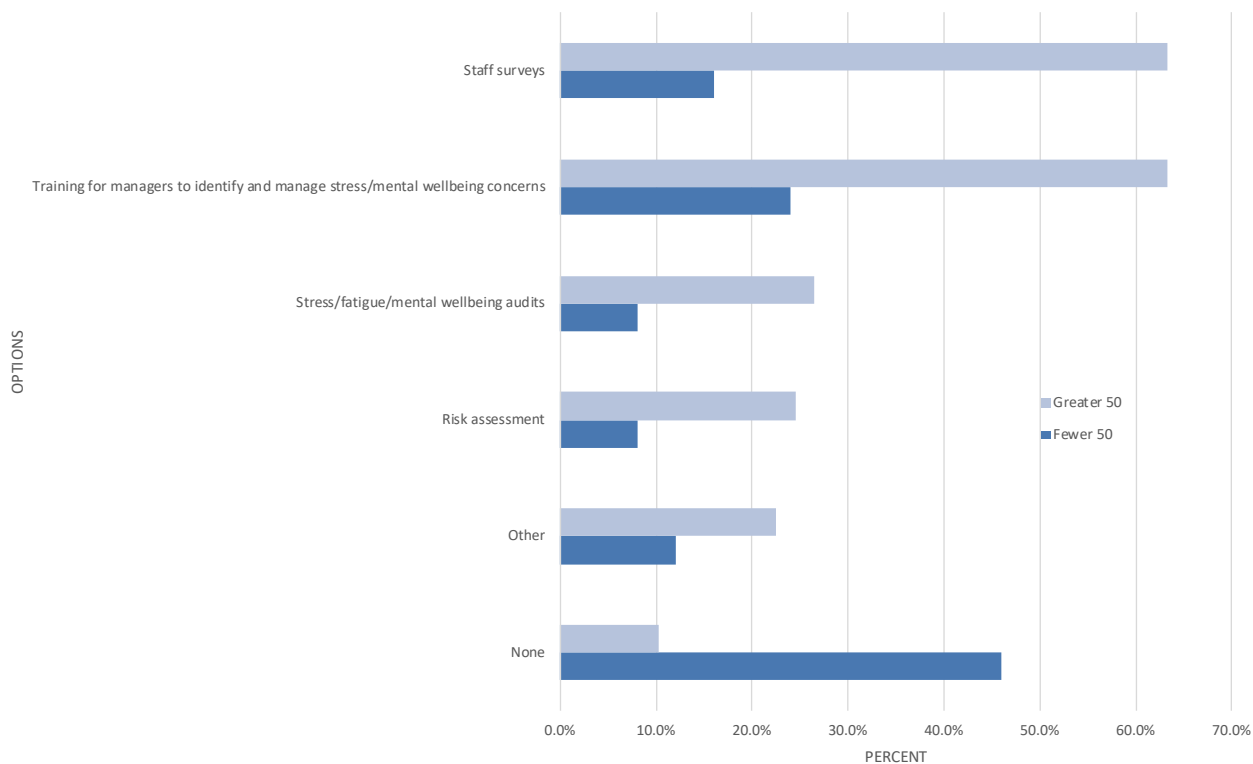
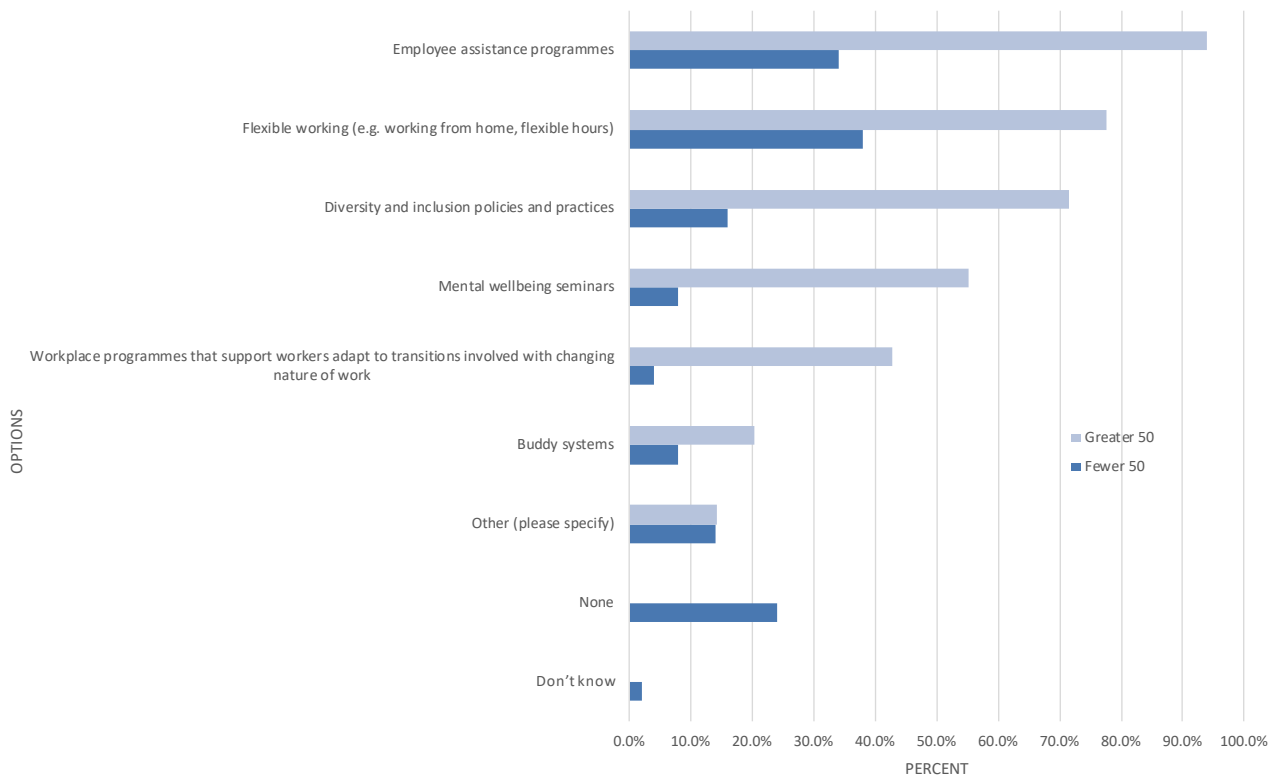


Figure 11: Approaches to support mental wellbeing of staff (2018)



6. Relationships and communication with staff

Key findings

- A smaller proportion of enterprises now take a formal approach to gathering non-work related data. However, the proportion of organisations that said 'no' also decreased.
- Employee Assistance Programmes were added to the 2018 survey as a way to improve wellbeing, and were the most prevalent choice for firms with more than 50 staff. Alternatively, education/training was the top option for those with fewer than 50 staff.
- On average, respondents spend around \$1500 per staff member annually on benefits to improve the wellbeing of staff.

Data to improve wellbeing

Enterprises typically collect a variety of work-related data on their staff, including bank account details, home address and emergency contact numbers. However, whether they have a clearly defined and coordinated approach to collecting non-work wellbeing-related information is more questionable.

Table 14 shows that in 2018, 17.2 percent of enterprises take a formal approach to gathering non-work related data. This was down from 22.9 percent in 2016 and 19.5 percent in 2014. However, on a more positive note the proportion of organisations that said 'no' decreased 1.6 percentage points, while those that chose 'sometimes' increased by 5.2 percentage points.

Table 14: Enterprises having a clearly defined and coordinated approach to collecting non-work related information of staff (2018)

Type	Yes (%)	Sometimes (%)	No (%)	Don't know (%)
<50 staff	16.0	56.0	28.0	0.0
>50 staff	18.4	36.7	36.7	8.2
Private sector	18.4	49.4	31.0	1.1
Public sector	8.3	25.0	41.7	25.0
All	17.2	46.5	32.3	4.0

When broken down by sub-sectors, the results were mixed in direct comparison with 2016. On the positive side, the proportion of private sector entities that said 'no' decreased from 34.4 percent in 2016 to 31.0 percent in 2018. However, for public sector entities it increased from 30.8 percent in 2016 to 41.7 percent in 2018. Also, while those with fewer than 50 staff generally saw an improvement, those with greater than 50 staff went backwards from 2016.

For those who have a clearly defined and coordinated approach to collecting non-work related information of staff, results were again mixed for those indicating at least some proactive approach to this. Table 15 shows that on a scale of 1-5 where 5 is 'very proactive' and 1 is 'hardly ever used', in 2018 the mean value was 2.79. While this is still on the right side of proactively using the data, it was down compared with 3.03 in 2016 and 2.92 in 2012.

Table 15: How proactive are those that collect non-work related data in improving the wellbeing of their staff (2018)

Type	Mean	Median
<50 staff	2.90	3.0
>50 staff	2.68	3.0
Private sector	2.82	3.0
Public sector	2.50	2.0
All	2.79	3.0

Benefits to improve wellbeing

Larger organisations are more likely than smaller ones to use other options alongside 'flexible hours' as part of their family friendly policies.

In terms of general benefits enterprises provide to improve the wellbeing of their staff, figure 12 shows broadly similar patterns to previous years. However, there were a number of additions to the 2018 list, which in itself indicates the broader options businesses are considering for their staff.

The 2018 survey included 'Employee Assistance Programme' for the first time, which was a popular option for those with greater than 50 staff (91.8 percent). This was followed by vaccinations (83.7 percent) and flexible hours/working from home (77.6 percent).

For those with fewer than 50 staff, the priority of options was quite different, although not unexpected. The larger the business, the more resources it can direct to various initiatives. Therefore, small businesses need to look at getting the best value for money, or choosing options that are directly related to the job at hand. To that point, education/training (64.0 percent) was the clear stand-out option for small businesses, followed by car parks (44.0 percent) and a mechanism for staff to provide input/ideas (40.0 percent).

Interestingly, of those that indicated 'other', a large proportion mentioned some form of staff social club and/or activities. This highlights the usefulness of social connections beyond standard work time in what would most likely be a more relaxed environment.

Annual spend

The 2018 survey asked respondents what they estimated their annual spend was per staff member for the benefits they provided to improve the wellbeing on staff. Table 16 shows that the overall mean cost was \$1502.

Interestingly, there was not a significant difference between those with fewer or more than 50 staff, indicating that despite the reduced options available to smaller businesses, they ensure sufficient funds are made available to maximise the wellbeing of staff.

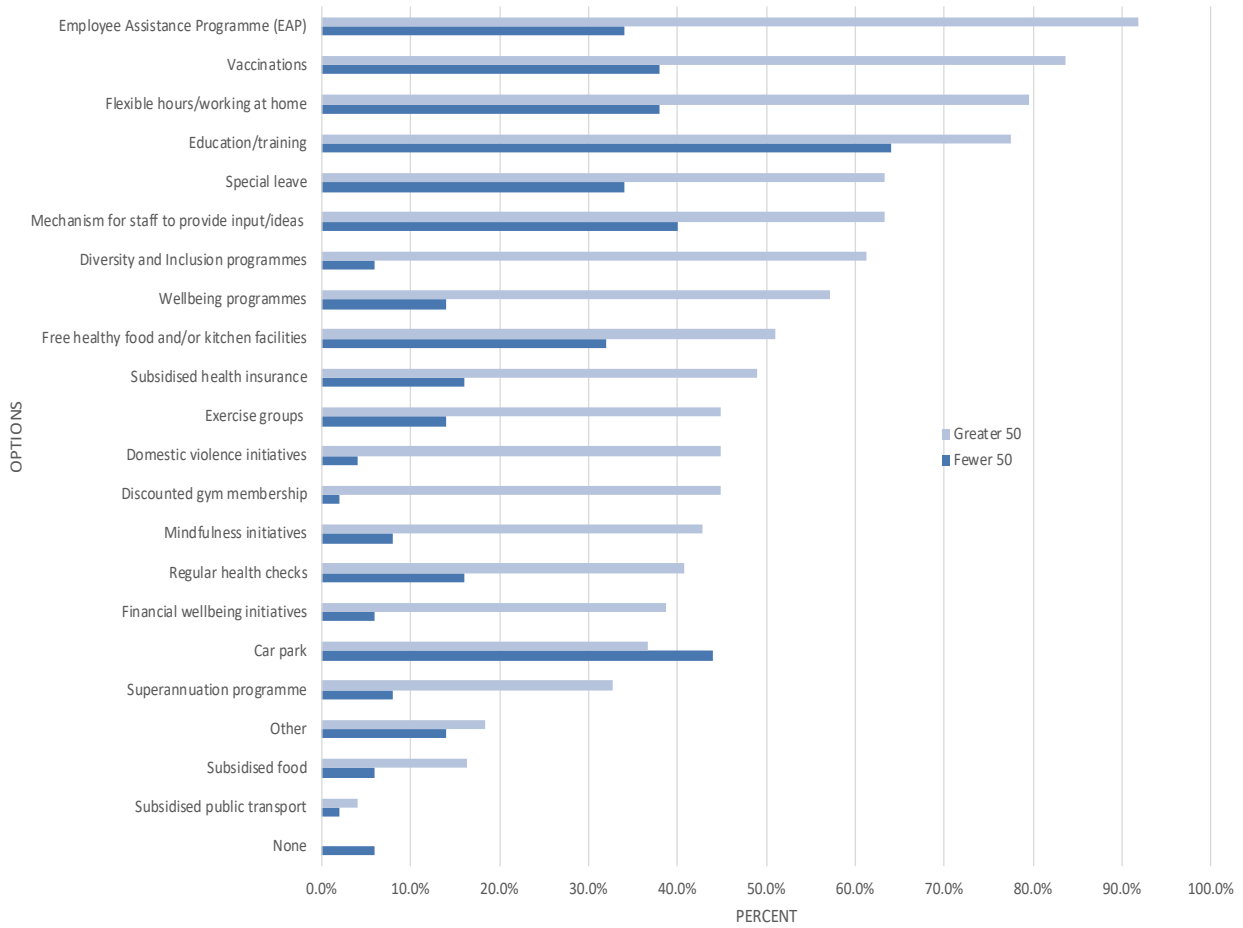
Table 16: Annual spend per staff member on benefits to improve the wellbeing of their staff (2018)

Type	Mean	Median
<50 staff	\$1550	\$606
>50 staff	\$1438	\$870
Private sector	\$1564	\$840
Public sector	\$647	\$760
All	\$1502	\$800

Looking ahead

- The mixed results apparent when it comes to enterprises having a clearly defined and coordinated approach to collecting non-work related information of staff are perhaps akin to two steps forward, one step back.
- The inclusion of 'employee assistance programme' as an option shows these are critical to improving the wellbeing of staff, particularly for larger businesses. However, as in other findings for 2018, smaller businesses do best by focussing on a smaller set of options such as education/training that is often directly related to the job at hand.
- Last, while there is not a significant difference in the annual spend between large and small businesses, the ability of smaller businesses to increase spending is obviously much less. Therefore, maximising their return is key.

Figure 12: Benefits provided to improve the wellbeing of staff (2018)





**For further information
on this survey contact:**

Stephen Summers
Economist
BusinessNZ

Level 6, JacksonStone House
3-11 Hunter Street
Wellington 6011
New Zealand

P: 04 496 6555

F: 04 496 6550

ssummers@businessnz.org.nz

www.businessnz.org.nz

© Copyright BusinessNZ 2019