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AIAVitality.com.sg



Boost your company's bottom line by investing in employees' health

Attributed to AIA Singapore

It pays to be healthy.

More specifically, it benefits a company's bottom line when employees are in good health.

"In companies with a strong culture of health, employees are three times more likely to report taking action on improving their health and achieve significantly better financial outcomes and lower employee turnover," wrote the Journal of Preventing Chronic Disease in an editorial in April 2012.¹

The Journal of Occupational and Environmental Medicine² wrote at the same time that those positive outcomes include lower medical care costs but also indirect benefits like increased employee morale, retention, and productivity.

Businesses not only stand to gain from a healthier workforce, they have an opportunity – and responsibility, some argue – to make it happen.

"The workplace has the advantage of reaching large segments of the population not exposed to and engaged in organised health improvement efforts," reported the Journal of Preventing Chronic Disease.

Benefits of a healthy workforce

In a white paper 'The impact of a healthy workforce',³ released in July 2016, leading life insurer AIA said business can minimise the impact of non-communicable diseases on their bottom line through programmes aimed at prevention, early detection, treatment and care.

Employee health programmes, especially those that encourage physical activity, have been shown to have a positive impact on the businesses that implement them.

Seven in 10 employees in Singapore perform better at work when they work out or play sports, according to a 2014 Randstad Workmonitor survey.⁴

¹ Anderko L, Roffenbender JS, Goetzel RZ, Millard F, Wildenhaus K, et al. Promoting Prevention Through the Affordable Care Act: Workplace Wellness. *Prev Chronic Dis* 2012

² Bolnick, H, Millard, F, and Dugas Jp. Medical Care Savings from Workplace Wellness Programs: What is a Realistic Savings Potential?

³ AIA Group. *The Impact of a Healthy Workforce*. Hong Kong.: GPO, 2016.

⁴ <http://www.randstadaward.com.sg/about-randstad/randstad-pressroom/healthy-lifestyle-leads-to-better-workplace-performance-for-singapore-employees>

A healthier workforce will lead to cost-savings as medical care costs will decrease. Besides lower costs, employers who have a healthier workforce, bear less of the indirect costs as a result of lower productivity.

Essentially, a healthier workforce leads to reduced stress and this can improve the morale of an organisation.

A healthier workforce also means that employees tend to enjoy better job satisfaction – especially if the enterprise plays a role in encouraging and enabling healthy lifestyles, the World Health Organisation has found.⁵

Singapore's current situation

And there is a strong case for employers to invest in employees' health and well-being, especially given the high-pressure workplace environment in Singapore today.

In Singapore the cost of work injuries and ill health was S\$10.45 billion in 2012, which was equivalent to 3.2 per cent of the country's GDP. Employers bore S\$2.31 billion of that cost, according to a 2011 Workplace Safety and Health Institute report.⁶

The indirect costs are often hard to calculate but Singapore's Health Promotion Board believes they are significant.

Director of Workplace Health and Outreach at Singapore's Health Promotion Board Sim Beng Khoo said indirect costs could refer to decreased productivity, sometimes called "presenteeism", which refers to sick employees who are present on the job but not fully functional.

The Workplace Safety and Health Institute found in 2012 that the costs related to presenteeism tend to be higher than those related to absenteeism.

"Direct healthcare costs are just the tip of the iceberg for companies," Mr Sim said.

Opportunities for companies

The scope for companies to make a positive difference to their bottom line and the nation's economy at large through wellness has long been recognised by the insurance industry.

Director of health and corporate wellness at global risk management advisory Willis Towers Watson Rajeshree Parekh said employers should recognise that a lack of physical activity, poor nutrition and inadequate sleep were strongly linked with obesity and stress.⁷

The rate of diabetes is increasing rapidly across the world yet physical activity could reverse the trend.

Professor Chia Kee Seng, dean of the Saw Swee Hock School of Public Health in Singapore, has projected that 34 per cent of young Singaporeans (aged 24 to 35) can expect to be diabetic by the time they reach 65.⁸

He told The Straits Times in February that obesity has been rising, which he attributed that to a "big drop in physical activity" when people start working.

⁵ http://www.who.int/occupational_health/topics/workplace/en/index1.html

⁶ <https://www.duke-nus.edu.sg/care/wp-content/uploads/Workplace-health-promotion-Sim-Beng-Khoon.pdf>

⁷ <http://www.straitstimes.com/singapore/manpower/stress-and-lack-of-physical-activity-are-top-health-issues-for-workers-say>

⁸ <http://www.straitstimes.com/singapore/health/rising-obesity-among-young-set-to-worsen-diabetes-rate>



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The bottom line

There is a clear link between health and productivity, and AIA Singapore believes that employers are well-placed to play a more pro-active role to create a healthier workforce and boost productivity levels which have been stagnating for far too long.

Companies with wellness programmes in the United States on average reduced health care costs by 26 per cent and reduced absenteeism by 27 per cent, according to the Journal of Preventing Chronic Disease.⁹

Employees on Vitality, a leading full-scale wellness programme, also have a decreased number of sick days year-on-year.

However, Singapore is lagging behind global counterparts.

Willis Towers Watson found many current plans offered by Singapore employers had limited effectiveness and were not tracked properly. Willis Towers Watson conducted a study Staying @ Work to evaluate employers' commitment to their employees' health.

The survey¹⁰ found that only 6 per cent of Singaporean companies measured the impact of such programs on an ongoing basis. This is compared to 39 per cent in the United States and 22 per cent globally.

According to AIA Singapore, the best wellness programmes do not focus on just physical activity. They also encourage employees to eat healthy food as well as encourage them to go for health screenings.

Wellness programmes should also understand the health of the organisation before setting targets. They should not adopt a one-size-fits-all approach.

The AIA Vitality programme recommends a holistic approach toward wellness, focusing on helping people get healthier by giving them the tools, knowledge, access and incentives to improve their health. Employees earn "AIA Vitality points" by doing healthy activities like going to the gym or walking. The programme even rewards its members who buy healthier ingredients from Cold Storage.

With meagre increases in Singapore's productivity levels over the past years, and a demographic shift that is likely to put a strain on manpower needs here, are companies here finally ready to take a greater responsibility in the health of the local workforce to ensure the long-term viability and growth of their business?

- The End -

⁹ Anderko L, Roffenbender JS, Goetzel RZ, Millard F, Wildenhaus K, et al. Promoting Prevention Through the Affordable Care Act: Workplace Wellness. *Prev Chronic Dis* 2012

¹⁰ Willis Towers Watson. *Employee Health and Business Success: Insights from the 2015/2016 Staying@Work Survey – Asia Pacific*. 2016