

generating solutions to behavioural challenges

**National  
Social Marketing  
Centre**



# Business success and employee wellbeing

The case for a new  
cross-Government approach

# Introduction

**Health and wellbeing at work is not a peripheral issue for Government but, potentially, a central plank of a national policy that could add significantly to the competitive advantage of UK plc. As set out in the recent Strategy Unit report “Realising Britain’s Potential: Future Strategic Challenges for Britain<sup>1</sup>”, ensuring that British workers and businesses can prosper in a highly globalised and competitive world is one of nine key issues facing the country.**

The quality of working life has a major impact on employers, employees and the State alike. 175 million working days were lost in 2006<sup>2</sup>. The cost of sickness absence alone has recently been calculated to be £19.9 billion. That’s £780 for every worker, every year<sup>3</sup>. The cost of accidents at work has been calculated to be £700 million<sup>4</sup>, and the cost of preventable ill health stands at £187 billion<sup>5</sup>. Likewise, there is growing concern about the level of Incapacity Benefit payments to those on long-term sickness absence and the pressure on front-line health services. This level of “drag” on the competitiveness of UK plc arguably demands a more coordinated and proportional response from both economic and social good perspectives<sup>6</sup>. Traditionally, the policy focus has been on dealing with the known negative impacts of work on health, mainly physical health. Generally over the past 30 years, there has been an improving picture in terms of work-related fatalities, injuries and ill health. In contrast, until quite recently, there has been relatively little appreciation on the part of Government, and other stakeholders, of the scale of potential benefits from improving the quality of working life and enhancing the positive ways in which work, in its widest sense, contributes to the

physical and mental health of employees. These benefits include boosting employee engagement and productivity, reducing absence and enabling businesses to recruit and retain high-performing employees as well as having a significant impact on society as a whole.

Despite the growing political and national interest in links between the workplace and health and wellbeing<sup>7</sup>, and investment in studies looking at whether work is good for you<sup>8</sup>, there is a dearth of evidence about what to do to improve positive health and wellbeing at work that draws on the views of employees themselves. There is already a strong evidence base about what constitutes world class business practice<sup>9</sup> in terms of the kinds of workplaces that maximise employee engagement and performance and that deliver employer benefits in relation to retention of key staff, competitiveness and productivity. However, with some noteworthy exceptions, there is relatively poor appreciation among stakeholders of the potential benefits of tackling the disconnected, fragmented and unsystematic practice that characterises many workplaces.

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This is despite the fact many of the aspects associated with successful business practice are exactly the same as the key features of workplaces and jobs that promote health and wellbeing<sup>10 11</sup>. In the light of these insights, we need to make three fundamental changes to our current approaches if we are to derive the individual, business and wider economic benefits of improving health and wellbeing at work. This needs to be done in a systemic rather than a piecemeal way:

- **Re-focus** how we develop interventions designed to promote health and wellbeing at work so that they are driven by deep insights about what workers say will help them both perform better, be safer and be healthier.
- **Unite** our efforts to promote world class business and organisational performance with efforts to promote employee wellbeing rather than pursue these imperatives through parallel strategies.
- **Move** from a 'cottage industry' approach to tackling the problems of health and wellbeing at work to one that reflects the scale of benefits that could accrued for UK plc if good practice was more widely adopted.

Drawing upon case studies, the literature reviews, and a seminar discussion involving a wide range of stakeholders, we explored the following hypothesis:

***Hypothesis: Effective employee engagement = Good employee health and wellbeing = Successful businesses. (A virtuous circle of dialogue and action that promotes employee health and wellbeing as well as successful and profitable business).***

By effective employee engagement we mean the active involvement of employees, including managers, in identifying improvements to work

processes, practices and management styles and cultures that provide employees with the kinds of working environments that support their sustainable contribution to the business goals and ethical values of their employer.

The case for this hypothesis is strong. Translating this hypothesis into action requires a fundamental change in the way in which policy and delivery are conceptualised. This can be translated into two propositions which can be used to guide future action:

**Proposition 1:** Strategically, the two key strands of Government policy and strategy (business enterprise and employee health and wellbeing) should be brought together into a coherent sphere of activity. Government needs to support the development of the infrastructure and provide a platform for national discussion in this key area of activity.

**Proposition 2:** Operationally, delivery will be enhanced by a systematic change in approach, which is characterised by an active dialogue with staff, clear leadership, supported by significant up scaling of investment, coordination and better knowledge management.

## The Case for Change

For too long, strategies and initiatives to promote health and wellbeing at work have been driven by a product and service mind set rather than an employee - or people-focused approach.<sup>12</sup> Traditionally experts in occupational health, health and safety and public health have defined the problems and the solutions.<sup>13</sup> It is time to focus more on what employees themselves say will help. It is our view that often those who have sought to promote health and wellbeing at work have fallen into four traps that have limited the impact of what could be achieved.

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***Hypothesis:  
Effective employee engagement = Good employee  
health and wellbeing = Successful businesses.***

*...discovering what really works and getting better and better at it is a continuous process of improvement and reflection rather than a process of discovering the one perfect answer that solves everything...*

### The Health and Safety Trap

The phrase 'health and safety' has become a term interpreted by many in the general population and the media to mean interfering, petty and often unnecessarily draconian curtailment of people's liberties in the name of removing all risk and more importantly liabilities from both private and public sector organisations.<sup>14</sup> Moreover 'health and safety' is often regarded as an impediment to effective business rather than being something that enhances performance and delivery.<sup>15</sup> Current policy reflects and supports the primacy of risk assessment and expert-derived solutions, which are delivered predominantly using the vehicles of legislation, rules and regulations, penalties and telling and selling 'Health and Safety'. This has effectively reinforced the image of health and safety in the minds of both employers and employees as something that is a burden<sup>12 16</sup> rather than an empowering force for building better organisations that deliver more for business and enrich the lives of the people that work in them.<sup>17</sup>

*"What we would clearly welcome is a development in the HSE away from a compliance and enforcement position to a cultural underpinning position."*  
Managing Director, Retail<sup>18</sup>

### The 'Perfect Evidence' Trap

There have been many studies that show that our views of the evidence are limited and flawed.<sup>19</sup> Generic evidence, from 'gold standard' studies, may demonstrate the cost effectiveness and utility of workplace intervention within laboratory conditions - but as any lab rat will tell you, the gold standard study gives at best only a partial picture. What works in the laboratory may bear little resemblance to what works in the real world and may indeed lead to a very limited appreciation of the levels of participation, interest and understanding of the workplace health agenda.<sup>20 21</sup>

Without a clear understanding of the benefits and costs of participation for both employees and employers in programmes that aim to promote workplace health and wellbeing, the likelihood of realising and sustaining the benefits of any workplace health approach are limited. What great organisations know based on the work of Deming<sup>22</sup>

and others,<sup>23 24 25 26 27</sup> is that discovering what really works and getting better and better at it is a continuous process of improvement and reflection rather than a process of discovering the one perfect answer that solves everything. We need to apply these same continuing improvement principles to generating better understanding about promoting health and wellbeing at work.

### The 'Project, Pilot and Player' Trap

There is a plethora of projects, pilots and players in the field of promoting health and wellbeing at work<sup>28</sup>. These players and the projects, interventions and services they provide and promote are driven by multiple motives. Many of these interventions are small in scale and short lived and many have little, if any, evaluation<sup>28</sup>. There is no systematic way of tracking and capturing learning about what is working and what is not, what is cost-effective and what is not<sup>28</sup>. This 'cottage industry' approach to tackling the huge systemic problem of health and wellbeing at work is clearly not an optimum strategy for attaining the maximum benefit for organisations or the staff that work in them. A more strategic approach is required that sets out clear objectives and targets, puts in place systems for capturing and spreading effective and efficient practice, and disincentivising bad practice. Such a strategic approach would also involve the development of a full business case for an appropriate level of sustained investment capable of achieving agreed targets.

### The Multiple Responsibility Trap

The current and proposed<sup>29</sup> approach to taking forward health and wellbeing at work can be characterised as one of those unfortunate policy areas that falls between the cracks of provision provided by the many state, private sector and NGO organisations. We run the very real risks of piecemeal and less than optimum delivery associated with multiple projects, run by multiple agencies. This is a recipe for duplication and wasted effort - rather than a streamlined, focused and cost effective strategy which will truly facilitate both business success and employee wellbeing. There is a need for unequivocal leadership, coordination and clearly apportioned responsibility to be assigned.



## ...a fundamental change in the way in which policy and delivery are conceptualised...

### Building a Person Centred Evidence Base.

Existing evidence supports the view that the health and wellbeing of workers is one of the key factors in a country's economic prosperity and that a positive and motivated workforce gives organisations a distinct competitive advantage<sup>2</sup>. We also know that there is a growing body of evidence which shows that workplace interventions can have a positive impact on health behaviours and related outcomes<sup>20</sup>. Analysis suggests that the public health impact of workplace interventions having even small effects would be substantial<sup>30</sup> in terms of reducing health inequalities, particularly for ethnic minority employees who are among the harder to reach audiences<sup>21</sup>.

#### The current literature suggests that:

- Health and wellbeing are among the main drivers of the economic prosperity of UK plc
- Recruitment and retention of high-performing staff will become even more of a critical success factor for many organisations in the coming years
- There is a significant demand for better health and wellbeing among the workforce and among the general population
- Successful employee engagement adds value to business strategy development, common operational delivery and customer satisfaction
- A positive and motivated workforce gives organisations a distinct competitive advantage
- There is no one best way to build value adding employee relations, but there are a number of common characteristics
- Staff satisfaction and wellbeing are driven by having stimulating, satisfying and worthwhile work to do
- Trust in the leadership and management of an organisation is important to both job satisfaction and wellbeing at work<sup>2 3 8 31 32</sup>

These factors all point to the need for employees to be more engaged in the development and delivery of interventions designed to improve their health and wellbeing. We know that there is great variation in the extent to which employees have been

genuinely involved and consulted in the design and implementation of existing programmes and initiatives. If employees and employers have not been engaged and don't clearly understand 'what's in it for them' then they cannot make an informed decision about whether to participate. Initiatives may aim at providing a range of benefits – including reduced sickness levels, and fitness – but are these really the factors that will motivate employees to engage with workplace health programmes? Is it enough for us to say 'we have your best interests at heart and we have decided what needs to happen for your own good'. Only by fully engaging with the workforce can we truly discover what actions need to be taken but we must be prepared for answers that we do not want to hear. Our research<sup>18 28</sup> has shown that there are other factors which shape how employees perceive interventions aimed at improving their health and wellbeing. For example, employees can see the introduction of employer-led health and wellbeing programmes as being both negative and manipulative<sup>18</sup>. We also found however that designing the working environment and business systems in response to dialogue with employees' views and needs can make staff feel valued<sup>18</sup>. In a similar way the culture, and values of an organisation can be important determinants of employee engagement, business success and employee wellbeing.

*"You can't undermine the core values. This is what promotes wellbeing in the workplace ... so without that the tangible things wouldn't make much difference. You have tangible things in other companies, but people still have issues with wellbeing because the working environment is key."* Manager, Manufacturing<sup>18</sup>

Involving employees in decision making processes increases a sense of connection to company objectives and personal wellbeing .

*"I think for management, taking the time to listen, not talk, because management generally tend to be pretty good at thinking about how they get their message out and less good about listening to what comes back. If you're prepared to just sit and listen, rather than assume its all fine, you might get better results."* Manager, Retail<sup>18</sup>

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## Good Business = Good Health = Good Business

Open communication and receptiveness to consultation has a positive impact on staff morale. Successful employee engagement adds value to business strategy development, operational delivery and customer satisfaction. However, it needs to be understood that this is a two-way process. As one manager in our study put it:

*“It’s important to communicate what you do. I suspect most big firms probably do something pretty great, or a couple of things, but the question is how many of the workforce know about it and was it what the workforce asked for.” Manager Retail<sup>18</sup>*

We need to build on this, recognise the value of workforce engagement and use this to inform future strategy through explicitly promoting increased dialogue between management and workforce about the often simple improvements in working conditions, work process and management styles that can deliver significant societal, business and individual benefits.

### Realising the Benefits of Listening to Employees

We already know that ‘one size fits all’ solutions are not going to deliver the results we need. There are, however, some basic approaches, such as social marketing<sup>34</sup> and community engagement<sup>34</sup> which could enable us to build a more systematic approach. Our study suggested that to date such approaches have been neglected. There is ample evidence<sup>35</sup> that the workplace as a setting can be an effective place to promote health and wellbeing. However, people have different motivations and needs. We need to recognise this and segment the workforce in such a way that specific improvements and other interventions can be developed to assist specific groups of workers. For example, introducing flexible working arrangements may make more of a difference to working mothers than to single men.

### Summary

#### Good Business = Good Health = Good Business

Our research suggests there is ample evidence that good business practice equals improved workforce health and wellbeing and that this promotes a virtuous cycle delivering higher levels of business performance.

#### Characteristics of approaches which promote effective employee engagement and wellbeing:

- Work is interesting and worthwhile
- Staff have control over their work practices
- Work environments are safe and comfortable
- Staff have access to formal and informal systems to encourage and support them
- Formal staff support and development systems such as appraisal and personal development plans are in place
- The management culture is supportive and empowering
- Staff have opportunities to influence working practices, strategy and service delivery
- Staff are valued and listened to and are given a voice in the organisation.
- Reward systems are seen by staff to be transparent, fair and equitable
- The values of organisations are explicit and include a strong focus on care and support for staff
- Staff have trust in management and the leadership of the organisation.

There is both an economic imperative and, arguably, a societal responsibility to systematically link these agendas and associated policies in ways they have not been to date. More of the current, fragmented approach will deliver more of the same sub-optimal impact. There is also a need for a systematic change in approach to workplace health and wellbeing characterised by active listening to and engaging with our workforce, clear leadership and thorough significant up scaling of investment, coordination and better knowledge management.

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