



POTENTIAL ROI (OPPORTUNITY): WORKPLACE PHYSICAL ACTIVITY PROGRAMS

WORK, MOVE & PERF STUDY

This formula estimates the potential Return On Investment (ROI) or opportunity gains from implementing PSA programs in the workplace. It integrates costs, employee numbers, and productivity metrics derived from absenteeism and presenteeism data, comparing scenarios with and without PSA intervention.

1. Formula for potential ROI

The general formula for ROI in workplace PSA programs is expressed as:

$$\text{ROI} = ((\text{Total savings from PSA} - \text{Total PSA program costs}) / \text{Total PSA program costs}) \times 100$$

Where **Total savings from PSA** = Savings from absenteeism + Savings from presenteeism + productivity gains

2. Component estimations

- **Savings from absenteeism (€)** = number of employees × average annual absenteeism cost per employee (without PSA) × % reduction in absenteeism after PSA implementation.
- **Savings from presenteeism (€)** = number of employees × average annual presenteeism cost per employee (without PSA) × % reduction in presenteeism after PSA implementation.
- **Productivity gains (€)** = number of employees × average value of annual output per employee × % improvement in productivity due to PSA.
- **Total PSA program costs (€)** = number of employees × annual PSA program cost per employee (including facilities, trainers, and incentives).

Exploring Physical
Activity's impact on
Workplace Performance.



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3. Example

Assume a company with 500 employees implements a PSA program costing €200 per employee per year.

Without PSA, average annual absenteeism cost = €2,000/employee, and presenteeism cost = €1,600/employee.

After PSA, absenteeism drops by 25%, presenteeism drops by 15%, and productivity improves by 5%.

- **Step 1:** Calculate total savings
 - Savings from absenteeism = $500 \times €2,000 \times 0.25 = €250,000$
 - Savings from presenteeism = $500 \times €1,600 \times 0.15 = €120,000$
 - Productivity gains = $500 \times €40,000 \times 0.05 = €1,000,000$
 - *Total savings* = $€250,000 + €120,000 + €1,000,000 = €1,370,000$
- **Step 2:** Calculate program costs
 - Total PSA program costs = $500 \times €200 = €100,000$
- **Step 3:** Calculate ROI
 - $ROI = ((1,370,000 - 100,000) / 100,000) \times 100 = 1,270\%$
 - For every €1 invested in PSA programs, the company gains approximately €12.7 in savings and productivity gains.

4. Interpretation

This model provides a framework to estimate both actual and potential ROI depending on input variables such as absenteeism, presenteeism, and productivity rates. Adjusting these inputs allows organizations to perform sensitivity analyses and forecast outcomes under different participation or cost scenarios.

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