Why Worker Wellbeing matters in Aged Care

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Overview of Presentation

• Despite having one of highest life expectancies in world, Australia has a growing challenge to health and wellbeing because of chronic disease.

• Increased health risk behaviours directly associated with this growth. These behaviours can be changed.

• Workplaces have a critical role to play in health promotion.
Overview of Presentation

• Chronic disease usually manifests in middle and older years. But is result of earlier lifestyle choices.

• Aged care workforce is ageing and ill health negatively affects ability to work.

• Most older workers, especially in aged care, cannot afford to retire. Therefore, it is critical that chronic ill health does not force premature retirement.
Chronic disease in Australia

• Chronic disease is the leading cause of illness, disability and death in Australia (AIHW 2014).

• Growing in parallel with increased risk behaviours, particularly, poor diet, insufficient physical exercise, and excessive alcohol consumption.

• 63% of Australian adults are overweight or obese (56% in 1995).
Chronic Disease in Australia

One-third of working age Australians report having at least 1 of 8 chronic diseases.

- Arthritis
- Asthma
- Depression
- Coronary heart disease (CHD)
- Chronic obstructive pulmonary disease (COPD)
- Diabetes
- Osteoporosis
- Cerebrovascular disease (ABS 2013)
Risk factors for chronic disease

The major preventable risk factors are:
- overweight and obesity;
- inadequate physical activity;
- smoking;
- consumption of alcohol at risky levels;
- poor diet and nutrition (AIHW).
Risk factors for chronic disease in the aged care workforce

The aged care (and wider community services and health) workforce are more likely than those in other industries to:

- Be overweight or obese
- Have inadequate exercise
- Eat sufficient fruit and vegetables
- Lower levels of smoking and alcohol risk (Aust Govt Healthy Workers Initiative).
Ageing and chronic disease

• Many health risk factors are higher in mature age and older groups.

➢ Obesity rates, high blood pressure, arthritis, diabetes 2, COPD, coronary heart disease, chronic back problem.

• Some risk factors eg smoking are less present in older age groups.
Chronic disease and work
Chronic diseases of working age Australians (AIHW 2010)
Chronic diseases related to absenteeism

- Arthritis
- Asthma
- CHD
- COPD
- Depression
- Diabetes
- Osteoporosis
- Stroke
Impact of chronic disease on work

• People with chronic disease 60% more likely to not be in the labour force, less likely to be employed full time and more likely to be unemployed than those without.

• People with chronic disease have an average of <1 day per month off work due to their illness, about double the time off taken by people without chronic illness.

• ‘presenteeism’ - impact on performance at work.

• Mental illness is associated with lowest labour force rates.
Benefits of a healthy workplace: the Business Case

✓ Improved work performance and productivity
✓ Reduced absenteeism and sick leave
✓ Decreased incidence of presenteeism
✓ Decreased cost of workers’ compensation
Benefits of a healthy workplace: the Business Case

✓ Improved staff morale, satisfaction and motivation
✓ Improved corporate image and attraction/retention of employees
✓ Increased return on training and development investment
✓ Improved employee engagement and employee relationships
## Benefits of Workplace Wellness Programs
(PWC UK 2008)

<table>
<thead>
<tr>
<th>Intermediate (non financial) benefits</th>
<th>Related financial benefits</th>
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<tbody>
<tr>
<td>Sickness absence</td>
<td>Overtime payments</td>
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<td>Temporary recruitment</td>
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<td>Employee satisfaction</td>
<td>Recruitment costs</td>
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<td>Staff turnover</td>
<td>Training costs</td>
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<td>Accidents and injuries</td>
<td>Legal costs and claims</td>
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<td>Insurance premiums</td>
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<td>Productivity</td>
<td>Revenue</td>
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<td></td>
<td>Overtime payments</td>
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<tr>
<td>Company profile</td>
<td>Workforce recruitment/attraction</td>
</tr>
<tr>
<td></td>
<td>Recruitment costs</td>
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Dragging our feet ...

Workplace initiatives to promote health and wellbeing ‘are in their infancy’ (Towers Watson 2013).

Progress in the adoption of workplace wellness in Australia has lagged behind other countries where medical costs are more directly the responsibility of employers (PriceWaterhouseCoopers/Medibank 2010).
Older @ Work
65+: a growing % of the population (2012-2061)
The Grey Collar Workforce

• 25% of Australians aged 65-69 are still working, more in full time than part time employment (ABS: 2011)

• 2001: 1 million workers aged 55+ in paid work.

• 2011: 1.9 million (almost double).

• The number of Australians working in their 70s, 80s, and 90s doubled 2001-2011 from 59,000 to 102,000 people.
The Ageing Aged Care Workforce

• In 2012 about 1 in 3 of the direct care workforce were aged 55 and over.
  ➢ 33% of community care workforce
  ➢ 27% of residential care workforce.

• This proportion has been increasing steadily over time.

✓ 60% rate their health as Very Good or Excellent.
Keeping a valuable asset: older workers

- **Broader experience** from having worked in a variety of jobs, industries and organisations
- **Wisdom** acquired from having lived longer and having made mistakes over time from which they have learned
- Higher rates of **retention**;
- Greater **reliability**;
- Lower rates of **absenteeism**;
Ageing and Capacity to Work

• Several longitudinal research studies find conclusively that age *per se* does not determine capacity.

• While there is a general decline associated with age, there is also great *individual variation* in the ability to work.

Mutually beneficial outcome

• Mature and older workers bring a range of benefits to employers.
• Mature and older workers need to work for longer than previously.
Financial drivers of remaining at work

• Despite social trends, the key factor for those working after retirement age is financial necessity.

• 36% of Australians will need $400,000+ in superannuation in order to retire.

• 18% of Baby Boomers have this amount.

• their average super balance is $65,100 per person. (Suncorp 2013, NATSEM 2007).
Can female Baby Boomers afford to retire?

- Major gap between male and female super balances due to women –
  - Earning lower wages than men (average 17% less)
  - Leaving the workforce to raise a family
  - Working part time to better balance family responsibilities, including parenting and caregiving.
Unequal retirement nest eggs

• The average Australian woman would need to work an extra 25 years to match men’s superannuation balances.

• Calculations by the Australia Institute show than the average woman who worked full time would have about $200,000 less in superannuation savings than the average man (DSS 2009).
Can women aged care workers afford to retire?

• About 80% of HESTA members are women, many of whom work part time in the health and community services industry.

• About 40% of HESTA members earn less than $37,000 pa.

• Half of HESTA members have account balances of less than $19,000 (DSS 2009).
Industry Inequity in Super Savings
(2012, APRA data)

<table>
<thead>
<tr>
<th>Age group</th>
<th>Corporate</th>
<th>Industry</th>
<th>Public sector</th>
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<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
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<tr>
<td>50-59</td>
<td>256,000</td>
<td>113,000</td>
<td>57,000</td>
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<tr>
<td>60-65</td>
<td>312,500</td>
<td>312,500</td>
<td>80,000</td>
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<tr>
<td>66+</td>
<td>283,000</td>
<td>283,000</td>
<td>93,500</td>
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Worker Well-Being Matters

• Growing rates of chronic illness can be addressed by changing behaviours.

• Workplaces have a critical role to play in worker health and wellbeing, but this is recognised by few.

• Increasing numbers of people (need to & are encouraged to) work to much older ages.

• Maximising their capacity depends significantly on health promoting workplaces.

• This is especially important for the aged care workforce.
Further information

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