

## Key findings

- Promoting the health of workers benefits workers, employers and taxpayers. For example, obesity makes people sick, and treating obesity-related diseases is costly to health systems. But it is also costly to employers – the productivity losses associated with obesity-related diseases are equivalent to 54 million fewer full-time workers across 52 OECD, European Union and G20 countries, which is similar to the number of employed people in Mexico.
- **A growing number of companies are implementing health promotion programmes.** An OECD analysis of the 2020 Workforce Disclosure Initiative data shows more than two-thirds (68%) of participating companies offered mental health and stress programmes, although the data do not report the uptake by or experiences of employees. In addition, European data show an increase in the proportion of companies that reported having measures raising awareness of nutrition among employees, from 28% in 2014 to 32% in 2019.
- **Workplace health promotion programmes are worth the investment.** Scaling up workplace sedentary behaviour programmes, for example, could improve employment and productivity equivalent to an increase of 37 000 workers per year in 30 OECD countries, with a positive economic return of USD 4 for each USD 1 invested.
- **Governments have a range of policy levers they can use to support employers in promoting health and well-being in the workplace,** as identified in an analysis of ten countries, including G7 countries and OECD countries in the Asia/Pacific region. These include:
  - **Workplace regulations,** covering areas such as working hours and smoking in the workplace.
  - **Financial incentives** such as accident insurance premium variation, tax credits and subsidies.
  - **Dissemination of information and guidance** developed together with other stakeholders.
  - **Certification and award schemes,** such as Japan's Health & Productivity Management Programme, providing reputational benefits and placing the spotlight on employers implementing best practices. Measures targeted at supporting small and medium-sized enterprises are particularly important as they employ a large proportion of workers in OECD countries.
- **Government efforts can be amplified by attracting environmental, social and governance (ESG) investments towards health-promoting companies.** Such investments may also be profitable for investors themselves. In the United States, between 2001 and 2014, the stock value of companies awarded for their workplace health programmes appreciated up to three times more than the group of companies comprising the Standard & Poor's 500 Index. The challenge is to promote the use of standardised indicators in disclosure mechanisms to allow investors to differentiate between companies that effectively promote employee health and well-being and those that do not.

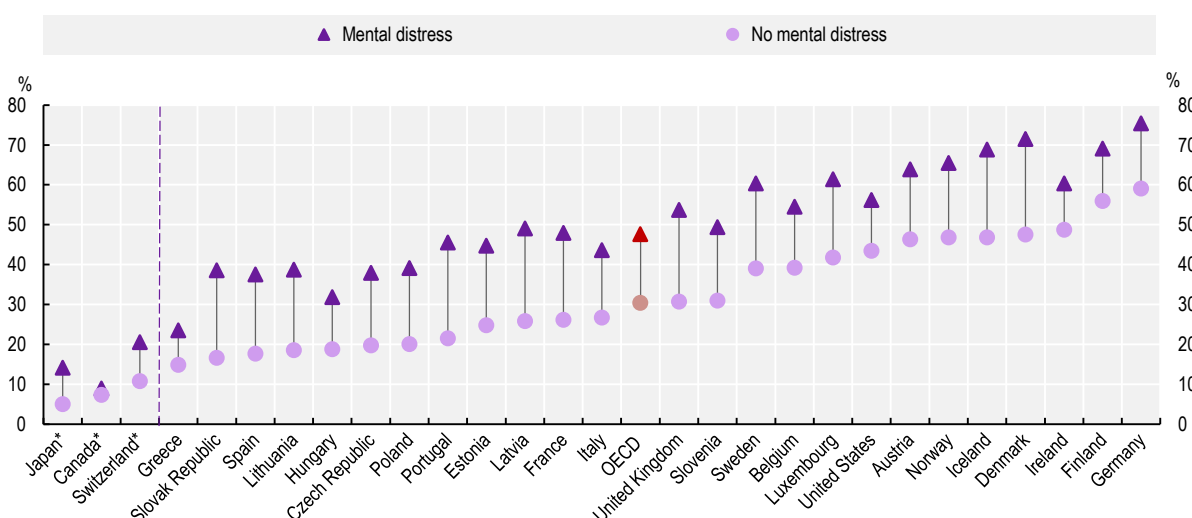
**Promoting good health and well-being among workers, on top of preventing occupational hazards, is an essential public health objective and the foundation of a productive workforce.** As populations across OECD countries age and face an increasing burden of unhealthy lifestyles and non-communicable diseases (NCDs) such as cardiovascular diseases, diabetes, cancers and mental health conditions, it is increasingly important to promote healthier lifestyles. Workplaces are an ideal location to spread and implement health promotion and well-being activities given that adults spend a large portion of their lives at work. However, while employers have long had statutory requirements to protect workers against occupational risks, the implementation of health-promoting workplace-based programmes is much more limited and largely remains concentrated among large companies. The benefits of workplace-based actions to promote health are also greater for society-at-large, given that the economic costs of poor health include reduced workforce productivity, pressures on the social security system and increased health care expenditure. Governments therefore have an important rationale in supporting the **inclusion of active health promotion at work in the existing framework for occupational health and safety**. The role of government becomes even more important in the case of small and medium-sized enterprises (SMEs) that, on their own, may not have the resource to implement such policies.

### **The rise of unhealthy lifestyles and related chronic diseases poses a threat to the health and productivity of workers**

Major risk factors for NCDs, such as overweight and obesity, smoking, harmful alcohol use, and stress, are widespread in the adult population. For instance, two in five full-time employees (42%) reported being stressed in OECD countries in 2017-19 (Gallup Analytics, 2021<sup>[1]</sup>), and such high levels of stress are a leading risk factor for mental health conditions, cardiovascular diseases and musculoskeletal disorders. Long COVID-19 symptoms add to the burden of long-standing illnesses and affect about 10% of people infected by COVID-19 (Rajan et al., 2021<sup>[2]</sup>). Inequalities in health across population groups also persist. Women and individuals with lower education tend to report more NCDs than men and individuals with higher education, respectively. **People with unhealthy lifestyles and NCDs are limited in their daily activities, and have a lower probability of being in work and lower productivity when at work.** For instance, workers with mental distress were 56% more likely to be absent from work than those with no mental distress, on average across OECD countries (Figure 1). Women with obesity are 68% more likely to miss work than women with a healthy weight. The productivity losses associated with obesity-related diseases are equivalent to 54 million fewer full-time workers across 52 OECD, EU and G20 countries, which is similar to the number of employed people in Mexico (OECD, 2019<sup>[3]</sup>). The productivity losses due to NCD-related presenteeism tend to be two to three times higher than that of absenteeism in 12 OECD and G20 countries (Rasmussen, Sweeny and Sheehan, 2016<sup>[4]</sup>).

**Figure 1. Sickness absence among people with and without mental distress**

Share of workers who have been absent from work at least once over the past 12 months, by mental health status, 2012-16



\* Data for Japan and Switzerland use a reporting period of four weeks; Canada uses a reporting period of one week.

Source: OECD (2021<sup>[5]</sup>), *Fitter Minds, Fitter Jobs: From Awareness to Change in Integrated Mental Health, Skills and Work Policies*, <https://doi.org/10.1787/a0815d0f-en>; analyses based on National Surveys.

## Workplaces offer opportunities for promoting healthy lifestyles and preventing chronic diseases and mental health conditions among employees

**Workplace health promotion brings benefits to both employees and employers.** Employers who implement workplace health and well-being programmes can reduce health care spending, decrease sickness absenteeism and increase work productivity. For instance, based on OECD modelling analyses, scaling up programmes to address sedentary behaviours and promote physical activity at work could improve employment and productivity – by the equivalent of having an increase of 37 000 workers per year in 30 OECD countries – with a positive economic return of USD 4 for each dollar invested (OECD, 2019<sup>[3]</sup>). Promoting employee health and well-being also strengthens corporate image, which helps to recruit and retain talent, and increases employee satisfaction and work engagement. One major challenge with workplace health promotion is that around two-thirds of workers in OECD countries are in SMEs, yet at the same time, SMEs are less likely to be able to implement workplace health programmes due to high cost, limited human resources, and insufficient knowledge of health promotion.

**Integrated into the prevention of occupational risks, workplace health promotion programmes usually offer support for various risk factors for NCDs.** An OECD analysis of the 2020 Workforce Disclosure Initiative survey data shows that 68% of the participating companies reported offering stress and mental health programmes, although this does not provide information on employee uptake or perceptions of such programmes. Eighty percent reported adopting actions to widen health-related choices of individuals, such as offering healthier food options in cafeteria or offering addiction management programmes. The data also show how companies adapted their responses to ensure health and safety at work during the COVID-19 crisis, including in particular, mental health support, measures to limit the propagation of the virus, such as enabling teleworking, and enhancing hygiene and financial support, such as salary guarantees. Besides, a growing number of companies is implementing health promotion programmes across European countries. For instance, according to the European Survey of Enterprises on New and Emerging Risks, 32% of the respondent companies reported they implemented measures raising awareness of nutrition among employees in 2019, compared to 28% in 2014 (ESENER, 2019<sup>[6]</sup>).

## Governments have many levers to support employers to promote health and well-being at work

Labour and workplace legislation and health system characteristics set the foundation for the range of policy levers available to governments to promote health at work (Figure 2). The policy levers identified in a review of the G7 countries and three other Asian Pacific OECD countries (Australia, Korea and New Zealand) include (i) regulation, (ii) financial incentives, (iii) dissemination of information, and (iv) certification and award schemes. There is a range of stakeholders involved in health promotion at work in addition to policy makers, including occupational health professionals, insurance institutions, employers, employees, trade unions and social partners.

Figure 2. Determinants of health and well-being promotion through work



**Labour and workplace regulations** set minimum standards in terms of health, safety and well-being at work, and feature prominently in efforts to prevent long working hours, limit smoking, and ensure employer responsibility for addressing sick leave. Most of the ten countries studied set maximum working hours and mandate employer-paid sick leave, whereas other regulatory measures – such as health check requirements and measures to control workplace alcohol consumption – are less common and typically confined to specific jobs and sectors. While almost all countries place some restrictions on smoking in the workplace, only three have a comprehensive ban that applies across the country.

**Financial incentives** can take various forms, including accident insurance premiums, tax credits and subsidies. Whereas accident insurance-based incentives were identified in all the ten countries studied, tax credits and subsidies and grants were identified in half or less of the ten countries.

- **Employers with a better record of ensuring worker health and safety can benefit from accident insurance premium reductions.** In Italy, the National Institute for Insurance against Accidents at Work (INAIL) provides a reduction in the insurance premium for employers participating in a programme to promote health in the workplace through measures such as healthy diets, and subsidies for projects to promote health and safety in the workplace (2022<sup>[7]</sup>).

- **Corporate tax credits incentivise employers to invest in workplace health and well-being.** In Germany, employers can receive a tax exemption for expenditures up to EUR 600 (USD 710) per employee per year to promote health at the workplace, with measures eligible including programmes to promote healthy diets, physical activity, stress management and addiction treatment (Federal Ministry of Health, 2022<sup>[8]</sup>).
- **Subsidies for employers to promote health and well-being at work are targeted more often at SMEs than large companies.** In Japan, subsidies are available for SMEs implementing a Mental Health Promotion Plan and for those ensuring employees with health conditions can balance their work with accessing medical treatments and support (Japan Organisation of Occupational Health and Safety, 2021<sup>[9]</sup>).

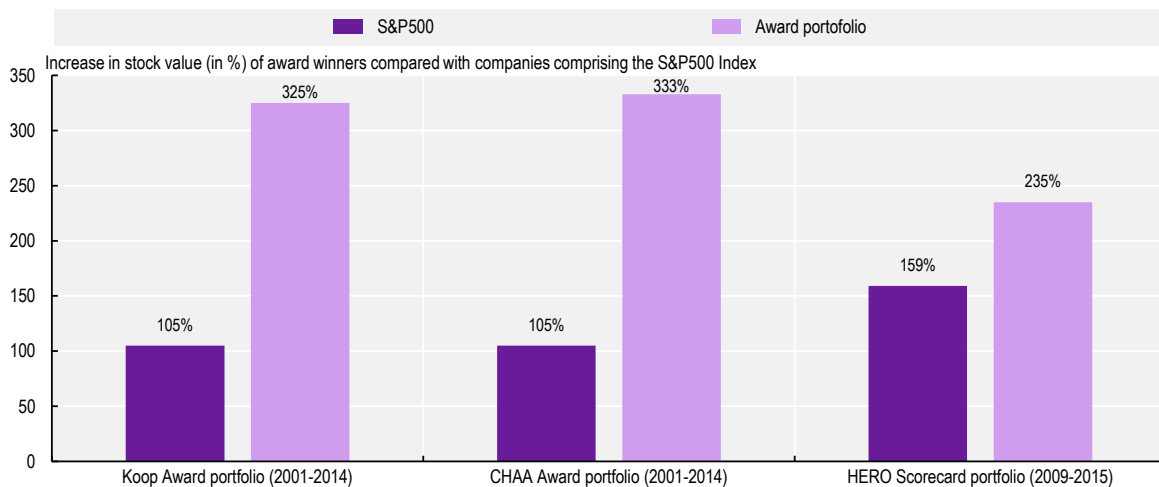
**Dissemination of information, tools and guidance** developed together with other stakeholders, such as charities, trade unions and employer associations, facilitates the promotion of health and well-being at the workplace. It increases awareness – especially for stigmatised health issues such as mental health-related issues – and understanding among employers and managers of effective measures. Government-developed tools for employers to diagnose gaps in their workplace health programmes exist in France, Germany, the United Kingdom and the United States. Guidance related to COVID-19 has also been widely disseminated to employers, typically related to sanitary measures, ventilation, teleworking, facilitation of sick leave and self-isolation.

**Certification and award schemes incentivise employers to support health and well-being of the workers** by providing reputational benefits for employers that excel at promoting health and well-being in the workplace. The Health and Productivity Management Programme in Japan is a particularly large-scale certification and award scheme, covering more than 80% of the largest publicly-owned companies in the Nikkei 225 (Ministry of Economy Trade and Industry of Japan, 2021<sup>[10]</sup>). Similar schemes exist in other countries, although these tend to be smaller in scale and limited to an exclusive number of organisations.

## Companies promoting employee health and well-being are of interest from investors that prioritise environmental, social and governance (ESG) aspects

**Government efforts to promote health and well-being at work can be amplified by attracting investment towards health-promoting companies.** From an investor perspective, investing in companies that promote health and well-being ensures that investments are socially responsible and aligned with ESG considerations. Such practices may also be financially profitable, not least as employee health and well-being is an important component of human capital. In the United States, between 2001 and 2014, the combined stock value of companies awarded for their workplace health programmes appreciated up to three times more than the stock value of the group companies comprising the Standard & Poor's 500 Index (Figure 3). Evidence in Japan also suggests that companies chosen for Stock Selection by the Health and Productivity Management Programme perform better on the Tokyo Stock Exchange.

**Figure 3. Companies receiving awards for their workplace health programmes have seen a greater increase in their stock value compared to companies in the S&P 500**



Note: The S&P 500 refers to companies comprising the Standard and Poor's 500 Index. CHAA Corporate Health Achievement Award. HERO Health Enhancement Research Organization.

Source: Goetzel et al. (2016<sup>[11]</sup>), "The Stock Performance of C. Everett Koop Award Winners Compared With the Standard & Poor's 500 Index", <https://doi.org/10.1097/JOM.0000000000000632>; Grossmeier et al. (2016<sup>[12]</sup>), "Linking workplace health promotion best practices and organizational financial performance: Tracking market performance of companies with highest scores on the HERO Scorecard", <https://doi.org/10.1097/10.1097/JOM.0000000000000631>; Fabius et al. (2016<sup>[13]</sup>), "Tracking the Market performance of companies that integrate a culture of health and safety: An assessment of corporate health achievement award applicants", <https://doi.org/10.1097/JOM.0000000000000638>.

**Supporting ESG investments can create a virtuous cycle**, where the incentive for companies to promote employee health and well-being is amplified (Figure 4). This is because a company that promotes the health and well-being of employees is rewarded not only with a healthier workforce, but also with an increased likelihood of receiving investment. A key limitation to unlocking this virtuous cycle is the lack of comparable information on health and well-being at work that would allow investors to differentiate between companies that effectively promote the health and well-being of their employees and those that do not.

Figure 4. Facilitating investment in health-promoting companies can activate a virtuous cycle



**Governments and other stakeholders are closing this gap** through regulatory changes that require companies to report information on health and well-being programmes (e.g. the Workforce Investment Disclosure Act which has been introduced to the US Senate, but not yet passed) and through **voluntary initiatives** supporting information disclosure (e.g. the Workforce Disclosure Initiative, which is led by a charity in the United Kingdom and targets companies worldwide). **Standard-setting initiatives**, such as the Global Reporting Initiative, also play an important role in harmonising and standardising the disclosure mechanisms on health and well-being promotion in workplaces across countries and companies.

## References

- ESENER (2019), *OSH Management / Measures for health promotion among employees*, [6]  
[https://visualisation.osha.europa.eu/esener/en/survey/comparisons/2019/osh-management/en\\_1/company-size/E3Q157\\_1/EU27\\_2020/1](https://visualisation.osha.europa.eu/esener/en/survey/comparisons/2019/osh-management/en_1/company-size/E3Q157_1/EU27_2020/1) (accessed on 31 August 2022).
- Fabius, R. et al. (2016), “Tracking the Market performance of companies that integrate a culture of health and safety: An assessment of corporate health achievement award applicants”, [13]  
*Journal of Occupational and Environmental Medicine*, Vol. 58/1,  
<https://doi.org/10.1097/JOM.0000000000000638>.
- Federal Ministry of Health (2022), *Workplace health promotion: tax benefits [Betriebliche Gesundheitsförderung: Steuerliche Vorteile]*, [8]  
<https://www.bundesgesundheitsministerium.de/themen/praevention/betriebliche-gesundheitsfoerderung/steuerliche-vorteile.html> (accessed on 28 March 2022).
- Gallup Analytics (2021), *World Poll Gallup data*. [1]
- Goetzel, R. et al. (2016), “The Stock Performance of C. Everett Koop Award Winners Compared With the Standard & Poor’s 500 Index”, *Journal of occupational and environmental medicine*, Vol. 58/1, pp. 9-15, <https://doi.org/10.1097/JOM.0000000000000632>. [11]

- Grossmeier, J. et al. (2016), “Linking workplace health promotion best practices and organizational financial performance: Tracking market performance of companies with highest scores on the HERO Scorecard”, *Journal of Occupational and Environmental Medicine*, Vol. 58/1, <https://doi.org/10.1097/JOM.0000000000000631>. [12]
- Japan Organisation of Occupational Health and Safety (2021), *2021 occupational safety and health grants [Reiwa 3-nendo-ban sangyō hoken kankei josei-kin]*, <https://www.johas.go.jp/sangyouhoken/tabid/1944/Default.aspx> (accessed on 28 March 2022). [9]
- Ministry of Economy Trade and Industry of Japan (2021), *Enhancing Health and Productivity Management Programme [Kenkō keiei no suishin ni tsuite]*. [10]
- National Institute for Insurance against Accidents at Work - INAIL (2022), *National Institute for Insurance against Accidents at Work [Oscillazione del tasso per prevenzione]*, <https://www.inail.it/cs/internet/attivita/assicurazione/premio-assicurativo/oscillazione-del-tasso/oscillazione-del-tasso-per-prevenzione.html> (accessed on 10 February 2022). [7]
- OECD (2021), *Fitter Minds, Fitter Jobs: From Awareness to Change in Integrated Mental Health, Skills and Work Policies*, Mental Health and Work, OECD Publishing, Paris, <https://doi.org/10.1787/a0815d0f-en>. [5]
- OECD (2019), *The Heavy Burden of Obesity: The Economics of Prevention*, OECD Health Policy Studies, OECD Publishing, Paris, <https://doi.org/10.1787/67450d67-en>. [3]
- Rajan, S. et al. (2021), *In the wake of the pandemic Preparing for Long COVID*, WHO, Copenhagen, <https://apps.who.int/iris/bitstream/handle/10665/339629/Policy-brief-39-1997-8073-eng.pdf> (accessed on 19 April 2022). [2]
- Rasmussen, B., K. Sweeny and P. Sheehan (2016), *HEALTH AND THE ECONOMY The Impact of Wellness on Workforce Productivity in Global Markets*, U.S. Chamber of commerce, [https://www.uschamber.com/assets/archived/images/documents/files/global\\_initiative\\_on\\_health\\_and\\_the\\_economy\\_report.pdf](https://www.uschamber.com/assets/archived/images/documents/files/global_initiative_on_health_and_the_economy_report.pdf) (accessed on 17 March 2022). [4]

## Contact

Marion DEVAUX (✉ [marion.devaux@oecd.org](mailto:marion.devaux@oecd.org))

Michele CECCHINI (✉ [michele.cecchini@oecd.org](mailto:michele.cecchini@oecd.org))

For more information on this topic, see OECD (2022), *Promoting Health and Well-being at Work*, OECD Health Policy Studies, OECD Publishing, Paris, <https://doi.org/10.1787/e179b2a5-en>.

---

This policy brief should not be reported as representing the official views of the OECD or of its member countries. The opinions expressed and arguments employed are those of the authors.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.