

Culture of Health – Part 1

- a new imperative for business.

A part of my job is to translate health into a financial language, and people often ask me if health gives a return on investment (ROI). The answer is yes, and we see that e.g. the share price of companies who focus on health as a part of their corporate strategy exceeds the overall S&P. Hence, focusing on health might create the competitive advantage needed in this increasingly pressured market. But you might still be wondering.....what exactly is the ROI of health?

This is very well explained by Michael Critelli, former CEO of Pitney Bowes:

“There are multiple reasons why a healthy employee produces an ROI. If you're a self-insured employer, you get the benefit of reduced health care costs. You get the benefit of reduced worker's compensation costs, reduced disability costs, both short and long term, reduced absenteeism, reduced presenteeism, which is the lack of productivity of an employee whose health is impaired, better work quality from employees that are alert on the job, better loyalty. If you treat people with respect and dignity, they will stay longer and work harder for a company that attends to their health. And better ability to recruit and retain people”
(Harvard Chan School of Public Health and Harvard Business School, 2018).

But even though organisations are starting to acknowledge the importance of health in an organisational context and that supporting physiological and psychological wellbeing is vital, they need to increase both knowledge and understanding in order to successfully develop and support a good and consistent culture within their respective organisation. The key to this seems to be to introduce organisational leaders to a “Culture of health”. This can be defined as a culture that promotes physiological and psychological health and well-being for all, where both individuals and businesses are encouraged to make healthy life choices for themselves within a supportive and energising environment (Harvard Chan School of Public Health and Harvard Business School, 2018). One could therefore argue that the adoption and development of a culture of health is vital to stay vibrant and competitive in the current climate – especially in these unprecedented times.

Nevertheless, many of today’s organisations are experiencing a growing imbalance and disparity within the different levels of the organisation, where health is a vital dimension of this organisational disparity. Hence, adopting a “Culture of Health” will allow for a more integrated approach to be put into motion, leaving health at the fore front of organisational life. Looking at this it becomes quite clear that leaders of today need to take both individual and organisational health seriously and understand that health is a crucial element of business strategy. For consumers, employees, communities and environments. Research shows that high sustainability companies perform much better than their competitors when looking at long-term operations. These businesses report on performance to their respective boards as an important part of their corporate governance, and the share price of companies that focus on health exceeds the overall S&P on all tests. (Harvard Chan School of Public Health and Harvard Business School, 2018). This means that the ROI (Return on investment) will be significant, from including health as a part of business and corporate strategy.

Sources

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