

Corporate investment in
Employee Wellbeing
the emerging strategic imperative



Nuffield Health



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Introduction



Employee wellbeing is a “hot topic in organisational life”¹, particularly in the corporate sector. Perhaps that is due to the finding that FTSE 100 companies that report on employee health and wellbeing outperform those that don't by 10%².

Perhaps it is due to a growing obsession with measuring national wellbeing and happiness that is sweeping through countries around the world, including the UK. Perhaps it is due to exciting new research emanating from the halls of academia suggesting that wellbeing is one of the hot topics of the new millennium, destined to displace the love affair with leadership that began in the 1980s, or, at the very least, to rival it as a means for attracting top talent and, hope against hope, reigniting corporate profits and restoring personal fortunes.

Whatever the impetus, this new 'phenomenon' called employee wellbeing does indeed pose a promising new avenue for corporate investment. Twenty percent (20%) of organisations have increased their efforts to promote employee health and wellbeing since the onset of the recession³ - that's right, *increased*. In fact, the majority of corporate wellness and wellbeing strategies have only been articulated in the past five years. Not surprisingly, corporations appear to be leading the pack and setting the pace in terms of attention to, and investment in, wellbeing in the organisational world, not surprising given the financial resources at their disposal in comparison to budget-slashing government agencies and cash-strapped charities. This commitment of resources has been largely a leap of faith, as the impact of wellbeing programmes and initiatives in terms of any kind of valued organisational outcomes has not been systematically measured and documented until very recently.

Wellbeing represents a bold new frontier for the corporate world. The evidence is mounting that this is a frontier worth its attention if not its investment, as we document in this report. One compelling reason are the statistics on individual wellbeing. Only 18% of the UK population is experiencing a high level of wellbeing, or what has been termed 'flourishing'⁵, while 14% are suffering at the other end of the spectrum⁶. Statistics on employee levels of satisfaction and engagement (see Section 2.7) mirror these findings. Another compelling reason is the rapidly increasing number of reports, articles and cases presenting convincing quantitative and qualitative evidence on the concrete outcomes and positive impact that can be attributed to wellbeing programmes and activities in the workplace.

It is also important to stress that corporations ignore the rapidly approaching wellbeing 'tsunami' at their own risk. A number of trends are converging that, sooner or later, appear destined to force organisations to pay more attention to, and assume more responsibility for, the health and wellbeing of the individuals they choose to employ (if not their families as well). Companies that take the initiative now and integrate wellbeing activities into their ongoing operations are more likely to avoid the employee lawsuits and Government pressures that are just beginning to 'surge'. They are also more likely to preserve the option of implementing the wellbeing activities that make better economic and operational sense, rather than having activities imposed through regulatory or legislative means.

In this report we review the 'case' for corporate investment in employee wellbeing. Our intention is to enable readers to determine whether such investment should be viewed as a strategic imperative for their own company, either now or in the near future. In the next section we discuss how employee wellbeing is defined and understood, and offer our own definition to guide corporate practice. In Section 2 we review the growing challenge facing corporations in the area of employee health and wellbeing, with particular attention to the costs related to ill-health and lower productivity that are already being incurred. Section 3 is a review of the current state of wellbeing investment by businesses in the UK, or what we call the 'state of the wellbeing industry'. Section 4 presents the key trends that we predict will influence corporate decisions about investment in employee wellbeing in the near future. In Section 5 we present the latest evidence on the business outcomes and financial impact that have been documented in studies of employee wellness and wellbeing programmes. We present our conclusions and recommendations in Section 6.

Summary of

This report sets out the findings from a comprehensive review of the literature on employee wellbeing. Sources have included academic research, government reports, practitioner articles and cases of best practice. A summary of our findings is presented to the right, with the relevant section of the report indicated in parentheses.

key

Defining 'employee wellbeing' (Section 1, page 6)

- 'Wellbeing' is a broader term that encompasses 'health' and 'wellness' (1.1).
- It is about positive functioning - what some call 'thriving' or 'flourishing' - replacing the traditional emphasis on ill-health and poor functioning (1.2).
- It covers all aspects of individual functioning - physical, mental, emotional and social - if not more (1.3).
- Even when talking about *employee wellbeing*, the individual's home as well as work life is involved (1.4).
- Wellbeing ascribes importance to any factor that affects the ability of the employee to function at the top of their game, including organisational and societal factors beyond the individual's control (1.5).
- Because it is multi-dimensional and complex, wellbeing may prove challenging to operationalise, particularly for complex corporations of today (1.6).
- We offer this working definition: *Employee wellbeing is a positive state in which the individual is able to function at or near their optimal level, whether defined and measured in terms of physical, mental, emotional and/or social functioning, with significant implications for the individual, their family and community, the organisation and society at large.*

The health and wellbeing challenge facing corporations (Section 2, page 8)

- Employers are losing a significant amount of employee working time every year due to employee absences (2.1).
- The reasons for employee absences are known and point to areas of growing concern for UK businesses (2.2).
- The cost of ill-health is draining the coffers and resources of both employers and employees, not to mention the UK economy (2.3).
- Stress and stress-related absence pose a significant challenge now and in the future (2.4).
- Mental health problems are increasing in the UK and around the world (2.5).

findings

- Presenteeism - when employees work while sick - is costing employers big-time (2.6).
- Employee health and wellbeing has a significant impact on employee engagement and productivity - and vice versa (2.7).

The state of the wellbeing industry (Section 3, page 14)

- Employee wellbeing is the 'new kid on the block', with some industries and companies welcoming it and others not yet aware of it (3.1).
- Rising costs related to employee illness and disease are pushing health and wellbeing onto the strategy agenda at the Board level in many UK companies (3.2).
- UK employers are providing a wide range of wellbeing benefits to their employees (3.3).
- Employee participation in wellbeing activities is variable, with employees who need them the least being the most likely to take advantage of them (3.4).

Key trends affecting wellbeing investment and provision (Section 4, page 18)

Key trends influencing corporate attention to employee wellbeing (4.1) include:

- The need of employers to maintain a viable workforce (4.1.1)
- Growing litigation by employees on health and wellbeing grounds (4.1.2)
- Changing employee expectations (4.1.3)
- Interest and pressure from other stakeholders, including intergovernmental agencies, the UK Government, academics, business leaders and corporate associations (4.1.4)

Key trends influencing corporate provision of employee wellbeing services (4.2) include:

- Change in illness patterns and solutions (4.2.1)
- Shift in emphasis from occupational health and safety to overall employee wellbeing (4.2.2)

- Partnership with employees rather than 'employer-knows-best' (4.2.3)
- Increasing expectation of personal responsibility (4.2.4)
- Taking wellbeing into the home (4.2.5)
- From one-size-fits-all to personalisation (4.2.6)
- Creating a culture of wellbeing (4.2.7)

The business benefits of employee wellbeing programmes (Section 5, page 28)

- Studies have found significant positive health outcomes (5.1).
- Wellbeing programmes can produce significant cost savings as well (5.2).
- However, some programmes and interventions are more effective at reducing costs than others (5.3).
- Wellbeing programmes can produce other valued business outcomes, such as greater employee engagement, innovation and productivity (5.4).
- Health and wellbeing are, in fact, programmes that have the potential to 'keep on giving and giving' (5.5).

Conclusions and recommendations (Section 6 page 32)

- Employee wellbeing is not yet a strategic or operational area in which companies can feel on a sure footing.
- Companies would benefit from more examples from the world of practice to guide them in designing and implementing their own wellbeing strategies.
- In particular, cases are needed that help companies understand the factors that characterise an effective process for creating a high-impact wellbeing strategy.
- UK corporations might also derive significant benefit from participation in wellbeing communities of practice in which they can share their learnings with one another, get invaluable peer feedback and begin to generate industry models and principles that define best practice.

What is employee

In reviewing the literature⁷ and talking with clients, we have found that there is no single way of defining or describing 'wellbeing'. In fact, the challenge exists with the terms 'health' and 'wellness' as well. As Table 1 shows, there is so much overlap in definitions of these terms, it is not easy to distinguish them from one another. However, the literature and our client experience suggest that there are a number of ways to understand the differences and arrive at working definitions that serve to facilitate, rather than complicate, good practice.

1.1. 'Wellbeing' is a broader term that encompasses 'health' and 'wellness'

Although the World Health Organization and the NHS define 'health' in broad terms (see Table 1), most sources define it in a more traditional way as being of sound mind and body and free of illness, injury or disease. 'Wellness' goes beyond 'health', often considered to be a state of good health that has been attained through intention and effort, such as exercise, good nutrition and otherwise taking good care of one's self.

'Health' and 'wellness' are only one aspect of wellbeing as it is defined by most sources. Wellbeing is the state of being of an individual that is characterised not only by good health or wellness, but also by comfort, satisfaction with one's work and home life, personal prosperity and some measure of happiness. Wellbeing therefore implies a current life that rates highly along a number of important dimensions, i.e. a qualitatively desirable life. However, it must be stressed that wellbeing is not a personality trait nor is it a way of life fixed for the duration of the individual's existence. Rather, wellbeing is a state of being that can be affected by changes in the individual's conditions or circumstances, including their work context.

1.2. Wellbeing is about the positive functioning - what some call 'thriving' or 'flourishing' - of the employee, rather than the traditional focus on ill-health and poor functioning

In the 20th century world of occupational health and safety, emphasis was placed on illness and injury and their prevention or cure. Health activities were in effect focused on broken bodies and minds and how to restore them to their former level of functioning. With the rise of the concepts of 'wellness' and 'wellbeing', attention has shifted to the idea that an acceptable and stable level of functioning is not enough, that in fact individuals are capable of attaining much higher levels of physical

and mental functioning, with significant implications for individual and organisational performance. The emphasis now is not on the absence of something (e.g. health) but on the achievement of a positive state of being variously described as 'thriving'⁸ or 'flourishing'⁹.

1.3. Wellbeing covers all aspects of individual functioning - physical, mental, emotional and social - if not more

Whereas health and wellness refer to an individual's physical and mental functioning, wellbeing is described as covering all dimensions of an individual's 'being' or existence. Such dimensions of employee wellbeing include:

- physical or physiological - positive health and bodily functioning, exercise and good nutrition, adequate mobility, physical safety and access to good health care
- mental and psychological - an alert and active mind, mentally stimulating work, creativity and innovation, opportunities for promotion
- emotional - feelings of self-confidence and self-esteem, a sense of meaning or purpose, a sense of agency and accomplishment, self-efficacy and control over one's work, emotional resilience, ability to handle conflict
- social - supportive and fulfilling relationships, feelings of trust and cooperation, a sense of social connectedness and acceptance, opportunity to contribute

Other sources have suggested additional dimensions, e.g. ethical and spiritual¹⁰. As there is no consensus and likely never will be, corporations have the freedom to define the dimensions of wellbeing in accordance with their own conditions and requirements.

1.4. Even when talking about employee wellbeing, the individual's home as well as work life is involved

Employee wellbeing is considered to be a 'whole person' concept that takes into account all of the influences on an individual's functioning at work, including those that emanate from outside the workplace in home lives and

wellbeing?

leisure activities. Activities and behaviours outside the workplace can have a significant impact on how well employees function at work, e.g. poor sleep or nutrition, lack of exercise, addictive behaviours, falling in love, family members who are sick, etc. Employees are often unable to compartmentalise the different parts of their lives, i.e. feelings and concerns about their home life 'leak' into the workday and likewise feelings about work - if not the work itself - often go home with them¹¹. Wellbeing programmes have been found to be more effective when they include family members, address work-life balance, and consider life issues beyond those directly relevant to employees' work that can affect overall functioning.

1.5. Wellbeing ascribes importance to any factor that affects the ability of the employee to function at the top of their game, including organisational and societal factors beyond the individual's control

Employees are more likely to attain optimal wellbeing and perform at their best in certain types of environments. Opportunities for personal development, appropriate work demands, a good boss, inspiring leadership and consultation on changes that affect them are just some of the organisational factors that have been found to have an impact on employee functioning and productivity. For this reason, some definitions, such as that of the CIPD in Table 1, are explicit in defining wellbeing as the creation of an organisational environment in which the employee can thrive and work to the full extent of their capabilities. Such environment is also expected to include attention to societal factors that may impede employee wellbeing and performance at work, e.g. discriminatory practices in hiring and promotion.

1.6. Because it is multi-dimensional and complex, wellbeing may prove challenging to operationalise, particularly for the complex corporations of today

Wellbeing is likely to follow the same path as other complex phenomena that have assumed importance in organisational life, such as leadership and emotional intelligence. As described in the points above, wellbeing (like leadership and EI) has not one but a realm of potential meanings and dimensions. Given that it is not a simple and straightforward phenomenon and may mean different things to different people, it poses special challenges in being put into practice. The different dimensions may require divergent strategies and a wide array of programmes or initiatives. Addressing the different dimensions may also require difficult trade-offs. Recent research has found that in practice one dimension of wellbeing is often improved at

the expense of another¹², e.g. work redesign improves job satisfaction but can also increase physical stress and strain. Corporations will need to take care to define wellbeing in a way that facilitates the process of putting it into practice and avoids the implementation of initiatives that confuse participants or produce lacklustre or unintended outcomes.

Based on the above discussion of the term 'wellbeing', we offer the following working definition:

Employee wellbeing is a positive state in which the individual is able to function at or near their optimal level, whether defined and measured in terms of physical, mental, emotional and/or social functioning, with significant implications for the individual, their family and community, the organisation and society at large.

Table 1: Some definitions of health, wellness and wellbeing

Definitions of Health
<i>"a state of complete physical, mental and social wellbeing" (World Health Organisation, 1947¹³)</i>
<i>"being confident and positive and able to cope with the ups and downs of life" (UK National Health Service, 1998¹⁴)</i>
<i>"Positive health describes a state beyond the mere absence of disease...excellent status on biological, subjective, and functional measures" (Martin Seligman, 2008¹⁵)</i>
Definitions of Wellness
<i>"the mutually supportive relationship between the physical, psychological and social health of the individual" (Business in the Community (BITC), 2011¹⁶)</i>
<i>"a state of being that is shaped by engagement and other workplace factors as much as by physical and psychological health" (World Economic Forum, 2010¹⁷)</i>
Definitions of Wellbeing
<i>"the overall quality of an employee's experience and functioning at work" (Grant et al, 2007¹⁸)</i>
<i>"creating an environment to promote a state of contentment which allows an employee to flourish and achieve their full potential for the benefit of themselves and their organisation" (Chartered Institute of Personnel and Development (CIPD), 2006¹⁹)</i>
<i>"positive emotion, engagement, meaning, positive relationships, and accomplishment" (Martin Seligman, 2011²⁰)</i>

The health and

Corporations are already facing a growing challenge in the area of employee health and wellbeing. The costs associated with mental and physical health problems are escalating. Absenteeism and presenteeism are becoming increasing concerns, as is the challenge of sustaining employee engagement and performance in the wake of the economic crisis and the intense work pressures it has wrought. In this section we review the various aspects of this mounting challenge and the significant costs now being borne by both employers and employees.

2.1. Employers are losing a significant amount of employee working time every year due to employee absences

The average UK employee takes about 6.5 days of absence from work per year, for a grand total of about 190 million working days²¹.

Private sector service organisations are losing an average of 6.6 days per employee per year, while that number increases to 6.9 days for companies in manufacturing and production²². As Table 2 demonstrates, the larger the size of the company, the more days lost per employee each year.

This loss of working time is estimated to be costing private sector service companies about £600 per employee per year and manufacturing and production companies about £400.

Table 2: Employee absence in the UK private sector

Workforce size (number of employees)	Overall working time lost per year (average)	Days lost per year per employee (average)
1-49	1.5%	3.4
50-249	2.6%	5.9
250-299	3.2%	7.4
1000-4999	3.1%	7.1
5000+	3.8%	8.6
Average	2.9%	6.7

Source: CIPD²³

Fast facts on employee working time lost due to absence

- Private sector service companies are losing an average of 6.6 days per employee per year, while the number is 6.9 days for manufacturing and production companies.
- The larger the company, the more days lost per year.
- This loss of working time is estimated to cost private sector service companies about £600 per employee per year and manufacturing and production companies about £400.

wellbeing

challenge facing corporations

2.2. The reasons for employee absences are known and point to areas of growing concern for UK businesses

The most common reasons why private sector employees are absent from work on a short-term basis (i.e. four weeks or less) are not surprising: minor illnesses like colds, flu, headaches and upset stomach; musculoskeletal injuries such as repetitive and neck strain; and back pain. (See Tables A1 and A2 in Appendix A).

However, one of the top five reasons for short-term absence is surprising, and that is what has been called “illegitimate”²⁴ absence. A significant number of private sector companies - 51% in manufacturing and production and 45% in services - claim that one of the main reasons their non-manual employees are absent is to take care of responsibilities at home. The comparable statistics for manual employees are not much better - 42% and 44% respectively. Employees are also absent from work because of non-work-related injuries and other reasons completely unrelated to health. There is no question that illegitimate absence of this magnitude has a deleterious impact on costs and productivity for affected companies. Yet, taking care of home responsibilities and achieving some semblance of work-life balance are important for employees’ wellbeing, making this type of absence a sensitive one and one to which employers will want to respond carefully.

Also of concern in terms of short-term absence, but even more so for long-term absence (see Tables A3 and A4 in Appendix A), is the finding that stress is one of the top five reasons for both manual and non-manual workers to be absent in a significant percentage of companies. Stress and stress-related illness have been claimed to be responsible for about 40% of days lost from work-related illness²⁵.

In terms of long-term absence beyond four weeks, also noteworthy is the prevalence of mental health issues such as anxiety and depression as one of the top five reasons for both manual and non-manual employees to be absent from work. Mental health is an area in which employers are required to exercise a special ‘duty of care’ toward employees, and one in which medical claims and lawsuits are on the rise.

Although absence related to substance use is not one of the top five reasons for absence except for a miniscule percentage of organisations, this does not mean that it is not a serious challenge to employers. According to conservative estimates, approximately 34 million workdays are lost to smoking-related illnesses in England and Wales per year, and another 14 million days due to alcohol abuse²⁶.

Obesity appears destined to become one of the most daunting challenges for companies in the future. Recent estimates place lost worktime due to obesity and obesity-related illness at approximately 16 million days per year. The number of working days lost to obesity could become staggering if current trends continue. Obesity rates are rising rapidly in the UK and could lead to 90% of men and 80% of women being overweight or obese by the year 2050²⁷. As a contributing factor in many medical conditions, rising obesity levels could be expected to be accompanied by spikes in other health conditions, such as musculoskeletal injuries, back pain, recurring health problems and acute disease.

Multiple health risks, as in the case of obesity, are closely linked with the number of days that employees are absent from the workplace. A review of 44,000 health assessments in the UK over a three-year period found that high-risk individuals with five or more health risk factors were absent from work seven days per year more than other employees. What is absolutely alarming about this finding is that 28% of the individuals included in the study were found to be high-risk.

Fast facts on the reasons for employee absences from work

- Most of the top 5 reasons employees are absent from work are not surprising. However...
- One common and costly reason is ‘illegitimate’ absence, such as taking sick time off for family responsibilities.
- About 40% of days lost from work-related illness are attributed to stress.
- Mental health issues are one of the top five reasons for long-term absence.
- Current rates of obesity portend a dramatic rise in an array of health conditions in the coming decades.
- Multiple health risks, which characterise 28% of the UK population, are associated with much higher rates of absence.

2.3. The cost of ill-health is draining the coffers and resources of both employers and employees, not to mention the UK economy

Sickness absence has been estimated to cost UK employers £8.4 billion per year²⁹, or an average of £780 per employee³⁰. The costs that employers incur when an employee becomes ill can include sick pay, compensation and insurance costs, administration costs, and recruitment expenses if the employee must be replaced.

The cost of sickness absence and inability to work due to ill-health has been estimated at over £100 billion per year for the UK economy as a whole. The pressure on the National Health Service has led to stringent cost-cutting measures and longer average delays in treatment times. NHS data indicate that the number of people having to wait more than the Government target of 18 weeks in England went up by 26% and the number waiting more than 6 months went up by 43%³¹. The longer the wait for treatment, the higher the cost to employers in terms of absenteeism, presenteeism and lower levels of employee performance and productivity.

Employees also bear substantial costs when they become injured or ill. These costs include lost income, costs incurred in dealing with their condition (both direct and indirect), and subjective pain, grief and suffering. The Health and Safety Executive has calculated the cost to individuals of workplace illness and accidents to be in the range of £10.1 to £14.7 billion per year, i.e. at least equivalent to, if not greater than, the overall cost to UK employers.

Fast facts on the costs of ill-health to employers and employees

- Sickness absence costs UK employers an average of £780 per employee per year.
- Employees also bear substantial personal costs, including lost income, costs incurred in dealing with their condition and subjective pain, grief and suffering.
- Waiting times for treatment by the NHS are going up, which can be expected to increase employer costs in terms of absenteeism, presenteeism and lower levels of employee performance and productivity.

2.4. Stress and stress-related absence pose a significant challenge now and in the future

Over one-third of employers have reported an increase in stress-related absences, with larger organisations more likely to report this³². Employees confirm that they are feeling under stress, with workers in large organisations in fact reporting more stress, insecurity and dissatisfaction³³ than those in smaller companies.

Employers in the private sector are most likely to attribute employee stress to family and relationship issues outside the workplace and to workload within the workplace (see Table 3). Stress appears to be a general characteristic of the UK population at this time, with 72% of a recent sample

saying they are nervous and anxious, naming the state of the economy and the cost of living as the main reasons³⁴. In the workplace, 41% of private sector employees state that they are experiencing stress because they are under excessive pressure at work³⁵ (a statistic that tallies with the employer view in Table 3).

As mentioned earlier, stress is believed to be responsible for about 40% of the days lost to work-related illness³⁶. The cost of stress to UK businesses is estimated to be in the neighbourhood of 13.5 million working days³⁷ or £3.8 billion³⁸ per year. Given these costs, it is not surprising that about 50% of private sector businesses have indicated that they are taking steps to reduce stress in their workforce population³⁹.

Fast facts on stress and stress-related absence

- Over one-third of employers have reported an increase in stress-related absences.
- 72% of a UK population sample reported being nervous and anxious about the future.
- 41% of private sector employees are experiencing excessive pressure at work.
- About 50% of businesses are taking steps to reduce employee stress.

Table 3: Top 3 most common causes of employee stress in the private sector
(% of companies ranking the reason as one of the top three)

Causes of workplace stress	Manufacturing and production companies	Private sector services
Factors outside work - family and relationships	50%	55%
Workload	44%	52%
Management style	38%	33%
Organisational change or restructuring	31%	34%
Work relationships	28%	26%
Job insecurity	24%	14%
Factors outside work - financial concerns	22%	14%
Lack of managerial support	20%	15%
Pressure to achieve targets	16%	21%
Working long hours	8%	10%
Lack of control over one's own work	7%	9%
Not being consulted on changes	3%	4%
Inadequate training	3%	3%
Job or role poorly designed	3%	2%

Source: CIPD⁴⁰

2.5. Mental health problems are increasing in the UK and around the world

Globally mental health problems are on the rise, and UK employers have not been exempt from this trend. An estimated 37% of UK companies in both manufacturing and services have reported an increase in employee mental health problems. Companies that have conducted or plan to conduct redundancies, as well as companies that have experienced an increase in employees coming to work when they are ill, are more likely to have noticed such an increase.

This trend is startling given that mental health disorders such as depression and anxiety were already estimated to afflict 15% of all UK employees, or over 22% if alcohol and drug dependency is included⁴¹. The magnitude of the challenge is indicated by the fact that 13% of health expenditure in Great Britain is spent on treating mental illness⁴².

The costs for businesses are equally significant. Mental health disorders are one of the top five reasons for employee long-term absence in close to half of all companies (see Tables A3 and A4). Absenteeism due to mental health problems is estimated to cost UK businesses £8.4 billion per year, while impairment of work efficiency is estimated to cost twice as much - £15.1 billion per year⁴³.

The challenge is not just the existence of mental health disorders in the workplace. Research by the Shaw Trust has found that most employers are lacking in the knowledge necessary to recognise and address such disorders. Over one-third of employers were unable to identify the specific disorders such as anxiety and depression that could be afflicting their employees, and less than 20% were aware of the magnitude of the problem and the likelihood that their employees might be experiencing them⁴⁴. The Shaw Trust concluded that employers are seriously unaware of the extent to which their managers and employees may be experiencing stress and associated mental health problems and the significant impact that these problems may be having on their business. Given the 'duty of care' required of UK employers, and given that employees attribute much of their anxiety and stress to their jobs⁴⁵, such ignorance poses a significant liability should the Government and employees begin to hold employers responsible for the identification and treatment of mental health problems in the workplace.

Fast facts on employee mental health problems

- 37% of companies are reporting an increase in employee mental health problems.
- This increase is startling, as 15% of UK employees were already suffering from anxiety and depression.
- Mental health disorders are one of the top five reasons for long-term absence in close to half of all companies.
- The costs to business are significant in terms of absenteeism and impairment of employee performance.
- Most employers are unable to recognise mental health problems and unaware of the significant impact these problems could be having, or potentially could have, on their business.

2.6. Presenteeism - when employees work while sick - is costing employers big-time

Almost 25% of employers have noticed that more of their employees are continuing to work through illness⁴⁶. This increase in 'presenteeism' is attributed to employee anxiety about job security, as organisations that expect to make redundancies in the near future are the most likely to report an increase in employees working while ill.

Presenteeism can have detrimental business impact in a number of ways. Most obvious is the impact on employee productivity, as employees struggle to perform their jobs whilst under-the-weather and have greater propensity to commit errors that require additional time and effort to put right⁴⁷. An alarming finding is that almost 60% of UK managers assessed themselves to be unproductive due to ill health for at least 20% of their working time⁴⁸. This reduced productivity at the management level has undoubted repercussions on productivity down the organisational hierarchy.

The cost of presenteeism to UK employers is estimated at £15 billion per year⁴⁹, or about twice the cost of absenteeism⁵⁰. This cost is deceptive, however, as it fails to take into account the cost of illness being transmitted more rapidly through the workplace by sick employees remaining on the premises. It also ignores the costs associated with employee stress and anxiety as employees force themselves to report to work when they should be at home nursing themselves back to health. Such costs may include sub-optimal productivity over the longer-term and even long-term absence if the employee's mental health becomes seriously impaired.

Fast facts on employee presenteeism

- Almost 25% of employers have noticed more of their employees continuing to work through illness.
- Presenteeism appears to be driven by employee anxiety over job security, as it is more prevalent in companies planning redundancies.
- Almost 60% of UK managers assessed themselves to be unproductive due to ill health for at least 20% of their working time.
- Presenteeism poses significant costs for businesses in terms of impaired productivity, more mistakes on the job, faster transmission of illness through the workforce, and more long-term absence if employees' anxiety and stress remain unaddressed.

2.7. Poor employee health and wellbeing have a significant impact on employee engagement and productivity - and vice versa

Employees in poor health are less productive, based on productivity measures and their own assessments⁵¹. One study has even found that the bottom 25% of workers in terms of health are 18% less productive than the top 25%⁵².

Even ostensibly healthy workers who are dehydrated or eating poorly are significantly less productive. An estimated 50-80% of workers are dehydrated, affecting their

The health and wellbeing challenge facing corporations

performance, putting them at greater risk of developing heart disease and cancer or suffering a heart attack⁵³, and thereby increasing the likelihood of short or long-term absence and its attendant costs. Employees' poor eating habits, such as missing meals or ignoring nutrition in making food choices, are considered responsible for lost productivity in the UK of 97 million working days or £16.85 billion per year⁵⁴.

Employee wellbeing in general has also been found to be an important factor in employee performance and productivity. When workers are happy, they make more effort and are 12% more productive; when unhappy, they are 10% less productive⁵⁵. One factor that has been found to make workers unhappy is when a family member is seriously ill⁵⁶, indicating that productivity is linked not just to the health and wellbeing of the employee, but to the health and wellbeing of their loved ones as well. Employers may therefore reap additional productivity benefits if they take this link into account in the design of their wellbeing offerings.

Productivity is further affected by the reciprocal link between employee health and wellbeing and employee engagement. Engaged employees have been found to take less sick leave and perform better⁵⁷, while disengaged employees are linked to higher levels of absence and turnover⁵⁸. Given the finding that only three out of ten employees feel engaged with their work⁵⁹, the implications for both employee health and wellbeing and corporate outcomes are significant.

The close link between employee wellbeing and employee engagement is one that companies ignore at their peril. A recent study demonstrated that efforts to engage employees fail in the absence of a company's visible commitment to employee health and wellbeing. The study⁶⁰ involved 11,000 UK employees who worked for organisations that emphasised employee engagement as a strategic imperative but viewed wellness as a non-strategic health issue (and tended to view it as HR or Occupational Health). Only 30% of the employees claimed to feel engaged at work, while a whopping 70% felt disengaged. Even more shocking was the finding that only 10% were engaged and healthy whereas almost 50% were unhealthy and disengaged⁶¹.

Fast facts on the link between employee health and wellbeing and employee engagement and productivity

- The bottom 25% of workers in terms of health are 18% less productive than the top 25%.
- Dehydration and poor nutrition are considered responsible for lost productivity in the UK of 97 million working days or £16.85 billion per year.
- When workers are happy, they make more effort and are 12% more productive; when unhappy, they are 10% less productive.
- Engaged employees have been found to take less sick leave and perform better, while disengaged employees are linked to higher levels of absence and turnover. Only three out of ten employees feel engaged with their work.
- Efforts to engage employees fall flat in the absence of a company's visible commitment to employee health and wellbeing.



The state of the

In the face of the mounting costs that employers are incurring in dealing with health and wellbeing issues, the wellbeing industry might be expected to be a rapidly developing one. This is indeed the case. However, participation is uneven across industries, companies and even employees, leaving a great deal of room for further development and evolution in the years to come.

3.1. Employee wellness and wellbeing is 'the new kid on the block', with some industries welcoming it and others not yet aware of it

Corporate attention to employee wellness and wellbeing - not simply to employee ill-health - is a new development, with most companies that have a strategy in this area having developed it only within the last five years⁶². According to the Government's Black report⁶³, up to 40% of organisations have yet to develop a policy to manage sickness absence, indicating that even the area of employee health - let alone wellness or wellbeing - is a new one for many UK employers.

In a worldwide survey of employees in 15 industries conducted by Right Associates⁶⁴, only 47% of UK employees perceived their companies to be active in promoting health and wellbeing. The responses varied significantly by industry and sector, however. The manufacturing and production sector, such as 'transportation, storage and communication' and 'agriculture, forestry and fishing', tended to have low percentages. In direct contrast, 82% of employees in finance, insurance, real estate, and business services gave a positive response, indicating that service companies were viewed by their employees as more active in this area.

In fact, employer responses about investment in and promotion of employee health and wellbeing closely match the perceptions of employees. Almost half of UK employers have a wellbeing strategy, with larger organisations and organisations in the public sector more likely to have one⁶⁵.

Fast facts on the state of corporate attention to employee wellbeing

- Most companies with a wellbeing strategy have only developed it within the last five years.
- Even the area of health - let alone wellness and wellbeing - is a new one for many UK employers.
- Close to half of UK employers have a wellbeing strategy, with larger employers and public sector organisations more likely to have one.
- Companies and industries that have well-established safety programmes with onsite medical professionals are more likely to offer wellness and wellbeing initiatives as the infrastructure to support them is already in place.

wellbeing industry

3.2. Rising costs related to employee illness and disease are pushing employee health and wellbeing onto the strategy agenda at the Board level in many UK companies

A number of factors appear to be driving corporate decision-making about whether to invest in the area of employee health and wellbeing. A survey of multinationals based in Europe, the Middle East and Asia (EMEA) found that 75% of those without a global health strategy did not view it as a current business priority⁶⁶. A lack of the necessary internal staffing (50%) and budget (42%) were also given as reasons for not investing in such activities. Amongst those EMEA-based multinationals that did have a global health strategy, 69% did so to demonstrate commitment to employee wellbeing, 62% to reduce costs and 46% to increase productivity.

The rapidly rising cost of illness and disease appears to be the primary factor motivating employers in the UK to invest in wellness and wellbeing programmes. In a Workplace Wellness survey of UK companies with more than 1,000 employees, 60% of finance directors and 72% of HR directors believed that workplace health issues threatened UK competitiveness⁶⁸. Whereas organisations in many countries view wellness as an HR issue and not one of strategic importance⁶⁹, the Workplace Wellness survey provides evidence that such is not the case in the UK. 87% of the finance and HR directors indicated that health and wellbeing was being discussed at the Board level and 41% that the Board viewed it as a strategic priority.

The recession has only served to direct more rather than less attention to employee health and wellbeing, despite the cost-cutting pressures that companies are experiencing. The majority of companies have kept their expenditures the same or even increased them, with only about 10% planning to make cuts⁷⁰.

Fast facts on corporate rationale for investing in employee wellbeing

- Companies tend to have a wellbeing strategy when they see it as a competitive issue and a strategic business priority.
- Companies without a wellbeing strategy do not consider it a current business priority.
- The primary factor motivating UK employers to invest in employee wellness and wellbeing programmes is the rapidly rising cost of employee illness and disease.
- In a survey of finance and HR directors in UK companies with more than 1,000 employees, 87% indicated that health and wellbeing is being discussed at the Board level and 41% that it is viewed as a strategic priority.
- The recession has not affected spending in this area, as the majority of companies are holding steady or even increasing their commitment.

3.3. UK employers are providing a range of wellbeing benefits to their employees

As Table 4 demonstrates, UK private sector employers are offering a range of wellbeing benefits to their employees. The most 'popular' benefits with employers are counselling services and employee assistance programmes. This is not surprising given the rising levels of stress and mental health problems amongst employees (see Sections 2.4 and 2.5), as well as the duty of care that UK employers are legally required to exercise to protect their employees' physical and mental wellbeing.

The next most popular benefits with employers differ by type of industry. Manufacturing and production companies are more likely to provide health screening and support to stop smoking, which may be a reflection of the higher percentage of manual workers in these companies. Service businesses, on the other hand, are more likely to provide various forms of insurance and subsidised gym memberships (and much less likely to offer stop smoking support), which may reflect the higher percentage of non-manual employees. Private medical insurance is the one wellbeing benefit that tends to be dependent on grade or seniority in both manufacturing and service companies.

Fast facts on the wellbeing benefits being provided by UK employers

- UK private sector employers are providing a wide range of wellbeing benefits to their employees.
- The most 'popular' benefits with employers are counselling services and employee assistance programmes, which is not surprising given rising levels of stress and mental illness problems amongst employees and the Government-mandated 'duty of care'.
- Manufacturing and production companies are more likely to provide health screening and support to stop smoking, whereas service businesses are more likely to provide various forms of insurance and subsidised gym memberships.
- Private medical insurance is the one benefit that tends to be linked to grade or seniority in both manufacturing and service companies.

Table 4: Employer wellbeing benefits being provided by UK private sector employers (% of respondent companies)

Wellbeing benefit	Manufacturing and production companies	Service companies
Counselling services	49%	48%
Employee assistance programme	42%	48%
Support to stop smoking	39%	16%
Health screening	36%	23%
Subsidy for gym membership	25%	33%
Insurance (e.g. long-term disability, permanent health, income protection)	25%	33%
Healthy food options	25%	21%
Physiotherapy services	25%	18%
Private medical insurance	24%	38%
Healthcare cash plans	22%	25%
Nutrition advice	22%	17%
Self-funded health plans	14%	16%
Critical illness insurance	12%	22%
Walking/pedometer programmes	11%	7%
Dental insurance	10%	18%
Personal accident insurance	10%	8%
In-house gym	9%	11%
Fresh fruit	7%	19%
On-site massage	7%	11%
Personalised healthy living programme	6%	5%

Source: CIPD⁷¹

3.4. Employee participation in wellbeing activities is variable, with the employees who need them the least being the most likely to take advantage of them

Participation rates in wellbeing activities have not been consistent, prompting many companies to consider different marketing approaches and the targeted use of incentives.

Programmes that are voluntary have experienced low participation rates⁷², which is not surprising given the workload pressures that employees claim to have. Participation patterns amongst employees have been found to vary according to employee age, lifecycle and family responsibilities, but employees who already engage in such activities, i.e. the healthy and motivated ones, have been found to be most likely to welcome and engage in them^{73,74}.

Fast facts on employee participation in wellbeing activities

- Participation in wellbeing activities has not been consistent, prompting companies to consider different marketing approaches and the targeted use of incentives.
- Programmes that are voluntary tend to have low participation rates.
- Participation patterns differ amongst employees according to such factors as age, stage in the lifecycle and family responsibilities.
- Employees who already engage in such activities, i.e. healthy and motivated employees, are the most likely to welcome and participate in them.



Key trends affecting wellbeing inv

In making decisions about their investment in employee wellbeing, corporations must consider not just the costs associated with current policies and practices but also the situation that may be facing them in the years to come. There are a number of trends in the area of employee health and wellbeing that promise to have a significant impact on corporate decision-making in this area. These trends are of two types - trends that may influence the nature and degree of attention that corporations decide to pay to employee wellbeing, and trends that may influence the activities and programmes in which corporations ultimately choose to invest.

4.1.Key trends influencing corporate attention to employee wellbeing

Influence and pressure on corporations to direct attention to employee wellbeing is emanating from three sources. One source is the corporation's own need to survive, i.e. the requirement to have a high-functioning workforce. The employees themselves and the expectations they bring to the workplace are a second source. And finally, a source of growing significance and one that corporations will find increasingly difficult to ignore is that of external stakeholders, particularly Government agencies concerned with regulating and promoting various aspects of health and wellbeing.

4.1.1.The need of employers to maintain a viable workforce

Historically employers have been driven to pay attention to employee health because of their need to maintain an accessible and stable workforce and assure the protection of 'human resources'. More recently many employers have expanded into the broader areas of wellness and wellbeing as a means to engage, reward and retain valuable employees. With demographic and other shifts in the nature of the workforce, employers are now under increasing pressure to consider wellness and wellbeing services not as a business benefit or competitive perk but, again, as an unavoidable requirement for maintaining a viable workforce. Such pressure is only going to increase in the coming years.

The demographic shift of over-riding significance for employers is the increase in the average age of the workforce and the inevitable health and wellbeing issues that characterise an older population of workers. With the abolition of a compulsory retirement age in the UK earlier this year, employers can no longer force older employees out the door without legal justification. This development coincides with the baby boomer generation, one of the biggest generational cohorts in history (born between 1946 and 1964), just reaching the former Mandatory Retirement Age of 65. The typical baby boomer is in denial of aging and mortality, and many from this generation show no intention to retire from the workforce, whether because they cannot afford to do so or because they enjoy being active and engaged. Employers are therefore facing two decades of aging baby boomers entering their 'golden sixties', of which

estment and provision

a significant percentage will refuse to relinquish their positions to the generations nipping at their heels. These obstinate baby boomers will pose fresh challenges for employers in terms of the nature, frequency and duration of health problems. They undoubtedly promise unwanted legal challenges around provision of health benefits and involuntary terminations.

4.1.2. Growing litigation by employees on health and wellbeing grounds

In fact, there is already an upward trend in litigation by employees against their employers on health grounds. Under the Health and Safety Work Act of 1974 and the Management of Health and Safety at Work Regulations of 1999, UK employers are required to protect the health of their employees at work⁷⁵. In particular, they are required to identify and manage any health and safety risks, including any sources of work-related stress. Despite the provision of specific standards and guidelines on how to conduct a workplace risk assessment, only 29% of manufacturing companies and 20% of private sector service employers are conducting risk assessments of work-related stressors⁷⁶.

Employers have ignored the requirements to assess risk and to protect employee health at their own expense. Data on insurance and compensation claims demonstrate a growing trend in personal injury claims and litigation. The legal case of Walker vs. Northumberland County Council has set an important precedent for expanding the responsibility of employers beyond physical health to encompass mental health and psychological wellbeing⁷⁷. In this case, the employer was found to have provided inadequate support to an employee who suffered a second mental breakdown in the face of an excessive workload and workplace stress, resulting in a breach in the required duty of care. Given that workers are now claiming greater insecurity, dissatisfaction and stress, the potential expense related to employee claims and litigation is significant.

4.1.3. Changing employee expectations

The increase in litigation is part and parcel of a broader trend of rising employee expectations toward employers. Although the economic crisis has raised the insecurity of the workforce in general, the war for talent has ensured that corporations continue to seek ways to distinguish

themselves as employers of choice. Competition is fierce to be nominated and selected for various employer awards, such as the Great Place to Work Institute's 50 Best Workplaces in the UK. Such competition has now extended to the area of health and wellbeing, with the opportunity to win such awards as BITC's Bupa Workwell Award and the National Business Award for Health, Work and Wellbeing.

The expectations of employees are rising not just amongst 'the talent'. Aspirations and values amongst employees in general have risen as employees have become older, more culturally diverse, increasingly mobile across regional and national boundaries, globally connected through the internet and wireless technology, able to access information and knowledge more readily, and more willing to change their homes and jobs. Given the increasing time and effort required by their jobs, particularly in the wake of the economic crisis, employees are expecting employers to make health and wellness offerings available as a quid pro quo and are demanding more flexibility and control over their working life, a key element in the employee wellbeing mix.

4.1.4. Interest and pressure from other stakeholders

Calls for corporations to attend to employee health and wellbeing, and various forms of support in doing so, are emanating not just from employees but from external stakeholders - government, industry and academia.

4.1.4.1. International attention and pressure

Governments around the world are dealing with workforces that are becoming older and sicker and, as a result, are being forced to contend with the increasing vulnerability and cost of their health delivery systems⁷⁹. Infectious diseases imported from other countries by international travelers and trade, such as in the e coli crisis that began in Germany earlier this year, pose additional risks to these already over-burdened national health care systems. Not surprisingly then, the issue has become a critical one on the agenda of inter-governmental bodies. The Health Commissioner for the European Union (which includes the UK) has even felt it necessary to warn member countries of an emerging health crisis⁸⁰.

Governments and inter-governmental bodies are calling for businesses to take on more of the responsibility for the delivery and the cost of health care. In some countries

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employee wellness programmes are no longer optional, e.g. government regulations require onsite clinics in Japan and many Latin American countries⁸¹. The World Economic Forum (WEF), an organisation that brings political leaders together with leaders from business and civil society to address issues of global importance, has made the commitment to “improve global health and productivity by making wellness a priority, starting in the workplace”⁸². WEF is actively working to persuade CEOs and business leaders to commit to improving the wellbeing of their employees and to help them in identifying practical steps for doing so. International attention to the issue of health care, and pressure on corporations to ‘step up to the plate’ and share responsibility with governments, is only expected to grow in the years ahead.

4.1.4.2. UK Government interest and pressure

Since the early 2000s the UK Government has demonstrated a ratcheting concern about the cost and sustainability of the National Health Service (NHS) hand-in-hand with a determination to increase the wellbeing of the UK population.

As detailed earlier in this report, the costs associated with public health in the UK have spiraled out of control. An aging population, rising levels of obesity, more prevalent and persistent mental health problems and higher claims for incapacity benefits are putting unsustainable demands on the NHS. In line with developments in other countries, the UK Government has begun efforts to devolve some of the responsibility for health care to employers and employees and thereby shift some of the cost to the private sector. Public health discourse has accordingly shifted from ‘occupational health and safety’ - the workplace as potentially harmful to employees - to the broader and more encompassing emphasis on organisations as ‘guardians of health’⁸³.

To encourage employers to step up to the plate, the UK Government has avoided issuing mandates or regulations as other countries have done. Instead, it has begun a cross-Government campaign focused on documenting and communicating the benefits to be derived from employee health, wellness and wellbeing initiatives, such as decline in the costs of absenteeism and presenteeism. It has also made significant investments in producing the resources that employers are anticipated to require in designing and implementing their own programmes, including a plethora of guidelines, tools and techniques, and cases of best practice. In 2005 five UK Government entities - the Department for Work and Pensions (DWP), Department of Health (DoH), Health and Safety Executive (HSE), Scottish Government and the Welsh Assembly Government - partnered to create the Health, Work and Wellbeing Executive, an initiative that “brings together employers, trade unions, healthcare professionals and other partners and builds on a growing evidence base that working is good for health”. Rapidly following, DWP and DoH under the direction of Dame Carol Black issued a review of the health of the working age population called *Working for a Healthier Tomorrow*.

Called the Black Report, this highly influential document summarised existing research and constructed a compelling case for claiming that “good health is good business”⁸⁵. More recently, the Government’s Health and Safety Laboratory began a partnership with four universities to document the costs of workplace injury and ill-health in a study involving 40 companies over a period of two years⁸⁶.

Beyond expecting them to assume greater responsibility for the provision of healthcare, the UK Government has articulated an additional role for employers of motivating and supporting individuals in taking responsibility for their own health and wellbeing. The Prime Minister’s Strategy Unit issued a paper on *Personal Responsibility and Changing Behaviour*⁸⁸ in which ‘co-production’ between service users and providers, including employers, was promoted as a means for increasing personal responsibility. In succeeding reports, such as the *Behaviour Change Knowledge Review*⁸⁸ issued by the Government Social Research Unit, the Government has continued to explore the role of industry in shaping behaviour patterns and promoting more desirable behaviours amongst employees, consumers and other citizens.

Another area that has received particular attention from the UK Government is that of mental health and wellbeing. The Department of Trade and Industry conducted a two-year Mental Capital and Wellbeing Project, which involved research by a number of prominent academics in different fields and which produced an impressive array of papers on the drivers of mental health and wellbeing. Efforts have continued with the issuance of concrete guidance for employers on how to promote mental health and wellbeing from the National Institute for Health and Clinical Excellence⁸⁹, and the continuation of research on the causes and consequences of employee wellbeing in a joint collaboration between HSE and the ESRC called Wellbeing and Working Life⁹⁰.

The current political leadership is now attempting to move Government policy and practice in a new direction, beyond health and wellness to an emphasis on the broader construct of wellbeing. In 2006, while serving as opposition Conservative Party leader, David Cameron was quoted as saying that “It’s time we focused not just on GDP, but on GWB - general wellbeing”⁹¹. Last year, as Prime Minister, Cameron again proposed a National Wellbeing Index and opened the issue to national debate. The Office for National Statistics (ONS) spent five months soliciting input from citizens on what matters to their wellbeing, with over 34,000 from around the country participating through the internet and 175 public events. With this public feedback as well as data from four questions on wellbeing included in the 2011 national citizen’s survey, the ONS has been authorised to proceed with the creation of the National Wellbeing Index. It remains to be seen what kind of impact this landmark development will have on corporations and other employers, but it can be expected to be a significant one given that wellbeing is a much broader concept encompassing health and wellness as well as other factors such as engagement, satisfaction and even happiness.



Key trends affecting wellbeing investment and provision

4.1.4.3. Corporate leadership in the area of health and wellbeing

Corporations and corporate leaders are themselves playing an increasingly important role as champions of wellbeing activities in the workplace. Thirteen CEOs of multinational corporations called on business leaders to address more attention to workplace wellness at the World Economic Forum annual meeting in 2008. A core group continued to meet and two years later launched the Workplace Wellness Alliance, a “consortium of companies committed to advancing wellness in the workplace”⁹². UK-based AstraZeneca and BT Group, as well as other multinationals with operations in the UK, are members of this high-powered group.

Within the UK itself, Business in the Community (BITC) is avidly working to help employers ‘up their game’ in the area of health and wellbeing. BITC is a charitable organisation (and one of The Prince’s Charities) committed to helping businesses improve their performance and create a sustainable planet. Its membership consists of around 850 UK companies, from small businesses to multinational corporations. BITC encourages good practice in the area of health and wellbeing by providing employers with resources and case studies, including a framework for action called the Workwell Model⁹³. It recognises and further motivates best practice through its annual Workwell awards and its regional Workplace Health and Wellbeing Awards, as well as through an annual gathering called the Workwell Summit. BITC’s Business Action on Health Campaign aims to elevate the health and wellbeing agenda to the boardroom level. Given the statistics cited previously in this report, there is more than sufficient opportunity for corporates to increase their involvement and influence in the area of wellbeing through their own activities as well as through organisations like WEF and BITC.

4.1.4.4. Academic attention and exciting new research

The efforts of Government agencies and corporate associations to promote employee wellbeing are being abetted by increasing academic attention to wellbeing as a distinct and important research topic. Past research has been “disjointed and unfocused”⁹⁴ due to the fact that the topic is a complex one having multiple dimensions and crossing a range of fields and disciplines. There has been more intense and persistent academic interest in the past decade, in part because Government projects and funding have become available and in part because fascinating new research avenues have emerged.

Previous studies tended to focus on the dispiriting topic of how work contexts lead to employee stress and health issues, i.e. a negative focus⁹⁵. With the advent of positive psychology, however, attention has begun to shift from physical, mental and emotional malfunctioning to an exploration of what factors make individuals feel good and function well⁹⁶. Further impetus to move in this research direction has been fostered by the discovery that wellbeing and ill-health are actually independent phenomena and not just opposite ends of the same spectrum. In other words, an individual can have ill-health yet be happy, and likewise they

can have robust health but be depressed and unhappy. This discovery has opened up an entirely new and exciting area of exploration for academic researchers.

Leading the charge have been several highly influential academics in the US and the UK. Martin Seligman, the ‘grandfather’ of positive psychology at the University of Pennsylvania, has argued that positive health is “a state beyond the mere absence of disease” that can be assessed using measures of an individual’s functioning and subjective feelings⁹⁷. In the UK, Professors Cary Cooper and Ian Robertson, of Lancaster and Leeds business schools respectively, have led efforts to generate and disseminate evidence on the impact of employee wellbeing activities. Seligman’s book called *Flourish* (2011) and Robertson and Cooper’s book called *Wellbeing: Productivity and Happiness at Work* (2011) offer individuals and organisations a wealth of guidance on how to understand and implement the new science of wellbeing.

Another important stream of research has been driven by the conundrum of how to motivate individuals to make necessary behavioural changes and then how to support them in sustaining such changes. Research has been directed at understanding why individuals fail to make behavioural changes even when their lives depend on it and why participation rates in many health and wellness activities are low. As mentioned earlier, the Government’s Mental Capital and Wellbeing Project and other initiatives have generated an impressive array of literature reviews that summarise the research on behavioural change⁹⁸. In addition, researchers are conducting original research on the types of organisational interventions and individual behaviours that contribute to programme success and failure, such as the work of Susan Michie of University College London and colleagues that has resulted in a new framework called the behaviour change wheel⁹⁹.

Corporations can expect the academic world to continue producing new evidence and generating new frameworks of relevance to practice. New journals have been started¹⁰⁰ and new centres have been established¹⁰¹ that focus on this specific topic. A new BSc in health and wellbeing is being offered at the University of Greenwich. The opportunity and challenge for corporations is in finding an effective way to partner with academia to encourage research that is relevant to practice and to ensure that such research is translated into models and guidelines for practice as quickly as possible.

4.2. Key trends influencing corporate provision of employee wellbeing services

A number of trends are emerging in terms of the provision and utilisation of health and wellbeing services. As mentioned earlier, UK employers are already offering a range of wellbeing services, but trends may shift the emphasis amongst these offerings and the intensity of the activities involved. Participation rates may change as well, as employees are pressured to assume more responsibility for their own health and wellbeing by the Government and their employers.





4.2.1. Change in illness patterns and solutions

There are two major trends in terms of illness patterns that have significant ongoing implications for corporate investment in employee health and wellbeing programmes.

One trend is a shift in the balance between physical and mental health disorders. Overall rates of illness, injury and death in the workplace have been generally declining over the past few decades¹⁰², even as health costs are increasing. However, whereas physical health disorders may have seen a decline, mental health disorders and stress-related diseases are on the rise, as discussed in Sections 2.4 and 2.5. A turnaround in mental health disorders cannot be expected in the foreseeable future given continuing economic uncertainty, competitive pressure, downsizing and cost-cutting and the expectations and workloads that these factors place on employees.

Another trend is a shift in the nature of serious illness (which contributes to both short-term and long-term absences as well as turnover). Whereas infectious diseases were important a century ago, today the major causes of serious illness and premature death - about 80% - are circulatory diseases, cancer, and respiratory illnesses. With the dramatic upward trend in obesity, these conditions can be expected to become even more prevalent in the coming decades. There is already substantial evidence that lifestyle changes - diet, exercise and not smoking - can make a significant difference in both prevention and treatment. However, medical professionals and employers are struggling with the fact that behavioural change has been remarkably difficult, if not impossible, for most individuals in terms of such contributing behaviours as overeating and addiction, even when they are aware that their lives depend on it. Identifying ways to support such behavioural change has already become an area of keen interest and investment for the UK Government, as well as for employers already dealing with high-risk employee populations.

4.2.2. Shift from occupational health and safety to overall employee wellbeing

Since the rise of industrial capitalism, corporations have been involved in promoting employee health by encouraging 'wholesome' habits and discouraging unhealthy leisure pursuits such as drinking¹⁰³. The paternalistic approaches of the 19th century gave way to the industrial health programmes in the first half of the 20th century and finally the occupational health and safety programmes in the latter half. With the decline in rates of workplace illness, injury and death, the focus has begun shifting again - from treating illness and preventing accidents to promoting the overall wellbeing of employees.

As reviewed in Section 4.1.4, this shift is being driven by pressure from various stakeholders, including Government, industry and the employees themselves. An important factor is the changing nature of the psychological contract between employers and employees¹⁰⁴. In effect, employees are communicating to their employers "if you want me to spend all my waking hours at work, then make it worth my while by helping me achieve my full potential - physically, mentally, emotionally, socially and even spiritually". In other

words, employees are demanding that employers help them achieve their full potential and optimise their wellbeing, and given the amount of time they spend at work, may expect their families to be included in the bargain as well.

4.2.3. Partnership with employees rather than 'employer-knows-best'

More and more employees are expecting to be consulted about health and wellbeing activities, rather than having such activities designed and implemented on their behalf or, even worse, imposed on them. Research has found that employees tend to perceive health and wellbeing programmes as paternalistic and even manipulative when they are employer-led¹⁰⁵. They may perceive their employer as treating them like a 'human resource' rather than a human being, and resent the implication that their employer knows what is best for them and is doing it 'for your own good'.

Many employers are engaging in activities like social marketing and the use of incentives to encourage their employees to participate in health and wellbeing programmes, but such approaches have had decidedly mixed success. These approaches have been found to produce inconsistent results across target groups or activities and generate effects that do not last unless the social marketing efforts are intensive and multi-faceted¹⁰⁶, i.e. a promotional 'blitz'. Such disappointing results are explained by the fact that communication of information tends to make little difference in whether people change to healthier behaviours¹⁰⁷, and economic incentives tend to be less than effective in spurring participation¹⁰⁸. Research is now suggesting that there must be an emphasis on relationships as opposed to transactions in changing behaviours¹⁰⁹. For this reason, many industry experts are now calling on employers to move beyond communication or education and to engage employees directly in the development and implementation of a health and wellbeing strategy¹¹⁰. Through employee consultation and/or the direct engagement of employees or their representatives in the developmental process, companies are more likely to bring about a sense of ownership and 'buy-in' by employees individually and collectively, which can be expected to dramatically increase the chances of programme success.

4.2.4. Increasing expectation of personal responsibility

Rights, of course, bring responsibilities. Hence, the more that employees become partners in the process of designing and implementing their company's health and wellbeing strategy, the more they will be expected to contribute to its success through active and whole-hearted participation. Even more importantly, employees will be expected to take responsibility for their own health and wellbeing and to undertake whatever behavioural changes are necessary to enhance and improve it.

Employers are indeed beginning to hold employees more accountable for achievement of their personal health goals¹¹¹. This is mirrored at the national level, with the UK Government seeking ways to encourage citizens to assume more personal responsibility for their health and wellbeing and to undertake any behavioural changes that are required¹¹². The Government's stance has been driven

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by the limited success it has experienced with traditional approaches to influencing behavioural change, such as education and service delivery, as well as by its tradition of empowering citizens to act in their own best interests¹¹³.

Fortunately, the British Social Attitudes Survey indicates a corresponding shift in the general attitude of the UK population toward more personal and less Governmental responsibility¹¹⁴, and this shift in attitude appears to be occurring amongst employees as well. As wellbeing guru Cary Cooper has observed, employees are more interested in nurturing their “capability to maintain high performance and positive wellbeing”¹¹⁵, which suggests that, indeed, they have already begun to take responsibility and to act on it.

4.2.5. Taking wellbeing into the home

Evidence that individuals are taking more responsibility for their own health and wellbeing is indicated as well by a new trend referred to as “home as wellbeing haven”¹¹⁶. This trend reflects a growing attention to personal wellbeing coupled with concerns about budget in the wake of the economic crisis. Individuals are seeking affordable ways to keep themselves happy and healthy, which for many has meant bringing wellbeing activities back into the home.

People are now spending more time exercising at home, as evidenced by the popularity of Wii Fit and a surge in the sale of exercise videos. They are researching health symptoms on the internet. Vitamin sales are increasing, along with public interest in seeing calorie labels on menus in restaurants and fast food chains, indicating a growing interest in nutrition. People are also taking control over their food consumption by making more meals at home and growing their own produce in allotments or kitchen gardens.

This trend poses distinct opportunities for health providers and employers in terms of health and wellbeing offerings. For example, employees are likely to be responsive to classes and materials on such topics as home gardening, simple nutritional meal preparation, calorie counting, use of nutritional supplements and common health symptoms. At-home exercise DVDs may be a desirable alternative to provide to employees who don't feel comfortable exercising in a work-provided fitness facility.

4.2.6. From one-size-fits-all to personalisation

Another compelling reason for employers to engage in employee consultation is the fact that different types of employees tend to need or desire different types of wellbeing programmes. The one-size-fits-all programmes of the past are giving way to more targeted programmes geared to particular employee populations or focused on specific health problems or wellbeing aspirations. Companies are also catering to differing needs by providing a range of wellbeing offerings from which employees can choose the ones that they find most relevant or attractive. However, research on behavioural change suggests that offering targeted programmes may not be going far enough. The research behind the stages of change model developed by James Prochaska and colleagues¹¹⁷ indicates

that individuals vary significantly in their willingness and readiness to change. Individual assessments are necessary to know where people stand in their overall level of health and wellbeing and provide the right kind and degree of support for their efforts to change. Many companies already offer health screenings to help employees better understand their health situation, but as Table 4 shows, only a small percentage offer something like a personalised healthy living programme. Personalised offerings like this are likely to gain traction as companies place increasing expectations on employees to take responsibility for their own health and wellbeing and are called upon in return to provide appropriate forms of individualised support.

4.2.7. Creating a culture of wellbeing

Although individuals are being encouraged to assume more responsibility for their health and wellbeing, there is growing evidence that behavioural change is difficult when the organisational context does not facilitate and support individual efforts at change. The work environment and management practices can even act to thwart and subvert such efforts, even when company strategies and policies are intended to be supportive. As one example of this, employees may wish to take advantage of the on-site athletic facility when they have energy and motivation, rather than at the end of the workday when they are tired and hungry. Yet supervisors can discourage employees from taking any time away from their desks during the workday, even when the employees are willing to work late and the exercise will give them a new burst of energy and brainpower. As another example, employees may wish to be proactive in addressing an illness or health condition but be deterred by the health insurance deductible they are required to pay or the bureaucratic procedures they are forced to follow.

Contextual factors can also have a direct effect, either beneficial or detrimental, on the actual health and wellbeing of employees. The “psychosocial environment” has a significant impact on employees in terms of feelings of trust and respect, a sense of personal agency and control over one's work, ability to manage work demands and work-related stress, and overall satisfaction with one's work¹¹⁸, all considered factors in employee wellbeing. Poor leadership and management have been linked with stress, depression and burnout in employees, while good leadership and management have been associated with reduced incidence of such conditions and increased wellbeing¹¹⁹.

An organisational climate conducive to employee health and wellbeing and supportive of employee efforts at change is called a ‘culture of wellbeing’¹²⁰. In a recent survey, Nuffield Health found that creating this kind of culture is now considered important by close to 30% of its clients, while only 24% consider it unimportant¹²¹. Because the creation of a culture of wellbeing can be a significant undertaking, many companies are starting with the creation of a ‘culture of health’ or a ‘culture of wellness’ instead. In a global wellness survey conducted by Buck Consultants, only 33% of organisations claimed they have a culture of wellness now, but an impressive 81% indicated their intention to create one.



The business benefits of employee we

The costs associated with employee health and wellbeing may be increasing, and trends may indicate increasing pressure on corporations to assume greater responsibility in this area, but do health and wellbeing programmes actually work? Is there any evidence that corporate investment in this area will produce valued outcomes?

The answer is a definitive yes. Evidence is mounting from a variety of sources - government studies, academic research and cases of business practice - that health and wellbeing programmes can indeed produce a range of valued outcomes. As reviewed here, these include improved employee health and wellbeing, direct and indirect cost savings and greater employee engagement and productivity, if not some indirect impact on the bottom line.

5.1. Studies have found significant positive health outcomes

Comprehensive reviews of the evidence have confirmed that corporate health and wellbeing programmes can influence employee health behaviours and result in positive employee health outcomes¹²². One meta-analysis, which examined 15 separate reviews of the available evidence, concluded that workplace health and wellbeing interventions can have a positive impact on such health behaviours as diet, exercise and smoking¹²³. Another meta-analysis of 60 studies covering 50 corporate wellbeing programmes found concrete evidence of declines in blood pressure and improvements in fitness levels¹²⁴.

These reviews are supported by many cases and examples from the UK corporate world generated in the past five years to inform or guide business practice. Such examples help to 'make the case' for health and wellbeing programmes as most provide evidence of tangible and/or intangible business benefits. (A list of available cases is provided in Appendix B.)

Convincing examples are also appearing in the business press. For example, a recent article in Harvard Business Review¹²⁵ describes a programme in which 57% of the 185 workers involved were converted from high risk to low risk health status after just six months of engagement in cardiac rehabilitation and exercise training activities. No comparable improvement was found in a control group, and the programme generated cost savings six times the expense of the programme. Another article describes the Fit Business programme conducted at Unilever in which 2,000 employees were given advice on diet and exercise and had their blood pressure and BMI monitored for a year¹²⁶. The percentage of participants with a BMI in the overweight or obese range fell 26% for factory workers and 9% for office staff, and participants were also found to be feeling happier as a result of the programme. Such anecdotal examples may not be enough on their own to persuade companies to invest further in employee health programmes, but when combined with the accumulating evidence from academic and government studies, they may be convincing if not inspiring.

Wellbeing programmes

Fast facts on health outcomes resulting from employee health and wellbeing programmes

- Corporate health and wellbeing programmes can influence employee health behaviours and result in positive employee health outcomes.
- There is evidence of positive impacts on health behaviours such as diet, exercise and smoking, as well as improvements in concrete health indicators such as blood pressure and fitness levels.
- Many cases and examples of positive outcome are now available (see Appendix B).
- In one programme, 57% of participants went from high risk to low risk health status after just six months. Another programme found significant improvements in Body Mass Index and levels of happiness.

5.2. Wellbeing programmes can produce significant cost savings

Studies have found significant decreases in various business costs as a result of workplace health and wellbeing programmes. Cost savings have been documented in terms of accidents and injuries, health care, mental health, absenteeism and staff turnover¹²⁷. One meta-review found that the average cost reduction across 50 programmes was 25%¹²⁸.

As part of the evidence base for the Black report¹²⁹, PriceWaterhouseCoopers reviewed 55 wellness programmes and found reduction of sickness absence in 45 cases (82%), of staff turnover in 18 cases (33%) and of accidents and injuries in 16 cases (29%). A positive return on investment (ROI) was found in seven cases, with the benefit-to-cost ratio ranging from 1:1 to 34:1.

Some examples from other sources give a sense of how programme content can lead to specific types of cost savings. In one programme employees participated in back care workshops, with the direct result being a 43% reduction in employee absence related to back pain¹³⁰. A 29% reduction in working days lost and a 60% reduction in mental health costs were found to result from programmes that promoted individual and team resilience (i.e. factors in employee wellbeing)¹³¹. A programme that required participants to engage in intense physical activity at least three times per week led to a reduction in sick leave¹³².

Fast facts on cost savings from employee wellbeing programmes

- Cost savings have been documented in terms of accidents and injuries, health care, mental health, absenteeism and staff turnover.
- One meta-review found that an average cost reduction of 25% across 50 programmes.
- In another review of 55 programmes, 82% demonstrated a reduction in sickness absence, 33% in staff turnover and 29% in accidents and injuries. Seven (13%) had a positive ROI.
- In one programme a 43% reduction in employee absence resulted from training on back care.
- 29% reduction in working days lost and a 60% reduction in mental health costs resulted from programmes promoting individual and team resilience.

5.3. However, some programmes and interventions are more effective at reducing costs than others

There are indications that some types of programmes and interventions are more effective than others in terms of overall reduction in associated business costs, although the evidence is not yet conclusive and more research is required.

In general, it appears that programmes involving high risk groups¹³³ and interventions that are more intensive in nature¹³⁴ produce greater cost savings. Programmes also appear to have more impact when they provide follow-up counselling, peer groups or specific interest groups¹³⁵. Cardio health programmes, such as blood pressure classes, stress classes and cholesterol feedback, were found to produce greater cost reductions than all other programmes¹³⁶, while substance abuse programmes and health facilities (e.g. gym and cafeteria facilities) had less impact on costs than did stop smoking programmes, safety programmes and customised health feedback.

Programme impact also appears to depend on the size of the employee population and the percentage of female employees. In their meta-review of 50 corporate wellbeing programmes¹³⁷, Keller and colleagues found that cardio heart programmes, stop smoking programmes and employee reward programmes have greater impact in larger organisations, whereas safety classes, exercise classes, computerised tracking and facilities (gym and cafeteria) have more impact in smaller ones.

The business benefits of employee wellbeing programmes

Overall, cost reduction tends to be greater the higher the percentage of female employees involved, but this is particularly the case for stop smoking and substance abuse programmes, nutrition or weight loss programmes, exercise classes, computerised tracking and facilities. The exceptions, i.e. when there is more impact if the percentage of men is higher, are safety classes and customised feedback. Not surprisingly, these findings suggest that programmes involving social activities and peer support may have more impact when women are heavily involved.

Fast facts on the programmes that are more effective in reducing costs

- Some types of programmes and interventions appear to be more effective than others in terms of reducing associated business costs.
- Programmes involving high risk groups and interventions that are more intensive in nature produce greater cost savings.
- Programmes also appear to have more impact when they provide follow-up counselling, peer groups or specific interest groups.
- Cardio health programmes, such as blood pressure classes, stress classes and cholesterol feedback, were found to produce greater cost reductions than all other programmes.
- Programme impact also appears to depend on the size of the employee population and the percentage of female employees.

5.4. Wellbeing programmes can produce other valued business outcomes, such as greater employee engagement, innovation and productivity

Research has found that leaders, managers, supervisors and employees all believe that employee effort, contribution and productivity increase when employees are happier and healthier¹³⁸. Until recently, such beliefs have been the main impetus behind investment in health and wellbeing initiatives in the absence of convincing evidence. Now, however, such evidence is at hand. A recent survey¹³⁹ of over 28,000 employees in 15 countries and 10 industries, conducted by the World Economic Forum and Right Associates, has linked employee health and wellbeing to employee engagement, creativity and innovation, talent retention and organisational productivity.

The survey found that 55% of employees in companies that actively promote employee health and wellbeing feel engaged, as opposed to only 7% in companies that are not promoting health and wellbeing. This finding is significant given that employee engagement has been found to be directly linked with employee effort and performance¹⁴⁰. Employees in organisations that promote employee health and wellbeing are also 3.5 times as likely to view their organisation as one that encourages innovation and creativity, 3 times more likely to view it as productive, 2.5 times more likely to view it as a top performer, and 4 times less likely to view it as vulnerable to loss of talent in the coming year.

Other studies have found that employee wellbeing programmes have significant impact in terms of employees' discretionary effort, citizenship behaviour and job performance¹⁴¹ and in terms of employee satisfaction¹⁴².

These outcomes can be expected to have an indirect effect on measures of business performance, but a direct link to bottom-line measures like revenues and profit has yet to be established¹⁴³.

Fast facts on other valued outcomes resulting from employee wellbeing programmes

- Leaders, managers, supervisors and employees all believe that employee effort, contribution and productivity increase when employees are happier and healthier, and now there's evidence to back up that belief.
- A worldwide survey found that 55% of employees in companies that actively promote employee health and wellbeing feel engaged, as opposed to only 7% in companies that are not engaging in such activity.
- The study has also linked employee health and wellbeing to creativity and innovation, talent retention and organisational productivity.
- Other studies have found significant impact in terms of employees' job satisfaction, discretionary effort, citizenship behaviour and job performance.
- The indirect effect on business performance is clear, but a direct link to bottom-line measures like revenues and profit has yet to be established.

5.5. Health and wellbeing programmes are the programmes that 'keep on giving and giving'

As demonstrated above, attention to employee health and wellbeing can have a significant impact in terms of cost savings and less tangible but equally important employee outcomes. The impact does not stop there, however. Employees that are happier and more engaged have been found to have higher energy levels, make more effort and take fewer sick days¹⁴⁴. Hence, employee health and wellbeing programmes can set off a virtuous circle in which health and wellbeing outcomes lead to higher levels of employee engagement and productivity, which in turn lead to better health and a greater sense of wellbeing. Such programmes can be ones that 'keep on giving and giving'.

Fast facts on the knock-on effects of employee wellbeing programmes

- Employees that are happier and more engaged have been found to have higher energy levels, make more effort and take fewer sick days.
- Employee health and wellbeing programmes can therefore set off a virtuous circle in which health and wellbeing outcomes lead to higher levels of employee engagement and productivity, which in turn lead to better health and a greater sense of wellbeing.



Conclusions

and recommendations



Employee wellbeing is indeed a hot topic in organisational life and, based on our review of the evidence above, it appears to be an increasingly important one for the corporate world.

The costs associated with employee health and wellbeing have been steadily rising. More and more companies are jumping on the wellbeing bandwagon in one form or another, and those that have already done so are reporting a range of tangible and intangible business benefits of significance. Trends are converging that are expected to force companies to pay attention to employee wellbeing if they are not already doing so. One can even contend that the area of employee wellbeing reflects a broader paradigm shift happening within the organisational world, from the contractual agreement between employers and employees that governed organisational behaviour in the 20th century, to an employer-employee partnership that is expected to characterise the most effective organisations in the new millennium.

Although the contours of the wellbeing landscape have already been mapped out in broad terms, and the number of cases of best practice is steadily growing, there is no substantive body of evidence to guide companies in making the optimal decisions about their health and wellbeing investment. Employee wellbeing is not yet a strategic or operational area within which companies can feel on a sure footing.

For a start, there is no single definition or meaning for the term 'employee wellbeing'. Many definitions are now available to guide corporate practice, including our own definition offered earlier in this paper, but corporations contemplating whether to invest in this area must first struggle with the question of how wellbeing should be defined in their own context. Whereas the definitions currently on tap come primarily from government agencies and wellbeing experts, we suggest that what companies would find even more helpful are examples from corporations like themselves that have already gone through this struggle and defined wellbeing in a way that has survived the crucible of practice.

Likewise, we suggest that corporations need more examples from the world of practice to guide them in designing and implementing their own wellbeing strategies. In-depth cases and examples from similar organisations would allow companies to understand the range of wellbeing strategies available to them and the kinds of business results that could be expected.

Even more importantly, such cases could help companies understand the factors that characterise an effective process for designing and implementing a high-impact wellbeing strategy. Although a number of cases of good practice are already available from various sources (see Appendix B), these tend to be cursory overviews of the facts and give little insight into what actually happens inside organisations. Articles and reports also prescribe a number of models to guide the process, but there is little indication that these have been validated through application in practice. Cases are needed that answer such questions as: Are corporations following the prescribed approaches, or are they devising unique approaches and alternative models for good practice? What general factors and variables are being taken into account when developing a wellbeing strategy? Are there different stakeholders in the process, and what kinds of involvement and contribution do they demonstrate? What factors appear to be critical in achieving high participation rates and producing real and sustained behavioural change?

Beyond access to more cases of good practice, we suggest that UK corporations might also derive significant benefit from participation in wellbeing communities of practice. As a new frontier for many companies, wellbeing is an area in which they will need to experiment and discover what works through trial-and-error. Sharing these experiments with one another and learning from one another's mistakes can be a cost-effective way to shorten the organisational learning curve, get invaluable peer feedback and begin to generate some industry models and principles that define best practice. Such communities of practice also have the potential to partner with academia in building a solid base of research evidence and to influence government in developing and promoting new policies that bring about workplaces full of healthy and happy people.

Appendix A

Table A1: Top five most common reasons for *short-term* absence of *manual* employees in the private sector
(% of companies ranking the reason as one of the top five)

Cause of short-term absence	Manufacturing and production companies	Private sector services
Minor illnesses (colds, flu, headaches, upset stomach)	98%	97%
Musculoskeletal injuries (e.g. from repetitive strain or neck strain, not including back pain)	66%	57%
Back pain	63%	52%
Responsibilities at home	42%	44%
Recurring health problems (e.g. asthma, allergies, angina)	33%	31%
Stress	31%	44%
Injuries or accidents at work	29%	22%
Injuries or accidents outside of work	23%	27%
Other absences unrelated to health	22%	37%
Mental issues (e.g. anxiety or depression)	18%	20%
Acute health conditions (e.g. heart attack or stroke, cancer)	18%	12%
Absence related to pregnancy (not maternity leave)	5%	13%
Absence related to drug or alcohol use	3%	4%

Source: CIPD¹⁴⁵

Table A2: Top five most common reasons for *short-term* absence of *non-manual* employees in the private sector
(% of companies ranking the reason as one of the top five)

Cause of short-term absence	Manufacturing and production companies	Private sector services
Minor illnesses (colds, flu, headaches, upset stomach)	98%	99%
Responsibilities at home	51%	45%
Musculoskeletal injuries (e.g. from repetitive strain or neck strain, not including back pain)	46%	50%
Stress	43%	45%
Back pain	43%	44%
Recurring health problems (e.g. asthma, allergies, angina)	43%	43%
Injuries or accidents outside of work	29%	29%
Acute health conditions (e.g. heart attack or stroke, cancer)	27%	13%
Injuries or accidents outside of work	23%	27%
Mental issues (e.g. anxiety or depression)	19%	27%
Other absences unrelated to health	16%	26%
Injuries or accidents at work	8%	3%
Absence related to pregnancy (not maternity leave)	6%	16%
Absence related to drug or alcohol use	1%	1%

Source: CIPD¹⁴⁶

Table A3: Top five most common reasons for long-term absence of manual employees in the private sector
(% of companies ranking the reason as one of the top five)

Cause of long-term absence	Manufacturing and production companies	Private sector services
Acute health conditions (e.g. heart attack or stroke, cancer)	65%	61%
Musculoskeletal injuries (e.g. from repetitive strain or neck strain, not including back pain)	59%	49%
Back pain	49%	50%
Mental issues (e.g. anxiety or depression)	41%	43%
Stress	35%	48%
Injuries or accidents at work	35%	25%
Recurring health problems (e.g. asthma, allergies, angina)	32%	22%
Injuries or accidents outside of work	29%	27%
Responsibilities at home	19%	9%
Other absences unrelated to health	7%	12%
Minor illnesses (colds, flu, headaches, upset stomach)	6%	10%
Absence related to pregnancy (not maternity leave)	4%	9%
Absence related to drug or alcohol use	4%	1%

Source: CIPD¹⁴⁷

Table A4: Top five most common reasons for long-term absence of non-manual employees in the private sector
(% of companies ranking the reason as one of the top five)

Cause of long-term absence	Manufacturing and production companies	Private sector services
Acute health conditions (e.g. heart attack or stroke, cancer)	70%	60%
Stress	50%	60%
Mental issues (e.g. anxiety or depression)	46%	53%
Recurring health problems (e.g. asthma, allergies, angina)	45%	32%
Injuries or accidents outside of work	38%	27%
Musculoskeletal injuries (e.g. from repetitive strain or neck strain, not including back pain)	36%	43%
Back pain	30%	34%
Responsibilities at home	15%	11%
Injuries or accidents at work	10%	17%
Absence related to pregnancy (not maternity leave)	10%	17%
Minor illnesses (colds, flu, headaches, upset stomach)	6%	16%
Other absences unrelated to health	5%	11%
Absence related to drug or alcohol use	1%	1%

Source: CIPD¹⁴⁸

Appendix B

Cases and examples of UK corporate health and wellbeing programmes

Name of company	Publication and year	Type of case
Airbus Operations Ltd.	Dept of Work and Pensions health and work case	case study on managing mental health conditions
Alliance Boots	BITC Workwell Model (2010)	activities per BITC model
American Express	BITC Workwell Model (2010)	activities per BITC model
Aramark	BITC Workwell Model (2010)	activities per BITC model
Andor Technology (high-tech engineering and manufacturing)	Dept of Work and Pensions health and work case	case study on stress management
Arriva Buses Wales	Dept for Work and Pensions health and work case	case study on healthy eating and exercise
AstraZeneca	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
Bradford and Bingley	HSE Managing Stress video case	video case on how they dealt with workplace stress
British Gas Services	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
British Telecom	1. Dept for Work and Pensions health and work case study 2. HSE managing stress video case study	1. case study on managing mental health conditions 2. case study on dealing with workplace stress
Bupa	BITC Workwell Model (2010)	activities per BITC model
Centrica	BITC Workwell Model (2010)	activities per BITC model
Danone	1. BITC Healthy People = Healthy Profits booklet and DVD (2009) 2. Institute for Social Marketing paper (2007)	1. One page on what was done and business benefits 2. impact of social marketing on HWB
Digital Outlook Communications	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
EDF Energy	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
Ernst & Young	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
First Scotrail	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
Foyle Food Group	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
GlaxoSmithKline	1. BITC Healthy People = Healthy Profits booklet and DVD (2009) 2. Institute for Social Marketing paper (2007) 3. Dept for Work and Pensions health and work case study	1. One page on what was done and business benefits 2. impact of social marketing on HWB 3. case study on stress management
Goldman Sachs	Institute for Social Marketing paper (2007)	impact of social marketing on HWB
Google	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits

Name of company	Publication and year	Type of case
Heinz UK	Institute for Social Marketing paper (2007)	impact of social marketing on HWB
Inmarsat - satellite network operator based in London	Safety Management (Dec. 2010)	Article on HWB programme
Jacksons Bakery	Dept of Work and Pensions health and work case	case study on healthy eating and exercise at work
John Lewis	HSE case study	case on training in work-related stress as part of overall management framework
Kellogg's	Institute for Social Marketing paper (2007)	impact of social marketing on HWB
Mars	BITC Workwell Model (2010)	activities per BITC model
Marshalls West Lane (part of Marshalls plc)	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
Morgan Stanley	Institute for Social Marketing paper (2007)	impact of social marketing on HWB
Mother - largest independent creative agency	BITC Workwell Model (2010)	activities per BITC model
Marks and Spencer	1. BITC Workwell Model (2010) 2. CIPD What's happening with wellbeing at work (2006)	1. activities per BITC model 2. short case on one programme offering physical therapy services
Nestle	1. BITC Workwell Model (2010) 2. Institute for Social Marketing paper (2007)	1. activities per BITC model 2. impact of social marketing on HWB
O2 UK and Airwave	Institute for Social Marketing paper (2007)	impact of social marketing on HWB
Parcelforce Worldwide	1. BITC Healthy People = Healthy Profits booklet and DVD (2009) 2. Institute for Social Marketing paper (2007)	1. One page on what was done and business benefits 2. impact of social marketing on HWB
Provident Insurance	Dept of Work and Pensions health and work case	case study on healthy eating and exercise
Prudential	CIPD What's happening with wellbeing at work (2006)	Short case on 'Feeling good' comms and engagement strategy
QVC	HSE case study	case study on increasing stress awareness amongst line managers
Royal & Sun Alliance	CIPD What's happening with wellbeing at work (2006)	Short case on environmental impact and ecological wellbeing initiative
Royal Mail	BITC Workwell Model (2010)	activities per BITC model
Santander	BITC Workwell Model (2010)	activities per BITC model
Scottish Power	HSE case study	case study on tackling work-related stress at individual and organisational level
Shoosmith's (top 30 law firm)	Dept for Work and Pensions case study	3 health and work cases focused on: diversity and equality; recruitment and selection; return to work policy
Smith and Nephew (medical manufacturing)	Dept for Work and Pensions health and work case study	case study on managing musculoskeletal conditions and back pain
Standard Life Healthcare	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
Towry Law	BITC Healthy People = Healthy Profits booklet and DVD (2009)	One page on what was done and business benefits
United Biscuits	HSE case study	case study on training line managers on work-related stress
Waitrose	HSE case study	case study on raising stress awareness amongst senior and line managers

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