

**A collection of thought pieces**

February 2016

Moving the  
employee  
*well-being*  
agenda forward



The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

# Moving the employee well-being agenda forward

A collection of thought pieces

## Contents

<b>Foreword</b>	<b>2</b>
<b>Part 1: Well-being: good for employees, good for business?</b>	<b>3</b>
<b>Promoting well-being needs a different approach to human resource management</b> by David Guest, Professor of Organisational Psychology and Human Resource Management, King's College, London.	6
<b>Building the business case for well-being</b> by John Hamilton, Head of Safety, Health and Well-being.	8
<b>Happier workers, higher profits</b> by Alex Bryson, Professor of Quantitative Social Science, UCL, and a visiting research fellow at the National Institute of Economic and Social Research. John Forth and Lucy Stokes are at the National Institute of Economic and Social Research.	10
<b>Part 2: Turning the well-being theory into practice</b>	<b>13</b>
<b>Addressing the stubborn implementation gap</b> by Jill Miller, PhD, Research Adviser, and Rachel Suff, Public Policy Adviser (Employment Relations), CIPD.	16
<b>'Readiness' – the secret to getting health and well-being right inside your business</b> by Sir Cary Cooper CBE, Professor of Organisational Psychology and Health, Manchester Business School, and Founding Director of Robertson Cooper Ltd, and Ben Moss, Managing Director of Robertson Cooper and Good Day at Work.	20
<b>Healthy organisations, healthy leadership and management, healthy employees ... for healthy performance</b> by Emma Donaldson-Feilder and Rachel Lewis, Directors of Affinity Health at Work.	23
<b>Cafcass: a case study on building a culture of health and well-being</b> by James Hyde, Head of HR, Cafcass.	25
<b>Worker well-being – with a purpose</b> by Paul Dolan, Professor of Behavioural Science, with Agnieszka Zbieranska, Research Assistant, London School of Economics and Political Science.	27
<b>Part 3: Measuring employee well-being</b>	<b>30</b>
<b>Well-being reporting: is it time to truly recognise the value of well-being?</b> by Edward Houghton, Research Adviser, CIPD.	32
<b>Engagement and well-being: are they linked?</b> by Katie Bailey, Professor of Management, University of Sussex.	35
<b>Is working harder and smarter good for you?</b> by Dr Chidiebere Ogbonnaya, Research Fellow in Quantitative Social Science for the Eastern Academic Research Consortium, and Karina Nielsen, Professor of Work and Organisational Psychology, University of East Anglia.	38
<b>Part 4: Good mental health is everyone's business</b>	<b>40</b>
<b>Walking the tightrope: why work should be more than just a safety net when our mental health is at risk</b> by Adrian Wakeling, Policy Analyst, Acas.	42
<b>Fostering a mentally healthy workplace culture</b> by Paul Farmer, Chief Executive, Mind.	44
<b>The importance of the workplace in achieving one agenda for mental and physical health</b> by Norman Lamb, Liberal Democrat MP for North Norfolk.	46

# Foreword



What does well-being mean to you? What comes to mind? For some, the expression refers to an individual's mental health; for others, an individual's overall health – mental, physical and emotional. For some, well-being refers to a work initiative or programme focused on bolstering education and understanding of what it takes to stay well. For others, it's a central tenet of an organisation's purpose, to create positive outcomes for all employees; balancing this need against the demands of shareholders or owners, taxpayers or customers.

What's clear from the thought pieces in this collection is that well-being can mean any one of these things. What's also clear is that whatever our interpretation, we need to pay attention. Here are

a few startling facts arising from evidence and thinking presented in this report:

- 97% of social workers – professionals dealing with society's most vulnerable – report they are moderately or very stressed (**James Hyde, *Cafcass: a case study on building a culture of health and well-being***)
- 95% of people who've taken time off for stress have cited a different reason for their absence (**Paul Farmer, *Fostering a mentally healthy workplace culture***)
- mental ill health costs the UK economy £100 billion each year (against a total NHS budget of £115 billion) (**Norman Lamb, *The importance of the workplace in achieving one agenda for mental and physical health***)
- one in six deaths in the UK occur in people of working age (**John Hamilton, *Building the business case for well-being***).

Reading this collection prompted a number of questions for me: do we know enough about the health and well-being of the people who

work for us, who deal with our customers and stakeholders? Are we confident that as a profession we are trusted with this insight if we have it? Are we doing enough to create cultures, environments and systems in which risks to well-being can be honestly addressed rather than masked behind phony diagnoses? Do we need a business case to invest in well-being? Do we – as leaders and HR professionals – need to work harder to make the financial case for preventative measures in respect of stress, musculoskeletal disorders, obesity and addiction? Or are we missing the point? Is what we need a human case, a moral case?

As in any discussion with a deeply human element, there are no easy answers. I hope in reading these thought pieces you'll start to formulate your own. Please do engage with us and contribute to the debate on social media on #wellbeing16.

**Laura Harrison**

People and Strategy Director  
CIPD

## Acknowledgements

The CIPD is very grateful to all those who have contributed thought pieces to this collection. The copyright in the individual thought pieces is retained by the authors.

This collection was compiled by Louisa Baczor, with special thanks to Keri Pottle.

We hope you find this publication inspiring when considering your own well-being approach, policy considerations and further academic contribution to the issues raised.

Please do engage with us and contribute to the debate on social media on #wellbeing16.

# Part 1: Well-being: good for employees, good for business?

## Introduction

At the CIPD we believe that commitment to supporting employee well-being is one of the pillars underpinning shared value creation for the employer, employee and wider society.

In this first section of our thought piece series, we invite a selection of experts to draw on their research, views and experience to contribute to the debate about whether investing in employee health and well-being can deliver mutual benefits for different stakeholders.

Businesses are becoming concerned with developing a more balanced view of their stakeholders to include not just shareholders but also customers, employees and the communities in which they operate. On the one hand, this is driven by an increased spotlight on the gap between the values that some firms communicate to the external world and the ones they later live out in their decisions, which ultimately damages their reputation and profitability, not to mention the well-being of those on the receiving end of some of those decisions.

On the other hand, there's a widening appreciation of the interdependency of the success of a business and the health of the communities it touches, which forces organisations to question the sustainability of the ways they create value, and how they invest in the development of resources necessary for their long-term survival. Adopting a more ethically

responsible approach to business would need to include consideration of how people in an organisation are viewed and treated.

Perhaps the benefits for employees are most obvious as action is directly aimed at improving their health and happiness at work. Much attention over the last ten years has focused on the impact of work itself on individual well-being. Professor Dame Carol Black highlighted in her 2008 review (Black 2008, p4) that for most people, their work is 'a key determinant of self-worth, family esteem, identity and standing within the community, besides, of course, material progress and a means of social participation and fulfilment'.

The work of Waddell and Burton (2006, p.ix) highlighted an important proviso, stating that, 'There is a strong evidence base showing that work is generally good for physical and mental health and well-being. ... The provisos are that account must be taken of the nature and quality of work and its social context; jobs should be safe and accommodating.' The Government's response to the Black review called for 'greater overall recognition of the importance of good work in maintaining health and well-being', further broadening the concept of health and well-being and paving the way for an exploration of the associated environmental factors, such as work organisation and intensity (DWP and DH 2008, p70).

In terms of benefits for business, few employers would disagree that a workforce in a good state of health and well-being must surely contribute to enhanced

business outcomes. Existing research has demonstrated that business benefits can include higher levels of engagement (MacLeod and Clarke 2014), resilience (Brunetto et al 2012), and retention (Soane et al 2013). Moreover, PricewaterhouseCoopers' research points to 'a wealth of evidence in the academic and non-academic literature that suggests a positive link between the introduction of wellness programmes in the workplace and improved business key performance indicators. The available literature suggests that programme costs can quickly be translated into financial benefits, either through cost savings or additional revenue generation, as a consequence of the improvement in a wide range of intermediate business measures' (PwC 2008, p25). Another perspective on why employers should take action is that it's the right thing for enterprises to do in the twenty-first century for their people and society.

However, our research suggests many organisations are still not prioritising health and well-being, which signals a need for advocate employers, policy-makers and academics to help employers retain a focus and to better articulate and communicate the possible mutual benefits of doing so. Through the following thought piece contributions, the extent of the shared value that can be realised from taking action is debated.

In latter sections of this thought piece series we look at some specific organisation practice and practitioner contributors highlight the impact of action

on their business. And Part 3 of this collection looks specifically at measurement, dedicated to examining how employers can better measure and report on employee well-being, with reference to the relationship with broader business metrics.

### References

BLACK, C. (2008) *Working for a healthier tomorrow: Dame Carol Black's review of the health of Britain's working age population presented to the Secretary of State for Health and the Secretary of State for Work and Pensions* [online]. London: Stationery Office. Available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209782/hwwb-working-for-a-healthier-tomorrow.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209782/hwwb-working-for-a-healthier-tomorrow.pdf) [Accessed 27 November 2015].

BRUNETTO, Y., TEO, S. and SHACKLOCK, K. (2012) Emotional intelligence, job satisfaction, wellbeing and engagement: explaining organisational commitment and turnover intentions in policing. *Human Resource Management Journal*. Vol 22, No 4, November. pp428–41.

DEPARTMENT FOR WORK AND PENSIONS and DEPARTMENT OF HEALTH. (2008) *Improving health and work: changing lives. The Government's response to Dame Carol Black's Review of the health of Britain's working age population* [online]. Cm 7492. London: Stationery Office. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/210858/hwwb-improving-health-and-work-changing-lives.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210858/hwwb-improving-health-and-work-changing-lives.pdf) [Accessed 27 November 2015].

MACLEOD, D. and CLARKE, N. (2014) *The evidence: wellbeing and employee engagement* [online]. London: Engage for Success. Available at: <http://www.engageforsuccess.org/wp-content/uploads/2014/05/wellbeing-andengagement-04June2014-Final.pdf> [Accessed 27 November 2015].

PRICEWATERHOUSECOOPERS. (2008) *Building the case for wellness* [online]. London: PricewaterhouseCoopers. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209547/hwwb-dwp-wellness-report-public.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209547/hwwb-dwp-wellness-report-public.pdf) [Accessed 27 November 2015].

SOANE, E., SHANTZ, A. and ALFES, K. (2013) The association of meaningfulness, wellbeing, and engagement with absenteeism: a moderated mediation model. *Human Resource Management*. Vol 52, No 3, May/June. pp441–56.

WADDELL, G. and BURTON, A.K. (2006) *Is work good for your health and well-being?* [online]. London: Stationery Office. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214326/hwwb-is-work-good-for-you.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214326/hwwb-is-work-good-for-you.pdf) [Accessed 27 November 2015].

# Our authors



**David Guest** is one of the leading academic experts on human resource management and related aspects of work and organisational psychology. He has a first degree in Psychology and Sociology from Birmingham University and PhD in Occupational Psychology from London University.

David is currently at King's College, where he has served as Head of the Department of Management and Deputy Head of the School of Social Science and Public Policy. He is also a visiting professor at Birkbeck and Valencia University, Spain. David is on the editorial advisory board of a number of journals. He is a member of the board of the Institute of Employment Studies and Advisory Council of the Involvement and Participation Association. He has worked closely with a range of companies and a number of government departments.

His current research and writing is concerned with the relationship between human resource management, organisational performance and employee well-being in the private and public

sectors; the role of human resource departments; the individualisation of employment relations and the role of the psychological contract; flexibility and employment contracts; partnership and engagement at work; and the future of the career. He has published many articles and his most recent book, co-authored with Jaap Paauwe and Patrick Wright, is *HRM and Performance: Challenges and achievements* (Wiley, 2013).



**John Hamilton** is the Head of Safety, Health and Well-being at Leeds Beckett University and oversaw the implementation of the university's well-being excellence programme that achieved success in a number of national awards. He is a dual-qualified chartered HR and health and safety practitioner and is currently overseeing the university's engagement and well-being programmes. John has worked with a number of leading public and private sector organisations and authored the HSE/CIPD/Acas guide for employers on the law regarding work-related stress.



**Alex Bryson** is Professor of Quantitative Social Science at University College London's Department of Social Science. He is also a Visiting Research Fellow at IZA, Rutgers and at the National Institute of Economic and Social Research, where he was previously Head of the Employment Group. Prior to that he was Research Director at the Policy Studies Institute, where he has worked for nineteen years. His research focuses on employment relations, labour economics and programme evaluation.



# Promoting well-being needs a different approach to human resource management

David Guest

There is extensive evidence that human resource management (HRM) is associated with higher organisational performance (see, for example, Combs et al 2006, Jiang et al 2012). However, its link to employee well-being is less straightforward and potentially problematic. In particular, critics of HRM have argued that it potentially leads to work intensification and subsequently to stress and lowered work-related well-being (see, for example, Ramsay et al 2000).

There have been two careful reviews of studies that have explored the relationship between HRM and both organisational performance and employee well-being (Peccei et al 2013, Van de Voorde et al 2012). They find that where HRM is linked to higher performance, it is also typically linked to higher job satisfaction, one aspect of work-related well-being. The same studies are more equivocal about the association with health-related well-being, confirming that in some cases more HRM can be associated with both higher performance and higher stress. But these studies are few in number and this is an area where more research is needed.

One issue that these reviews do not address is the type of HRM that is being studied. Increasingly, publications describe HRM in terms of high-performance work systems (HPWS). It is notable that these studies need not make any reference to HRM. It is also clear that their primary concern, as the name implies, is with the

likely causes of high performance. In their defence, they typically adopt a linkage model whereby HR practices have an impact on employee attitudes and behaviour, which in turn affects performance. Therefore, it is important that employees respond positively to these practices. Indeed, Jiang et al (2012), in their analysis of such a model, use a range of employee responses such as job satisfaction and organisational commitment as proxies for motivation. Nevertheless, employees are generally viewed as a means to the end of higher performance and their well-being is a minor concern at best. However, there are other approaches to HRM, often labelled as high-involvement (Boxall and Macky 2009) or high-commitment (Walton 1985) HRM. Both give greater primacy to employee interests, although neither specifically addresses well-being.

What we need is an approach to HRM that identifies enhancement of employee well-being as its primary goal. One advantage of such an approach is that it could incorporate a number of HR practices that are likely to be of considerable interest to sections of the workforce but which rarely appear under the banners of high-performance, high-involvement or high-commitment HRM. These include health and safety at work, equal opportunities, flexible family-friendly practices and consultation.

A well-established conceptual framework within which to consider the link between HRM

and employee well-being is social exchange. A relevant example is the study by Tsui et al (1997), who explored different forms of exchange in the employment relationship. They found that a balanced exchange bringing mutual benefits to both the organisation and employees or an exchange that was to the advantage of employees both resulted in positive outcomes for employees, reflected in higher trust and perceived fairness. Importantly, it was also associated with higher commitment, citizenship behaviour and individual performance. This suggests that one way of identifying a path from HRM to well-being is through the employment relationship. The proposition is that a distinctive set of HR practices can lead to a positive employment relationship with mutual benefits. These practices fall into five broad categories, namely investing in employees, providing interesting work, ensuring a positive physical and social environment, voice and organisational support. A positive employment relationship, at the individual level, will be characterised by perceptions of high trust, fairness, employment security, a positive and fulfilled psychological contract and a high quality of working life.

Well-being is usually conceptualised as having three elements, comprising psychological well-being, physical well-being and social well-being. The latter is reflected in fairness of treatment and positive interpersonal



relations, and these should be present where there is a positive employment relationship. There is good evidence that positive features of the employment relationship are associated with higher well-being. For example, Whitener (2001) has shown how high trust is associated with well-being. There is extensive evidence that a fulfilled psychological contract is also associated with a range of positive outcomes. For example, in a seven-country study with over 4,000 workers (Guest et al 2010), those reporting that their psychological contract had been fulfilled rather than violated and those reporting fair treatment reported lower levels of anxiety and depression and higher levels of job satisfaction. The study also showed that, after taking into account a host of other factors, the presence of more HR practices designed to promote the employment relationship was strongly associated with a more fulfilled, less violated psychological contract, and with higher levels of trust and fairness. In other words, there is support for the argument that an appropriate set of HR practices is associated with a more positive employment relationship, which in turn is associated with higher well-being.

The demonstration of a link between a specific approach to HRM, a positive employment relationship and enhanced employee well-being is sufficient in itself to commend this perspective on HRM. However, for many the final link in the chain is to show an association between well-being and performance. Alternatively, a positive employment relationship may lead to both higher well-being and higher performance. The literature exploring topics such as work engagement and the psychological contract shows associations with lower

absence, lower quit rates, higher organisational citizenship behaviour and higher individual performance. Daniel and Harris (2000) and Cropanzano and Wright (2001) have reviewed the evidence and find support for a causal association between well-being and performance based on longitudinal studies. On this basis, there is a compelling case as well as an ethical case for shifting the focus away from the narrow link between HRM and performance to HRM and well-being as a path to high performance, but a path where there are mutual benefits for the organisation and its employees.

### References

- BOXALL, P. and MACKY, K. (2009) Research and theory on high performance work systems: progressing the high involvement work stream. *Human Resource Management Journal*. Vol 19, No 1. pp3–23.
- COMBS, J., LIU, Y., HALL, A. and KETCHEN, D. (2006) How much do high-performance work systems matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*. Vol 59, No 3. pp501–28.
- CROPANZANO, R. and WRIGHT, T. (2001) When a 'happy' worker is a 'productive' worker: a review and further refinement of the happy-productive worker thesis. *Consulting Psychology Journal: Practice and Research*. Vol 53. pp252–65.
- DANIEL, K. and HARRIS, C. (2000) Work, psychological well-being and performance. *Occupational Medicine*. Vol 50, No 5. pp304–9.
- GUEST, D., ISAKSSON, K. and DE WITTE, H. (2010) *Employment contracts, psychological contracts and employee well-being*. Oxford: Oxford University Press.

JIANG, K., LEPAK, D., HU, J. and BAER, J. (2012) How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*. Vol 55, No 6. pp1264–94.

PECCEI, R., VAN DE VOORDE, K. and CAN VELDHOVEN, M. (2013) HRM, well-being and performance: a theoretical and empirical review. In: J. PAAUWE, D. GUEST and P. WRIGHT (eds) *HRM and performance: achievements and challenges*. Chichester: Wiley. (pp15–46).

RAMSAY, H., SCHOLARIOS, D. and HARLEY, B. (2000) Employees and high performance work systems: testing inside the black box. *British Journal of Industrial Relations*. Vol 34, No 4. pp501–31.

TSUI, A., PEARCE, J., PORTER, L. and TRIPOLI, A. (1997) Alternative approaches to the employee-organization relationship: Does investment in employees pay off? *Academy of Management Journal*. Vol 40, No 5. pp1089–1121.

VAN DE VOORDE, K., PAAUWE, J. and VAN VELDHOVEN, M. (2012) Employee well-being and the HRM-performance relationship: a review of quantitative studies. *International Journal of Management Reviews*. Vol 14, No 4. pp391–407.

WALTON, R. (1985) From control to commitment in the workplace. *Harvard Business Review*. Vol 63, No 2. pp77–84.

WHITENER, E. (2001) Do 'high commitment' human resource practices affect employee commitment? *Journal of Management*. Vol 27. pp515–35.

# Building the business case for well-being

## John Hamilton

The health of the working-age population has been a focal point for successive UK governments in the last decade. Britain ranks worst in Europe for obesity, is amongst the lowest ranked for sexually transmitted infections, and has a relatively large population of drug-users, smokers and those whose health is being harmed by alcohol consumption (Department of Health 2010). More than one in three adults suffer a longstanding illness (ONS 2015), with over 70% of these caused by musculoskeletal disorders, circulatory diseases and mental ill health (NatCen and UCL 2013). The cost of this to UK employers is significant: in 2011, around 131 million working days were lost to sickness absence (ONS 2012). The impact on the size of the UK workforce is significant too: one in six deaths occur while people are still of working age (ONS 2010).

While these headline figures promote action at a national level, within organisations the battle is often on to secure resources and gain the senior-level sponsorship that is vital if a programme targeted at employee well-being is to succeed. One of the questions I get asked most is how I secured senior-level buy-in for the well-being programmes I have implemented. The answer of course is not straightforward. While most senior board members in my experience are interested in the moral angle and 'doing the right thing' for their workforce, it is the financial driver that carries the greatest weight. However, the paradox of well-being is that the business case for action is not

easy to establish – involving as it does measures and indicators that are influenced by a variety of factors. So what do you have to do to convince the powers-that-be that well-being makes good business sense?

If your organisation has no track record of investing in well-being programmes, a good starting point is the Workplace Well-being Tool (DWP 2013) developed by the UK Government's Health, Work and Well-being Team. The tool offers organisation-specific advice on proving the business case for workplace well-being, starting with identifying the organisation's costs of poor health and well-being through sickness absence, presenteeism, injury and ill health. The tool then helps estimate the costs and benefits of an organisation investing in a well-being programme, producing a business case for action. The tool calculates metrics such as the payback period and the benefit-to-cost ratio, as well as the net present value and the internal rate of return. This is the language that senior business leaders understand and is invaluable in putting together board presentations to gain commitment for the time and resources necessary for a successful well-being programme. Proving the business case to senior managers isn't the only battle you need to win. Employees also need to be convinced that well-being isn't just some underhand scheme to get them to work harder for the same money. Well-being isn't something that can be imposed on the workforce; getting their buy-in and active participation is crucial

to delivering success. Not only will this help gain buy-in, but your programme will be better designed as a result. Forming a cross-organisational well-being group with representation from all areas of the organisation will ensure a programme meets local needs and helps participation levels when it comes to implementation.

Once a well-being programme has been established, a key aspect of the design process is to capture evidence of effectiveness as an inherent part of the programme. This derives from a concept I call practice-based evidence, the result being the generation of context-specific evidence of the effectiveness of an intervention that directly relates to your organisation. This contrasts with evidence more widely available in published examples and case studies that has been generated in other organisational settings, with resources you might not have access to, using methods that won't necessarily apply to your organisation. Once generated, your own practice-based evidence then feeds back into the design and development of future programme initiatives from a solid foundation of 'what worked for us last time'.

At Leeds Beckett University we took this approach when we ran our own step challenge in the summer of 2015. Without the resources to commit to a commercially organised activity challenge, we got thrifty and organised, promoted and administered our own challenge using a range of tools and resources freely available to

organisations large and small. By actively involving colleagues in its design, and promoting the participatory, fun element of taking part, we had a high level of participation, with one in five staff taking part. In particular we evaluated the impact of the challenge at each stage, capturing activity levels and attitudes to exercise before and after the challenge alongside a range of health metrics and step data. As a result we know how and why the challenge was a success and can demonstrate the physical and mental health benefits it had for those taking part. This practice-based evidence will help us not only design next year's challenge but justify the investment in the other well-being initiatives we have in the pipeline.

There is ample evidence of the two-way relationship between work and well-being (Waddell and Burton 2006), in that good levels of health and well-being have a positive effect on an organisation's productivity and profitability through employees being healthier, happier, more present and more engaged in the workplace (Black 2008). Smarter, cannier presentation of the business case for well-being to business leaders will help HR practitioners bring these benefits to reality for their respective organisations.

## References

BLACK, C. (2008) *Working for a healthier tomorrow: Dame Carol Black's review of the health of Britain's working age population*. London: Department for Work and Pensions. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209782/hwwb-working-for-a-healthier-tomorrow.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209782/hwwb-working-for-a-healthier-tomorrow.pdf)

DEPARTMENT FOR WORK AND PENSIONS. (2013) *Workplace well-being tool*. London: DWP. Available at: <https://www.gov.uk/government/publications/workplace-well-being-tool>

DEPARTMENT OF HEALTH. (2010) *Healthy lives, healthy people: our strategy for public health in England [online]*. Cm 7985. London: The Stationery Office. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/216096/dh\\_127424.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/216096/dh_127424.pdf)

NATCEN and UNIVERSITY COLLEGE LONDON. (2013) *Health survey for England 2012: health, social care and lifestyles*. Pub 13218. Leeds: Health and Social Care Information Centre. Available at: <http://www.hscic.gov.uk/catalogue/PUB13218>

OFFICE FOR NATIONAL STATISTICS. (2010) *Mortality statistics: deaths registered in 2009*. Newport: ONS. Available at: <http://www.ons.gov.uk/ons/rel/vsob1/mortality-statistics--deaths-registered-in-england-and-wales--series-dr-/2009/index.html>

OFFICE FOR NATIONAL STATISTICS. (2012) *Sickness absence in the labour market, April 2012*. Newport: ONS. Available at: [http://www.ons.gov.uk/ons/dcp171776\\_265016.pdf](http://www.ons.gov.uk/ons/dcp171776_265016.pdf)

OFFICE FOR NATIONAL STATISTICS. (2015) *Adult health in Great Britain, 2013 [online]*. Statistical bulletin. Newport: ONS. Available at: [http://www.ons.gov.uk/ons/dcp171778\\_398686.pdf](http://www.ons.gov.uk/ons/dcp171778_398686.pdf)

WADDELL, G. and BURTON, A.K. (2006) *Is work good for your health and well-being?* London: The Stationery Office. Available at: <https://www.gov.uk/government/publications/is-work-good-for-your-health-and-well-being>

# Happier workers, higher profits

Alex Bryson

Does it pay for firms to invest in their staff's well-being? In an analysis of data from the Workplace Employment Relations Survey, Alex Bryson, John Forth and Lucy Stokes find that UK employees' job satisfaction is positively associated with workplace financial performance, labour productivity and the quality of output and service.

Citizens' well-being is rising to the top of the political agenda in many countries. The UK Government, for example, recently announced a What Works Centre for Well-being (part of it based at UCL), with initial funding of £3.5 million over three years to investigate the determinants of well-being and how to improve it.<sup>1</sup> This follows government investments in well-being metrics developed and pioneered by the UK's Office for National Statistics.<sup>2</sup> Some argue that these metrics should be the basis for national accounts that provide an indication of how well the nation is doing, comparable with GDP estimates.

The idea that well-being should be a target for public policy has been promoted for some time by prominent economists, including the CEP's founder director Richard Layard (2011) and the Nobel laureates commissioned by the Sarkozy Government in France (Stiglitz et al 2009). Others are more sceptical and wonder whether it's a good idea to try to measure well-being and, even if it is, whether it's really appropriate or sensible for governments to try to intervene to *improve* well-being.

Psychologists, economists and others know a great deal about the determinants of individuals' well-being, and a key element is what they do in their working lives. While one recent study finds that work is among the worst activities for people's momentary happiness – just above being sick in bed, in fact (Bryson and MacKerron 2013) – other studies indicate that much depends on what type of job a person does and how that job is designed by the employer.

Our review for the UK's Department for Business, Innovation and Skills (BIS) shows that employers can improve staff well-being through improvements in job design. Employees' well-being will rise where they have control over the pace and content of work tasks; where the demands placed on them are not excessive; where there is variety in their work; where there are opportunities for development; where supervisors are supportive; where pay and treatment is perceived as fair; and where the work environment is pleasant and safe.

But while one would expect all these to have beneficial effects on well-being, the key issue is not whether employers *can* improve employee well-being, but why a lot of them don't. This is where employers' economic interests come into play. After all, if, as is commonly assumed in economics, firms are profit-maximisers, they will take account of the costs associated with any improvement in employee well-being.

Improving employee well-being may be a laudable goal for society as an end in itself. It may have welcome side effects, too, including reductions in expenditure on health services. But employers are only likely to invest in employee well-being when there is a clear business case for doing so. That business case rests on the returns to the firm.

The economic theory linking improvements in employee well-being to improvements in firms' bottom lines is ambiguous as to the likely effects. Much depends on the firm's production process, the types of workers it recruits, their ability to add value to the production process and the extent to which their productivity is affected by their well-being.

For example, a firm's output may be highly dependent on talented senior executives whose performance can affect the strategic direction of the firm and the productivity of staff lower down the chain of command. It may therefore make sense to invest in employees' well-being if this can be converted into motivation and effort.

It is less clear whether firms will want to invest in the well-being of employees who perform mundane, routine tasks, perhaps add little value to the firm and are easily replaced by those recruited from the ranks of the unemployed. And even if a firm is willing to invest in staff well-being, there is no certainty that higher subjective well-being will translate into greater profitability at the level of the workplace or organisation. Why is this the case?

<sup>1</sup> <http://whatworkswell-being.org/>

<sup>2</sup> <http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html>

- First, it is essential to factor in the costs that an employer may have incurred to bring about the improvement in well-being.
- Second, many institutional and contextual factors may intervene, such that any improvements in performance dissipate, as may be the case where workers have little or no control over output, regardless of their well-being.
- Third, group dynamics come into play when considering relationships at a workplace or organisation level that are not considered when focusing on individual effects. For instance, one set of workers' well-being may be engineered at the expense of others', thus nullifying any effect deriving from the 'happier' workers.

There is empirical evidence linking employees' well-being to their individual performance. For example, greater subjective well-being feeds through to individuals' performance in the labour market (Judge et al 2001, Lyubmirsky et al 2005). There is also evidence of a causal link between increased well-being and improved worker productivity, at least in the setting of a laboratory experiment (Oswald et al 2014). But the empirical evidence at the level of the workplace or organisation is more limited.

Perhaps the most compelling evidence of a link between performance and well-being that might convince employers comes from a survey of manufacturing in Finland, which finds that average workplace job satisfaction is independently associated with subsequent value added per employee. A one-point increase (on a six-point scale) in the average level of job satisfaction among workers at the plant increases the level of value added per hour worked two years later by 3.6 percentage points. This

estimate rises to nine percentage points when taking account of differences between establishments (Böckerman and Ilmakunnas 2012).

Our BIS report is the first study of the link between employee well-being and firm performance in the UK. Analysing the nationally representative 2011 Workplace Employment Relations Survey (WERS), we find that workplaces with rising employee job satisfaction also experience improvements in workplace performance, while deteriorating employee job satisfaction is detrimental to workplace performance.

Employee job satisfaction is positively associated with workplace financial performance, labour productivity, the quality of output and service and an additive scale combining all three aspects of performance. And workplaces that see an improvement in non-pecuniary job satisfaction – whether measured in terms of the average level of employee satisfaction, an increase in the share who are 'very satisfied' or a reduction in the share who are 'very dissatisfied' – experience an improvement in performance.

Although we cannot state definitively that the link between increasing job satisfaction and improved workplace performance is causal, our findings are robust to tests for reverse causation – that is to say, we can demonstrate that better work performance does not lead to higher levels of well-being. They also persist within workplaces over time, so that we can discount the possibility that the results are driven by unobservable differences between workplaces. There is therefore a *prima facie* case for employers to consider investing in the well-being of their employees on the basis of the likely performance benefits.

The link that we find is specifically that between job satisfaction and workplace performance. It is not apparent for job-related affect (measured in terms of the amount of time feeling tense, depressed, worried, gloomy, uneasy or miserable). This is something of a puzzle deserving further research, but what we can say is that the analysis suggests that there is no clear case for employers investing in these other aspects of employee well-being – although equally we find no clear disadvantage to doing so.

These are encouraging findings, but the scope of the analysis has not allowed us to explore the processes that could be instrumental in forging the link between employee well-being and workplace performance. Further work is required to develop insights into how employers can facilitate the positive outcomes revealed in this study.

Key points:

- Employers can improve staff well-being through improvements in job quality.
- Workplaces with rising employee job satisfaction also experience improvements in workplace performance.
- Employers should consider investing in their staff's well-being on the basis of the likely performance benefits.

This article summarises *Does Worker Well-being Affect Workplace Performance?* by Alex Bryson, John Forth and Lucy Stokes, published by BIS in October 2014 (<https://www.gov.uk/government/publications/worker-well-being-and-workplace-performance>) and as CEP Discussion Paper No. 1363 (<http://cep.lse.ac.uk/pubs/download/dp1363.pdf>).



## References

- BÖCKERMAN, P. and ILMAKUNNAS, P. (2012) The job satisfaction–productivity nexus: a study using matched survey and register data. *Industrial and Labor Relations Review*. Vol 65, No 2. pp244–62.
- BRYSON, A. and MACKERRON, G. (2013) *Are you happy while you work?* CEP discussion paper No 1187. London: Centre for Economic Performance, and forthcoming in the *Economic Journal*. Available at: <http://cep.lse.ac.uk/pubs/download/dp1187.pdf>
- JUDGE, T., THORESEN, C., BONO, J. and PATTON, G. (2001) The job satisfaction–job performance relationship: a qualitative and quantitative review. *Psychological Bulletin*. Vol 127, No 3. pp376–407.
- LAYARD, R. (2011) *Happiness: lessons from a new science*. 2nd ed. London: Penguin Books.
- LYUBMIRSKY, S., KING, L. and DIENER, E. (2005) The benefits of frequent positive affect: does happiness lead to success? *Psychological Bulletin*. Vol 131, No 6. pp803–55.
- OSWALD, A.J., PROTO, E. and SGROI, D. (2014) *Happiness and productivity*. Coventry: University of Warwick, and forthcoming in the *Journal of Labor Economics*.
- STIGLITZ, J.E., SEN, A. and FITOUSSI, J.-P. (2009) *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Commission on the Measurement of Economic Performance and Social Progress. Available at: [www.stiglitz-sen-fitoussi.fr](http://www.stiglitz-sen-fitoussi.fr)

## Part 2: Turning the well-being theory into practice

### Introduction

In this section, we've invited contributions from different viewpoints, including practitioners, academics and specialists in the area of workforce well-being. Our aim is to stimulate the debate around how employers can lead the way in building a holistic well-being strategy, and turn the theory into practice.

In our employee well-being positioning report launched in January 2016, we examine what a healthy workplace looks like, drawing on evidence from the CIPD's past research in this area as well as other significant studies in the field. This report, *Growing the Health and Well-being Agenda: From first steps to full potential*, aims to provide a useful overview and summary which can act as a springboard for further work and action. The report can be downloaded from our website, together with a video clip, podcasts and an infographic on health and well-being: [cipd.co.uk/well-being](http://cipd.co.uk/well-being).

One way of encouraging more integrated adoption of a health and well-being framework by employers is by demonstrating how other organisations have implemented, and benefited from embracing, well-being. Building a health and well-being strategy for the organisation that is contingent on its specific requirements is how employers can avoid the pitfall of developing a 'menu' of initiatives that are not joined up or closely linked to the needs of the organisation or its employees. We believe initiatives alone will not create a workplace where well-being is truly embedded

in the way it operates. They need to be underpinned by a culture, leadership and people management approach which are all aligned to supporting employee well-being. This holistic approach to employee well-being does require concerted effort and ultimately it is how these programmes and initiatives are integrated with each other, and with the organisation's people management practices, that they can become mutually reinforcing. Employers need to consider, for example, the extent to which the working environment, relationships at work, opportunities for career development, and management style reinforce the organisation's focus on well-being.

There is no 'one-size-fits-all' approach to designing an effective employee well-being strategy; its content should be based on the organisation's unique needs and characteristics. Most importantly, to be successful the approach taken must be specifically designed to meet employee needs. PricewaterhouseCoopers' report on the planning, execution and management of wellness programmes (PwC 2008) outlines that for such programmes to be effective, they need to focus on both improving the health and well-being of employees and on organisational change and development.

The thought piece contributions in this section provide insights into the ways in which organisations can implement a successful well-being strategy, and what employers need to consider in doing so.



## Our authors



**Dr Jill Miller** joined the CIPD in 2008 as a research adviser. Her role is a combination of rigorous research and active engagement with academics and practitioners to inform projects and shape thinking. She frequently presents on key people management issues, leads discussions and workshops, and is invited to write for trade press as well as offer comment to national journalists, on radio and TV. She specialises in absence management, employee well-being and future HR trends.



**Rachel Suff** joined the CIPD as a policy adviser in 2014 to increase the CIPD's public policy profile and engage with politicians, civil servants, policy-makers and commentators to champion better work and working lives. An important part of her role is to ensure that the views of the profession inform CIPD policy thinking on issues such as health and well-being, employee engagement and employment relations. As well as conducting research on UK employment issues, she helps guide the CIPD's

thinking in relation to European developments affecting the world of work. Rachel's prior roles include working as a researcher for XperthHR and as a senior policy adviser at Acas.



**Professor Sir Cary Cooper, CBE**, is the 50th Anniversary Professor of Organisational Psychology and Health, Manchester Business School, University of Manchester, Founding Director of Robertson Cooper Ltd (a University of Manchester spin-off company in the field of health and well-being at work), President of RELATE, President of the CIPD, President of the Good Day At Work network, on the Global Agenda Council on mental health and well-being of the World Economic Forum and author/editor of over 150 books in the fields of organisational psychology, well-being at work, women at work and other workplace issues.

Robertson Cooper are well-being, engagement and resilience specialists. They are the hosts of the recent Good Day at Work Conversation, in association with Movember Foundation and sponsored by Bank Workers Charity.



**Ben Moss** is Managing Director of well-being and resilience specialists, Robertson Cooper, and of the well-being movement, Good Day at Work.

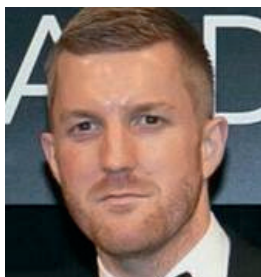
He regularly contributes in the media on the issues of well-being, resilience and engagement. He has also appeared on various discussion panels as part of the overall mission to move psychological well-being up the corporate agenda.

In a former life, Ben was Principal Business Psychologist at Greater Manchester Police, where he led a national review of ACPO, which involved consulting with the Home Secretary, MPs and chief constables.



**Emma Donaldson-Feilder** and **Rachel Lewis** are occupational psychologists (Chartered with the BPS and registered with the HCPC) with expertise in the field of workplace health, well-being and engagement, and leadership and management. They are both directors of Affinity Health at Work, a specialist consultancy and

research group. Rachel is also an Associate Professor at Kingston Business School and Emma is also Director of Affinity Coaching and Supervision. They take an evidence-based approach to helping employers and managers improve employee health, well-being, engagement and performance through consultancy and research; and their research is designed to generate practical, freely available guidance and tools. For more information, visit [www.affinityhealthatwork.com](http://www.affinityhealthatwork.com) or email [emma@affinityhealthatwork.com](mailto:emma@affinityhealthatwork.com).



**James Hyde** has over 15 years' experience of operational and strategic HR and OD and has been part of the HR Senior Leadership Team at Cafcass since 2007. During this time the HR service has been at the forefront of transforming a once failing organisation into a sector-leading one, judged by Ofsted to be Good with Outstanding Leadership. James has overseen a business-focused HR service that has helped to develop a workplace culture characterised by high performance, positive engagement, health and well-being, learning and development, job enrichment and redefined career opportunities for some of the most exceptional social work professionals in the world. Cafcass's multi-award-winning HR service was acclaimed as the Best Public Sector HR Team in 2014 at

the *Personnel Today* Awards and has long been recognised as an integral business partner in the delivery of front-line social work practice in Cafcass.



**Paul Dolan** is a Professor of Behavioural Science at the London School of Economics and Political Science. As an internationally renowned expert on happiness, behaviour and public policy, he conducts original research into the measurement of happiness, its causes and consequences, and has over 100 peer-reviewed publications. In 2010, he was seconded to the Cabinet Office to embed the 'mindspace' report into policy-making, which he co-authored. He has previously worked with Daniel Kahneman at Princeton University, written the questions for the Office for National Statistics in measuring well-being, and he regularly advises global corporations in behavioural economics. His debut and best-selling book, *Happiness by Design*, was published by Penguin in August 2014 and has been bought in over a dozen countries.



**Agnieszka Zbieranska** is a Research Assistant working at the LSE under Professor Dolan's supervision. With her BA from Oxford and MSc in Psychology from St Andrews, Agnieszka's goal is to bring scientific evidence on factors contributing to people's well-being and happiness into the real world. She is also planning to further develop her knowledge and contribute to the research on these topics by embarking on a PhD.

# Addressing the stubborn implementation gap in practice

Jill Miller and Rachel Suff

Despite significant advances in policy and a general consensus from employers that staff well-being is important for long-term business performance, there remains a practice implementation gap because many employers aren't turning their rhetoric into reality.

At the CIPD we want to set an aspirational agenda for the future direction of workplace health and well-being. We believe that commitment to supporting employee well-being is one of the pillars underpinning shared value-creation in organisations – for the employer, employee and wider society. Different aspects of this shared value concept are highlighted by other contributing authors to this collection of thought pieces.

Although many organisations are already taking action on health and well-being, CIPD research has found a wide spectrum of employer practice. For some employers, well-

being still does not make it onto their agenda. And for some who do offer well-being initiatives, they may not be supported by a work design or environment aligned to well-being. And then there is the minority of employers who are leading the way and see the well-being of their workforce as a foundation stone for their business and take well-being considerations into account when making business decisions. Our aspiration sits with this latter scenario.

Our *Absence Management* survey, produced in partnership with Simplyhealth, reflects this wide diversity of health and well-being practice. Just 29% of employers said they have a formal well-being strategy or plan in place. A quarter don't have a formal strategy or plan, but do have well-being initiatives, 37% act flexibly on an ad hoc basis, and 9% said they're not currently doing anything to support employee health and well-being.

Our wider research points to three fundamentals of a healthy workplace: organisation culture, leadership and people management practice, all aligned to positive employee well-being (Figure 1). Even with the best well-being benefits and offerings, if you don't have these fundamental building blocks, there is likely to be a degree of cynicism on the part of employees around why these initiatives have been introduced, and well-being could slip down the organisation's agenda during tough times if it's not a central part of how you operate. Given your current approach, how do employees view your organisation as an employer? What would they say your business priorities are? Would they say staff are one of your most important stakeholders?

The findings of our *Absence Management* survey reveal that these core foundations in support of a healthy workplace are often missing. For example, around

Figure 1: The CIPD well-being pyramid



half (46%) of organisations told us that operational demands take precedence over employee well-being considerations to a great or a moderate extent, and a surprising 47% said employee well-being is on senior leaders' agendas to a little extent or not at all. Furthermore, 43% of organisations said that long working hours are the norm to a great or a moderate extent. A classic example is providing people with dinner when they're consistently working late. Does free pizza really cut it when it comes to creating a sustainable way of working?

In contrast, we have seen some great examples of employers prioritising health and well-being and reaping the shared benefits, but our aspiration is for this way of operating to become the norm rather than be seen as the exception or a privilege.

Creating and maintaining a healthy workplace isn't an easy task and is unlikely to be achieved overnight. But changing the way business is done and integrating well-being considerations into the organisation's operations via an integrated approach can nurture heightened levels of

employee engagement and foster a working environment where people are committed to achieving organisational success. Some of the other thought pieces in this series espouse the benefits of embracing well-being for productivity and organisation performance.

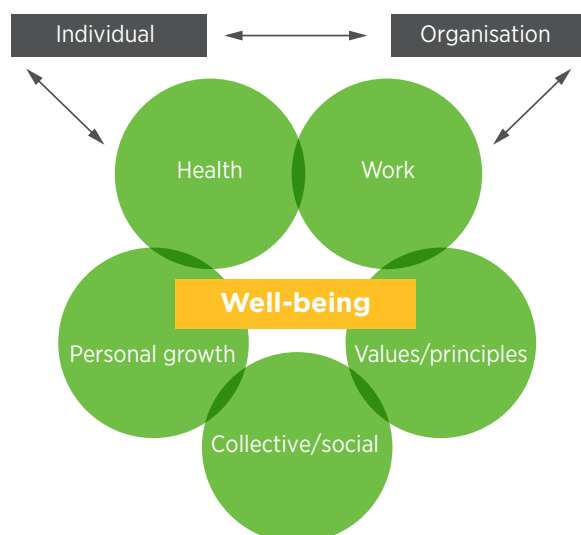
We believe HR professionals are ideally placed to inspire and drive systemic change in organisations and engage senior leaders and line managers on the mutual benefits of an organisational commitment to employee well-being. This requires significant work to steer and provide training across the workforce to turn espoused policy into lived people management practice and improved employee experience. However, as HR forms the vital link between key stakeholders in the health and well-being chain – including senior managers, line managers and occupational health – HR professionals are uniquely placed to communicate the organisational priorities for employee well-being. They can ensure that a strong and unified framework is developed and understood across the organisation, and encourage everyone to play their part.

## What does a healthy workplace look like?

This is a core question we examine in our CIPD position paper on workplace well-being, *Growing the Health and Well-Being Agenda: From first steps to full potential*. We examine how employers can best implement health and well-being interventions to achieve sustainable long-term benefits for organisations, employees and wider society. In that paper we also suggest how the wider public policy framework can support and encourage employers in this area.

In 2007, the CIPD set up an advisory group to research and identify some useful principles for the development and introduction of employee well-being in the workplace. As a result we published guidance containing a well-being model (Tehrani et al 2007). We have refreshed this model and brought it up to date with developments in the workplace over the intervening years. The model identifies five domains of well-being (Figure 2). We have described and defined the domains with illustrative elements and examples of possible workplace initiatives (Table 1).

**Figure 2: CIPD well-being model – the five domains of well-being**



**Table 1: Illustrations of the five domains of well-being**

Domain	Elements	Examples of well-being initiatives/activities
HEALTH	Physical health	Health promotion, good rehabilitation practices, health checks, well-being benefits, health insurance protection, managing disability, occupational health support, employee assistance programme
	Physical safety	Safe working practices, safe equipment, personal safety training
	Mental health	Stress management, risk assessments, conflict resolution training, training line managers to have difficult conversations, managing mental ill-health, occupational health support, employee assistance programme
WORK	Working environment	Ergonomically designed working areas, open and inclusive culture
	Good line management	Effective people management policies, training for line managers, sickness absence management
	Work demands	Job design, job roles, job quality, workload, working hours, job satisfaction, work-life balance
	Autonomy	Control, innovation, whistleblowing
	Change management	Communication, involvement, leadership
	Pay and reward	Fair and transparent remuneration practices, non-financial recognition
VALUES/PRINCIPLES	Leadership	Values-based leadership, clear mission and objectives, health and well-being strategy, corporate governance, building trust
	Ethical standards	Dignity at work, corporate social responsibility, community investment, volunteering
	Diversity	Diversity and inclusion, valuing difference, cultural engagement, training for employees and managers
COLLECTIVE/SOCIAL	Employee voice	Communication, consultation, genuine dialogue, involvement in decision-making
	Positive relationships	Management style, teamworking, healthy relationships with peers and managers, dignity and respect
PERSONAL GROWTH	Career development	Mentoring, coaching, performance management, performance development plans, skills utilisation, succession planning
	Emotional	Positive relationships, personal resilience training, financial well-being
	Lifelong learning	Performance development plans, access to training, mid-career review, technical and vocational learning, challenging work
	Creativity	Open and collaborative culture, innovation workshops

### CIPD calls to action for employers and HR

With the aim of progressing the health and well-being agenda, we conclude our positioning paper with key recommendations to employers and HR and to policy-makers. Given the focus of this thought piece, we focus here on our calls to employers and HR. The full paper can be accessed via the reference below:

- The HR profession holds the key to unlocking the potential for a much wider and more sustainable integration of health and well-being practices at work. HR professionals are in a unique position to steer the health and well-being agenda in organisations and drive a systemic approach, including ensuring that senior managers regard it as a priority, and that employee well-being practices are integrated in the organisation's day-to-day operations.
- Line managers are pivotal in shaping employees' experience of work and bringing people management policies to life. They therefore have a vital role to play in managing and enhancing employee well-being, but are not always trained in key



areas such as absence-handling. As a consequence they often lack the confidence, willingness or skills to implement policies and promote health and well-being, particularly in relation to stress management.

Training is vital to ensure that managers have a clear understanding of health and well-being policies and responsibilities, and have the confidence and interpersonal skills required to implement policies sensitively and fairly and have difficult conversations with individuals where appropriate.

- Employers need to implement a holistic approach to health and well-being that is preventative and proactive, as well as reactive, with a focus on rehabilitation back to work. Their approach should promote good physical health, good lifestyle choices and good mental health, as well as taking on board the importance of 'good work' in enhancing employee well-being.
- An employer's approach to employee well-being needs to be sustainable and linked to both the organisation's corporate strategy and workforce needs, and integrated within every aspect of its people management activities.
- Creating a healthy culture is perhaps the greatest challenge for organisations; it requires commitment from senior leaders and managers and, for many, a reassessment of priorities and considerable changes in work culture and organisation. A culture that isn't supportive of well-being can undermine an organisation's efforts where there is a perceived disconnect between rhetoric and reality. The benefits of a well-being culture are not limited to

reduced absence and reduced absence costs – organisations that genuinely promote and value the health and well-being of employees will benefit from improved engagement and retention of employees with consequent gains for performance and productivity.

- Further understanding of the mutually reinforcing relationship between employee well-being and employee engagement can help HR to implement effective health and well-being programmes in their organisation and build a more compelling business case for future investment and commitment by senior managers.
- Too few organisations evaluate the organisational impact of their health and well-being activities. It is vital that HR practitioners monitor and report on a range of health, employee satisfaction and organisational measures to build a strong case to convince senior management of the need for ongoing financial commitment to health and well-being.

## References

CHARTERED INSTITUTE OF PERSONNEL AND DEVELOPMENT. (2015) *Absence management*. Annual survey report. London: Chartered Institute of Personnel and Development.

TEHRANI, N., HUMPAGE, S. and WILLMOTT, B. (2007) *What's happening with well-being at work? [online]*. Change agenda. London: Chartered Institute of Personnel and Development. Available at: <http://www.cipd.co.uk/NR/rdonlyres/DCCE94D7-781A-485A-A702-6DAAB5EA7B27/0/whthapwbwrk.pdf> [Accessed 27 November 2015].

# ‘Readiness’ – the secret to getting health and well-being right inside your business

## Ben Moss and Professor Sir Cary Cooper

Workplace well-being has gone well and truly mainstream. It used to be niche, a luxury that was secondary to health and safety and certainly not a strategic priority for most businesses. Quite a contrast to current HR practice – where the trend is towards integrating the overall employee health and well-being offering inside a dedicated strategy that aims to make having a good day at work ‘cultural’.

This trend, as well as that of taking a more preventative approach to health and well-being, is most certainly a welcome development. Millions of workers and thousands of businesses stand to benefit as a result – when employees feel good they deliver higher productivity, happier customers, have lower sickness absence, and they stick around longer too.

Sounds perfect, but in reality it's not quite that simple because no two organisations start in the same place when it comes to embedding well-being in the fabric of everyday working life. Some have done more and some have done less; some have the cultural foundation to make it a relatively easy shift, some do not; some have the data, skills and insight in-house to support the change, whereas again, some do not. Put simply, some businesses are more ready for well-being than others, and it's this idea of ‘readiness’ that can undermine best-laid plans and the good intentions of senior managers unless carefully managed.

At Robertson Cooper and through our Good Day At Work network, our business well-being experts are often asked to support organisations with the development of their well-being strategy. We start this process by hosting a conversation around what we call the ‘seven signs of readiness’ – aspects of well-being that, if clearly defined and understood, will help rather than hinder the design and implementation of your well-being strategy.

In order to explore the idea of readiness more, we'll look at these ‘seven signs’ and think about what they mean for HR practitioners who are considering designing, refining or implementing business-wide approaches to well-being:

1 **Meaning:** do you have a shared definition of well-being? So, if you were to ask ten people from across the organisation what well-being means inside your business, would you get the same answer? If the answer is ‘no’, you have some work to do before getting into designing your approach. Of course, views will vary according to job level and a range of other factors – but the business must eventually settle on something that is accessible, universal and upon which you can build an internal brand and language that enables high-quality communication about this aspect of working life. It will also be the basis of any measurement you later undertake.

2 **Your purpose:** do you have consensus on why the business invests in well-being? Is it about driving business-level outcomes (such as absence and productivity), or is it because you want to build a culture for the long term that truly values well-being? There is no right answer here, and the only wrong answer is to neglect to respond to the question in the first place! Bound up in this aspect of readiness is the balance you are trying to strike between outcomes that benefit the business and those that are for the employee. This balance should be consciously designed in, rather than emerging as the random outcome of a set of unplanned interventions.

3 **Ambition:** what is the scope of what you're trying to do by embedding well-being? Your purpose is your purpose, but it's underpinned by the scale of your ambition in terms of what you believe well-being can do for your business and your employees. Some senior leaders have a very limited view of what's possible if you get well-being right, while others believe that it's impossible to build and manage a successful business without it. Consequently, some businesses will see this as an investment in full cultural change and a way of ‘being’, while others think of it as being more about awareness-raising and making small improvements or efficiency gains. Still others see it simply



as a box to tick. Again, these different views are all valid, but it's important to acknowledge the position before plans are made and budgets built.

**4 Owning it:** who owns what when it comes to embedding well-being inside the organisation? You may be the overall owner, but you can't do it all – so it's important to identify owners for specific aspects of your well-being strategy. For example, what support do you need from senior leaders? How must line managers support the roll-out and what skills/resources do they need to do so? What is the role of your internal communications and engagement team? How will you use your network of HR business partners to maximise the impact and effectiveness of the implementation? And linking to the fifth sign of readiness, what are you expecting from employees? When we at Robertson Cooper partner with clients to build their well-being strategies, these are some of the questions we use to map the ownership structure across the business.

**5 Personal responsibility:** are the majority of your employees willing to play their part in creating a well-being culture or is it just 'the worried well' who will engage? Do you have clear ideas for how you can encourage and reward the right behaviours? In recent years, responsibilities for health and well-being have shifted: employers still have a duty to provide a healthy, positive environment, but employees also have a critical role to play. Employers are asking them to take more responsibility for their health, but at the same time employees

themselves are demanding a greater say. The rise of wearable devices, as well as health movements, such as our own Good Day at Work community and the one our partners at the Movember Foundation run, are all pushing in the same direction: the psychological contract between employer and employee is evolving ... and fast.

Part of this change is a move away from top-down, management-driven approaches to defining, measuring and managing well-being – engagement surveys, for example – towards bottom-up employee- and technology-driven (for example health apps, sharing experience) approaches. This is about creating 'live' exchanges rather than retrospective snapshots that hopelessly seek to capture complex, ever-changing situations. Well-being isn't like that – it's an ongoing conversation.

**6 Language and communication:** to have live, meaningful conversation about well-being across the whole organisation you need accessible language/frameworks to enable employees to talk about this stuff without fear. Do you have the basis for that inside the business? If you do, is it shared and understood across your workforce?

In fact, it's often simpler than many people think to get this right. Clearly it needs to be consistent with your definition of well-being, but in fact there are research-defined approaches that provide the language that managers and employers need to have the conversation. For example, at Robertson Cooper we talk about the 'six essentials of workplace well-being' – the

things that block and enable 'a good day at work'.

This is about breaking down the, all too often, amorphous concept of well-being and looking at what causes and eases pressure for employees. So when staff understand that well-being flows from simple, accessible aspects of working life, such as good working relationships, having autonomy and a balanced workload, they suddenly have ways into a conversation about it, plus levers to pull to change the way that work feels.

**7 Leading the change:** do you have the buy-in of senior leaders across the business? Key people at the top level are in a position to create organisational reality for the majority of employees, so their role isn't just about 'permission'; it's also about buy-in, involvement and role-modelling. In this sense it's vitally important that they understand (and accept!) their role in terms of creating a culture that values and drives well-being. Achieving that outcome requires skilful influencing on your part, commitment on the leaders' part and quite often personal development – for example, coaching to understand the personal impact that they have on the mental and physical well-being of those around them. True engagement within the leadership group can make the difference between ending up with a 'project-based' approach versus a longer-term 'cultural' approach to managing workplace well-being.

When working with a wide variety of organisations from a range of sectors, we have found that these 'seven signs' act as an invaluable

checklist for defining the current state of readiness for well-being. In most cases, businesses tick some of the boxes with ease, but usually there are at least a couple that need discussion and decision-making. If you hold the overall responsibility for well-being on behalf of your organisation, you can use these seven areas to develop firm foundations for your long-term approach to getting it right.

Finally, it's worth saying that covering these areas and putting it all together in an integrated way that stands the test of time is not easy – it takes effort and commitment from you and from across the business. But if you get it right the results can be transformative: for you, for your employees, for the business.

# Healthy organisations, healthy leadership and management, healthy employees ... for healthy performance

Emma Donaldson-Feilder and Rachel Lewis

Our key messages:

- People work best, and can achieve sustainable high performance over time, when they are healthy, well and engaged.
- Effective people-focused leadership and management are essential to achieving sustainable engagement.
- Creating a healthy organisational context is vital to developing and supporting good leadership and management.
- It is important to take an evidence-based approach to this field, drawing on both practitioner and academic research and expertise.

In the current volatile, uncertain, complex and ambiguous world, organisations and individuals are both harder pressed and required to perform better than ever before. In the workplace, this translates into increasing risks to employee health and well-being, due to the psychological and social demands on the workforce, but also an ever-greater need for every employee to be at the top of their game. At a national level, the dialogue is about how to reduce the UK's 'productivity gap'. In our view, a vital factor in resolving these issues, risks and questions is to ensure that effective, people-focused leadership and management is developed and encouraged in UK workplaces – and that employers create the organisational context to achieve

this, supported appropriately by public policy and underpinned by a sound evidence base.

It has long been argued that happy, healthy employees create thriving, successful organisations. While there is still scepticism about this in some quarters – as evidenced by the tendency for employers to feel that they 'can't afford' to look after employee health during difficult times (when looking after employee health is actually even more important) – the evidence base for the link between employee health and well-being and organisational performance is becoming ever stronger.

Part of this picture has been the increasing focus on employee engagement and the evidence that engaged employees are more productive. However, we would caution employers against purely looking at employee engagement, without also considering their employees' health and well-being. While high levels of engagement may be linked to improved productivity in the short term, if this is not balanced by a focus on employee health and well-being, there is a risk that individuals 'overengage' and either burn out or 'get out' as a result of the overload they experience. To achieve a sustainable level of performance over time, it is important to ensure that employers engender both engagement and health and well-being in their employees.

We have been arguing for over a decade that a key factor in ensuring good levels of health, well-being and engagement is good people management. For many people, the way they are treated by their direct line manager and the behaviour of all the leaders in the organisation makes an enormous difference to how they feel about themselves and their work. At one extreme an abusive, negative, inconsistent or even just disorganised manager can cause those that work for them to suffer from stress-related health problems; at the other end of the scale, feeling valued and supported by their manager can help individuals manage all kinds of difficulties, including health problems, that would otherwise dent their performance. The research evidence backing up this link between management and leadership on the one hand and employee health, well-being and engagement on the other has grown dramatically over the last decade to the point where our argument is so well supported it almost seems self-evident. However, achieving good people-focused leadership and management on the ground, in order to support employee health, well-being and engagement, is less obvious.

With support from the CIPD, HSE and our Research Consortium, we have spent over a decade exploring the role of people management behaviour in this

area, starting with our research on *Management Competencies for Preventing and Reducing Stress at Work*.<sup>3</sup> In 2012, we brought together the preventing stress work and subsequent research on managers' role in engendering engagement to create an evidence-based framework of the management behaviours needed to support sustainable employee health, well-being and engagement.<sup>4</sup> This framework is made up of five themes:

- open, fair and consistent
- handling conflict and problems
- knowledge, clarity and guidance
- building and sustaining relationships
- supporting development.

These frameworks provide clarity about what leaders and managers need to do, but they are not the end of the story. Research shows that it is possible to develop managers to behave in these ways. However, it also shows that behaviour change is not easy, that maintaining change over time is harder still and that the context in which managers are managing is a key determinant of how they behave. Employer organisations – and HR practitioners – therefore have a key role in supporting management and leadership development and in providing a healthy organisational context that supports people-focused behaviour.

Our most recent research has reviewed a wide range of evidence, from academic and practitioner research, to practitioner expertise, to actual practice, in employer organisations to look at this question. The aim was to clarify what factors are important to

support managers and leaders to develop and implement approaches that engender sustainable employee health, well-being and engagement. Examples of the factors that emerged from this work include: having a supportive organisational culture where there is open dialogue, respect and recognition for all; senior managers that are role models and lead by example; and providing a long-term management/leadership development programme that uses a range of different methodologies. Based on this research, we have developed a set of checklists that help employers identify which elements they do and don't have in place.<sup>5</sup>

Looking to the future, we hope that our work will support employers and practitioners to really focus on and take practical steps to address the question of employee health, well-being and engagement. In particular, over the coming years, we would like to see organisations take an increasingly evidence-based approach to this field. There is much to be done in terms of improving the extent to which evidence generated by academic research is translated into practical tools and used in practical ways; there is also much to be done in bringing practitioner expertise, needs and evidence to the attention of academics. But improving this dialogue and exchange of evidence is vital to improving understanding and generating positive changes in employee health, well-being and engagement.

Supported by our Research Consortium<sup>6</sup> and other sponsors, we are developing an exciting

new resource to help practitioners access a sound evidence base for their work in this field. Building on our own and others' research, the intention is to provide freely accessible practical tools, guidance and materials that give evidence-based support to address employee health, well-being and engagement, and achieve people-focused leadership and management.

<sup>3</sup> [www.affinityhealthatwork.co.uk/our-work/research/research-line-managers-and-preventing-employee-stress/](http://www.affinityhealthatwork.co.uk/our-work/research/research-line-managers-and-preventing-employee-stress/).

<sup>4</sup> [www.affinityhealthatwork.co.uk/our-work/research/research-line-managers-and-sustainable-employee-engagement/](http://www.affinityhealthatwork.co.uk/our-work/research/research-line-managers-and-sustainable-employee-engagement/).

<sup>5</sup> [www.cipd.co.uk/hr-resources/research/developing-managers.aspx](http://www.cipd.co.uk/hr-resources/research/developing-managers.aspx)

<sup>6</sup> [www.affinityhealthatwork.co.uk/our-work/research-consortium-membership](http://www.affinityhealthatwork.co.uk/our-work/research-consortium-membership)

# Cafcass: a case study on building a culture of health and well-being

James Hyde

## The challenge

Formed in 2001, Cafcass is the largest employer of social workers in the UK, with 40 offices across England. The organisation is responsible for safeguarding and promoting the welfare of children, as well as for giving advice to family courts and making provision for children to be represented, predominantly in cases where children have been taken into care, and when separating parents can't agree on arrangements for their children.

In 2010 Cafcass was typical of many social work organisations, the Public Accounts Committee declaring it 'not fit for purpose'. From a health and well-being perspective, the emotionally demanding cases social workers deal with every day has resulted in high sickness levels across the sector; in 2008–09, absence levels at Cafcass peaked at 16.2 days per social worker per year. Stress-related absence in particular can be prevalent, with 97% of social workers reporting they are moderately or very stressed.<sup>7</sup>

Furthermore, following the death of Peter Connelly (Baby P), Cafcass have faced additional challenges:

- a 75% increase in cases of children being taken into care
- budget and workforce reduced by £20 million and 11.3% respectively between 2010–11 and 2014–15

- working with 115,000 children in 2014–15, compared with 80,000 in 2008–09.

As part of an organisational objective to be assessed as Good by Ofsted (the external regulator), a new employee well-being strategy was introduced that focused on building a self-sufficient workforce where staff can manage their personal health and well-being.

## Minimising presenteeism

As part of a reaction to increasing demand and reducing budgets, the strategy focused on not just reducing absence but also minimising presenteeism, and ensuring all employees had access to resources to support their well-being, rather than just those who were absent with ill health.

In 2013, by consolidating previous health and well-being spend and thus at no additional cost, Cafcass introduced an employer-funded health plan, providing access to: optical/dental care; health screenings; discounted gym membership; consultations/diagnostic tests; inoculations; and more. Employees can upgrade their membership to a higher benefit level or add a partner to their plan for an additional cost.

As of summer 2015, 99% of staff have chosen to remain in the plan, and have claimed over 8,000 times since its start. Furthermore, as of 2015, a smartphone application has

allowed the claiming process to become entirely paperless.

Technology has also been harnessed to support well-being. All front-line social workers have lightweight, 4G laptops and state-of-the-art smartphones. These enable staff to work flexibly, and from home when they may feel unable to commute. Electronic case files have also removed the need to carry heavy, paper case bundles to court.

## Building resilience

The emotionally demanding cases that front-line social workers are responsible for meant that enhancing staff resilience was a priority under the new strategy. All staff have access to e-learning modules and online tools that help them to understand where they draw personal resilience from to manage difficult periods in their professional and personal life, and provide advice on how they can use their strengths to successfully navigate these more challenging periods.

For staff who need additional support, an enhanced 24/7 employee assistance programme offers every individual eight face-to-face counselling sessions annually, alongside financial management advice, an annual career coaching session and a 'day one stress intervention service'.

## Bespoke support

To ensure the resources available can meet the individual, bespoke

<sup>7</sup> Community Care Survey 2015: <http://www.communitycare.co.uk/2015/01/07/stress-stopping-job-social-workers-say/>

needs of the entire workforce, in January 2015 health and well-being specialists were commissioned to provide seminars on achieving high energy through positive lifestyle habits such as nutrition, sleep, exercise, resilience and mindfulness.

One-to-one consultations and on-site yoga/Pilates classes, with a focus on preventing and alleviating muscular aches and pains, were also introduced. The consultations in particular have proven extremely popular, with requests ranging from simple diet plans to marathon training guides.

Ninety-three per cent of staff said they have implemented at least one recommendation in relation to their well-being after a session with a qualified specialist, and 96.5% said their session was good or excellent.

### **Engaging staff in health and well-being**

Particular focus has been placed on promoting and highlighting the resources available for employees, to guarantee that the strategy had the desired impact for the organisation.

To support local promotion – essential in an organisation such as Cafcass that is geographically dispersed across England – a network of peer-appointed health and well-being champions was established, who act as sources of information on the resources available.

Furthermore, employees have been consulted with during the development and implementation of new initiatives. For example, the tender specification for the health and well-being plan was informed from a staff survey that asked employees what benefits they would most want. Over 900 staff responded, the highest percentage of staff for any survey at that time in Cafcass.

This approach has been highly effective. From the 2014 independent Ofsted staff survey, 81% of staff said Cafcass cares about their health and well-being, demonstrating employees are aware of and appreciate the resources available to them.

### **Demonstrating the impact**

Sickness rates have reduced 75.2%, from 16.2 days per social worker in 2009–10 to 7.35 days as of November 2015. This has included a reduction of 60% of stress-related absence (2009–10 to 2014–15). The savings produced from the lower sickness rate have meant more resources have been directed to front-line practice and direct work with children, which currently forms 93% of our entire budget.

The focus on presenteeism has also increased staff productivity, which ultimately provides a quicker resolution to cases and offers stability for the vulnerable children Cafcass works with. Between 2011–12 and 2014–15, care application demand reduced from 57 weeks to 30 weeks, throughput has increased 6% and Cafcass now exceeds all its key performance indicators as set by the Secretary of State.

Most importantly, the health and well-being work helped ensure Cafcass realised its objective in April 2014 of being assessed as Good with Outstanding Leadership by Ofsted, who noted *‘Cafcass’ approach to well-being has been exceptional’*.

In a sector renowned for high sickness rates and disengagement, Cafcass have implemented a strategy that has reduced absence and improved productivity and staff engagement around health and well-being to ultimately provide a better service to the children it supports.



# Worker well-being – with a purpose

## Paul Dolan with Agnieszka Zbieranska

In his latest interview, Kazuo Inamori, a hugely successful Japanese businessman, revealed the secret of his businesses' success: 'make workers happy' (Taniguchi 2015). An ever burgeoning evidence base suggests that Inamori is onto something. Employee happiness is associated with a variety of positive outcomes, such as creativity (Lyubomirsky et al 2005, Csikszentmihalyi 1997), and better physical health (Veenhoven 2008); and unhappy employees are less innovative (Dolan and Metcalfe 2012) and more prone to take days off sick (Soane et al 2013).

It is clear that employers should take their employees' happiness seriously, but what exactly is happiness? In *Happiness By Design* (Dolan 2014), I argue that happiness should be defined as the flow of pleasure and purpose over time. A happy life is one in which an individual has daily experiences that generate a good balance between fun on the one hand and fulfilment on the other. We have shown that many people experience relatively little pleasure at work, but that the associated feelings of purpose make it an activity that adds to their overall happiness (White and Dolan 2009). Experimental evidence suggests that people who experience more purpose at work are not only happier, but also more productive (Steger et al 2012).

Importantly for those considering how best to improve productivity, managerially imposed 'fun' at work might in fact reduce employees' performance (Tews et al 2013)

and overall well-being (Fleming and Sturdy 2011). Spontaneously experiencing pleasure at work is certainly a desirable by-product of one's work, but this does not mean it should be contrived. So, contrary to a recent trend to 'inject fun and quirkiness' into the workplace (Burkeman 2013), I would suggest that employers should seriously consider whether they might be better advised to focus on experiences of purpose rather than those of pleasure. Inamori's business strategy seems to be consistent with this suggestion. In order to make his workers happier, he did not reduce their working hours or workload, but rather started emphasising the company's devotion to their growth and the social significance of their work (Taniguchi 2015).

We are constantly learning more about what brings people purpose at work. One of the most well-established means of increasing employees' experiences of purpose is to give them consistent, timely feedback on how well they are doing (Hackman and Oldham 1976). Dan Ariely (Ariely et al 2008) has convincingly shown that people who are paid identical wages for the same task work less hard when their work is destroyed in front of them than when it is put to one side (not much difference literally, but a big difference psychologically). It is important to financially reward employees for their work, but it is every bit as important to remind them of the positive outcome of their efforts.

The way feedback is delivered is critical. First of all, it should be

consistent and timely; that is, the closer in time the feedback is given to the behaviour that should be changed, the more likely it is that the behaviour will change (Dolan 2015). For instance, if an employee is producing below-par reports, solely pointing this out before the next one – and not also right after the last one – makes improvement less likely. When giving feedback, it is also essential to consider not only the message itself, but also the messenger. To make behaviour change most likely, the person delivering feedback should possess the following three attributes: be an expert, be trustworthy and ideally be someone that employees can personally relate to (Dolan and Metcalfe 2012).

Additionally, employees should feel that they are being given some autonomy (Spector 1986). Studies show that employees who perceive themselves as choosing to perform an activity, as opposed to being directed to do so, are intrinsically motivated and accept more personal responsibility for the consequences of their work (Hackman and Oldham 1975). This in turn leads to increases in performance, as well as decreased emotional distress and absenteeism (Sparks et al 2001, Thompson and Prottas 2006). Therefore, employers might consider introducing one of the well-established methods of increasing autonomy for employees, for instance: participative decision-making (Lowin 1968), greater freedom over start and finish times, more discretion over how tasks are performed, and self-regulated work teams (Sparks et al 2001).



As a behavioural scientist, I argue that the easiest way to increase people's happiness is to change what they do and not the way they think. This can be done by introducing certain practices, such as those I described above, but also by physically changing employees' environment (Dolan et al 2015). For instance, exposure to nature has been shown to decrease attentional fatigue and thus increase employee happiness (Kaplan 1993). Employers could therefore install more windows or plants in the office, decorate the walls with visual materials dominated by nature themes, or build natural areas at the worksite. These might feel like small changes, but they can have big effects. Any employer should welcome a big bang for their buck.

Promoting happiness is critical for productivity – but sometimes through encouraging feelings of purpose and not necessarily pleasure. There is nothing worse than feeling like you have wasted your time. I hope that reading this article has not felt like a waste of time; rather, I hope you are now emboldened to help your employees find more pleasure and especially purpose in their daily work experiences.

## References

ARIELY, D., KAMENICA, E. and PRELEC, D. (2008) Man's search for meaning: the case of Legos. *Journal of Economic Behavior and Organization*. Vol 67, No 3–4, September. pp671–7.

BURKEMAN, O. (2013) Who goes to work to have fun? *New York Times*. 12 December. pA39.

CSIKSZENTMIHALYI, M. (1997) Happiness and creativity: going with the flow. *The Futurist*. Vol 31, No 5, September/October. ppS8–S12.

DOLAN, P. (2015) Getting more purpose at work with feedback. *Psychology Today*. 21 November. Available at: <https://www.psychologytoday.com/blog/happiness-design/201511/getting-more-purpose-work-feedback>

DOLAN, P. (2014) *Happiness by design: finding pleasure and purpose in everyday life*. London: Penguin.

DOLAN, P. and METCALFE, R. (2012) The relationship between innovation and subjective well-being. *Research Policy*. Vol 41, No 8, October. pp1489–98.

DOLAN, P., FOY, C. and SMITH, S. (2015) The SALIENT checklist: gathering up the ways in which built environments affect what we do and how we feel. *Buildings*. (date to be confirmed).

DOLAN, P., HALLSWORTH, M. and HALPERN, D. (2012) Influencing behaviour: the mindspace way. *Journal of Economic Psychology*. Vol 33, No 1, February. pp264–77.

FLEMING, P. and STURDY, A. (2011) 'Being yourself' in the electronic sweatshop: new forms of normative control. *Human Relations*. Vol 64, No 2, February. pp177–200.

HACKMAN, J.R. and OLDHAM, G.R. (1976) Motivation through the design of work: test of a theory. *Organizational Behavior and Human Performance*. Vol 16, No 2, August. pp250–79.

HACKMAN, J.R. and OLDHAM, G.R. (1975) Development of the Job Diagnostic Survey. *Journal of Applied Psychology*. Vol 60, No 2, April. pp159–70.

KAPLAN, R. (1993) The role of nature in the context of the workplace. *Landscape and Urban Planning*. Vol 26, October. pp193–201.

LOWIN, A. (1968) Participative decision making: a model, literature critique, and prescriptions for research. *Organizational Behavior and Human Performance*. Vol 3, No 1, February. pp68–106.

LYUBOMIRSKY, S., KING, L. and DIENER, E. (2005) The benefits of frequent positive affect: does happiness lead to success? *Psychological Bulletin*. Vol 131, No 6, November. pp803–55.

SOANE, E., SHANTZ, A. and ALFES, K. (2013) The association of meaningfulness, well-being, and engagement with absenteeism: a moderated mediation model. *Human Resource Management*. Vol 52, No 3, May/June. pp441–56.

SPARKS, K., FARAGHER, B. and COOPER, C.L. (2001) Well-being and occupational health in the 21st century workplace. *Journal of Occupational and Organizational Psychology*. Vol 74, No 4, November. pp489–509.

SPECTOR, P.E. (1986) Perceived control by employees: a meta-analysis of studies concerning autonomy and participation at work. *Human Relations*. Vol 39, No 11, November. pp1005–16.

STEGE, M.F., DIK, B.J. and DUFFY, R.D. (2012) Measuring meaningful work: the Work and Meaning Inventory (WAMI). *Journal of Career Assessment*. Vol 20, No 3, August. pp322–37.

TANIGUCHI, T. (2015) Kyocera founder's secret: make workers happy. *Japan Times*. 5 November. Available at: <http://www.japantimes.co.jp/news/2015/11/05/business/kyocera-founders-secret-make-workers-happy/#.VkxQHmp4iww>

TEWS, M.J., MICHEL, J.W. and STAFFORD, K. (2013) Does fun pay? The impact of workplace fun on employee turnover and performance. *Cornell Hospital Quarterly*. Vol 54, No 4, November. pp370–82.

THOMPSON, C.A. and PROTTAS, D.J. (2006) Relationships among organizational family support, job autonomy, perceived control, and employee well-being. *Journal of Occupational Health Psychology*. Vol 11, No 1, January. pp100–118.

VEENHOVEN, R. (2008) Healthy happiness: effects of happiness on physical health and the consequences for preventive health care. *Journal of Happiness Studies*. Vol 9, No 3, September. pp449–69.

WHITE, M.P. and DOLAN, P. (2009) Accounting for the richness of daily activities. *Psychological Science*. Vol 20, No 8, August. pp1000–1008.

## Part 3: Measuring employee well-being

In this part of our collection of thought pieces, we invite academics to discuss how employers can better measure and report on employee well-being, with particular reference to the measures of well-being and their relationship to broader business metrics. We focus on the ways in which academics view well-being as an indicator of employee health and productivity, and discuss the important and complex relationship between well-being and engagement.

### Introduction

It is undoubtedly challenging for employers to measure the impact of their well-being initiatives, but it is a crucial element of building a case for future investment by the board or leadership team. Until an employer has implemented, and evaluated the benefits of, a health and well-being programme, it may not be possible to project bottom-line benefits to the organisation in financial terms, nor the broader cultural impacts of well-being interventions on the workforce. Demonstrating in tangible, business-friendly language the impact of well-being programmes on key performance indicators such as employee engagement, customer service, absence levels and performance is one way by which an argument can be made to introduce or extend well-being provision to other parts of an organisation.

Traditionally, articulating the business case for supporting people's well-being has focused on presenting the substantial cost of sickness absence, and positioning investment in well-being and health as a solution. For example, the

CIPD 2015 *Absence Management* survey pegs the overall annual median cost of absence per employee at £554 (CIPD 2015). This approach is largely reactive, responding to issues that have already emerged, and needs to be supplemented with data which poses the potential benefits of taking positive action to develop a healthy workplace.

A more holistic understanding of the impact of well-being programmes beyond traditional financial measures may also constitute a business case for investment in well-being activity. Employee commitment, retention, engagement and performance may all be influenced by well-being interventions if targeted and implemented appropriately, and could also enable the organisation to hit its non-financial key performance indicators. In this section, we look at whether both financial and non-financial quality measures exist to demonstrate the value of employee well-being, and how better measurement and reporting of well-being activity is crucial if we are to evidence the importance of employee well-being.

# Our authors

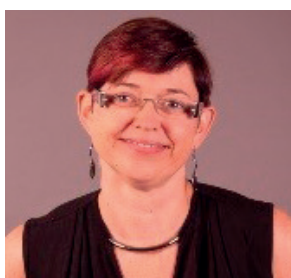


**Edward Houghton** is the CIPD's Research Adviser for Human Capital Metrics and Standards. He is responsible for leading the organisation's human capital research work stream exploring various aspects of human capital management, theory and practice, including the measurement and evaluation of the skills and knowledge of the workforce. He has a particular interest in the role of human capital in driving economic productivity, innovation and corporate social responsibility.

Before joining the CIPD in 2013, Edward completed a number of research roles in government and higher education. Most recently he was a Knowledge Transfer Associate at the University of Bristol leading an innovative knowledge exchange programme between the university and Barclays Bank. Over three years he managed research investigating business culture, corporate social responsibility and community investment. In this role he specialised in qualitative and quantitative social research techniques and strategic project design, developing metrics for the organisation's flagship community investment programme in the UK. Prior to this Edward held a number of research analyst roles in regional and local government as well as the private sector, including at the East Midlands Development Agency, Leicester City Council and the Transport Research Laboratory.

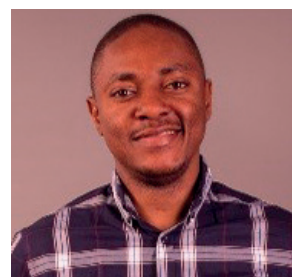


**Katie Bailey** is Professor of Management at the University of Sussex. She is lead editor of *Employee Engagement in Theory and Practice* (Routledge, 2014) and co-author of *Strategic Human Resource Management* (Oxford University Press, 2012), as well as of numerous articles and papers published in practitioner and peer-reviewed journals. Katie has led several major externally funded research projects on employee engagement, strategic human resource management and meaningful work over many years, and has spoken about her research at conferences around the world. She is a non-executive director of the IPA, an Academic Fellow of the CIPD and Associate Editor of the *Human Resource Management Journal*.



**Professor Karina Nielsen** is Professor of Work and Organisational Psychology at the Norwich Business School, University of East Anglia. Her research interests focus around how changes at work influence employee well-being. This includes how job (re)design influences

employee well-being and the role of line managers in creating a challenging work environment in which employees can thrive. Her work has formed the basis of several national campaigns on changes and well-being in her native country, Denmark. She has published widely in top journals and is a frequent invited speaker.



**Dr Chidiebere Ogbonnaya** is a Research Fellow in Quantitative Social Science for the Eastern Academic Research Consortium, University of East Anglia. He is also a co-investigator for the Work, Learning and Wellbeing evidence programme, a UK government initiative aimed at improving the well-being of people in the UK. Chidiebere's research relates broadly to the fields of human resource management and organisational behaviour. His work includes topics such as workplace innovations, high-performance work practices, employee attitudes and well-being, employee empowerment and organisational support. Chidiebere specialises in the analysis of large-scale secondary data. He has participated in a number of research projects involving data from the British Workplace Employment Relations Survey (WERS), the British National Health Service (NHS) Staff survey, the Annual Population Survey, and the British Skills and Employment Survey.

# Well-being reporting: is it time to truly recognise the value of well-being?

Edward Houghton

Well-being is now seen to be a fundamental aspect of an organisation's human capital: the knowledge, skills and experience of employees (Roslender et al 2009). In the shifting and challenging environment that businesses now operate in, there is a distinct need to build competitive advantage through resources which are unique and difficult to replicate – one being human capital. Given its intangible nature and fundamental connectivity to individuals, the organisation itself, through its business model, must attract, develop, retain and motivate the best people (Lawler 2008). Creating the conditions that promote healthy and productive working environments is now part of most HR professionals' roles, and it is this management of employee well-being which has become a central activity for high-performing organisations (British Psychological Society 2010).

Numerous studies in academic literature and experience of professionals in the practitioner community have shown that to develop and grow the organisation's stock of highly valuable knowledge capital, the organisation must manage and support employees. This includes having a healthy culture, robust organisation design of team, roles and processes, and well-considered well-being initiatives. Creating the right environment for an engaged workforce has been shown to improve the culture of an organisation, and ultimately create the right conditions for improved business performance

(Engage for Success 2014). In particular, in-depth studies of measures of subjective well-being and its relationship to business performance have shown that performance increases when employees are satisfied at work, and in circumstances where well-being is practised strategically, employees are likely to also benefit considerably from improved work-based practices (Bryson et al 2014).

While many understand the importance of well-being, defining it can be highly complex and contextual in nature, much like its conceptual counterpart engagement. As with broader concepts in human capital, well-being is intangible and in many ways may be considered to be immeasurable. Numerous different literatures have highlighted this point and provided a number of alternative definitions of well-being, reflecting on the broadness and inconsistency of the construct (Dolan et al 2006). Conceptually, academic and macro-economic literature has centred on measurement at three broad levels:

- **Evaluation:** satisfaction with life and work concepts, for example how satisfied are you with your career?
- **Experiential:** happiness, stress and other adjectives, with reference to a previous point in time, for example how relaxed did you feel last month?
- **Eudemonic:** 'worthwhileness' of things in life, for example how worthwhile do you feel your career is?

How these measures combine to create an overall measure of well-being highlights the difficulty in creating single or indexed measures. The density of the concept means that, for anyone to find meaning in the data, there must be some granularity in the outputs of any analyses. Therefore, to make use of such measures, it is recommended that measures are shared with these three broad topics in mind (Dolan and Metcalfe 2012).

To help practitioners illustrate the value and importance of well-being, a number of business-led initiatives have come to the fore. One such initiative is Investors in People (IIP), which recognises good practice in well-being management through the Investors in People Health and Well-being Good Practice Award. This award is in addition to the central IIP Framework, which has five indicators to evaluate an organisation's performance in well-being terms: supportive cultures, planning, supportive management, evaluation and work-life balance (IIP 2014). Such programmes are helping people professionals to get to grips with measures of well-being, and using a greater evidence base to embed good well-being practice.

Measuring and quantifying well-being is important as well-being measures offer a credible alternative to arguably more soft measures of engagement. For investors looking in from the outside, measures of engagement can be useful to



understand workforce sentiment, but there can be some difficulty in appreciating the more granular detail of well-being and workforce health through one single measure. Engagement measures can be complemented by well-being measures, which provide a more holistic view of how an organisation is treating its workforce. Organisations are now starting to recognise this and are exploring how to illustrate their workforce well-being through data in their annual reports and corporate social responsibility statements, although practice in this does remain piecemeal. For example, information on employee engagement and well-being in these reports can include, among other things, employee relations, grievances, feedback, sickness absence, financial security, incidences of stress – most of which are measured in a methodology developed by the organisation and through a non-standard, non-audited process. To build confidence that these measures are effective, investors would need to clearly appreciate the quality of the measures, its meaning and definition, and crucially, its comparability across investment portfolios/organisations. CIPD research in 2015 showed that interest is increasing within the business and investment community for holistic measures of human capital, including well-being (CIPD 2015b). Momentum is now shifting towards a new style of business reporting which takes greater account of the value of well-being.

And while business might be slow to respond, employees are acting at far greater pace and are registering a much greater awareness of well-being through the way they view and develop their careers. Platforms such as Glassdoor are threatening to

revolutionise the way businesses portray themselves to their workforce, both current and future – and the data on show is inextricably linked to well-being (Lakin 2015). While it may be argued that in the past HR strategy and operations has been very much geared towards the commercial drivers of business, now there is a real argument for building the focus squarely on the employee, through activities which care for, develop and improve the working lives of individuals, in some cases beyond the minimum required for pure commercial success (CIPD 2015a). Shifts in the external environment mean that data is now ‘pushed out’ as well as ‘pulled in’, which means that, if an organisation is to focus on the needs of the workforce it should carefully manage and control the data it collects and reports on – as it is now a very powerful medium on which many different stakeholders can act.

All of these factors mean that employees are now in the ascendancy towards being recognised as a vital stakeholder of organisations, and one which contributes to the sustainable growth of businesses – not just through their energy and commitment to perform and drive value up, but also through the mutual gains from which they benefit when businesses succeed. Business must now look to the well-being of their workforce if they’re to understand what really drives performance in their business. It won’t be long before well-being finds its rightful position front and centre in business reporting scorecards alongside productivity and performance, as a powerful measure of how an organisation is truly valuing its people.

## References

BRITISH PSYCHOLOGICAL SOCIETY. (2010) *Working group on health and well-being in the workplace: White paper – psychological well-being at work*. No REP94/11.2010. Leicester: British Psychological Society.

BRYSON, A., FORTH, J. and STOKES, L. (2014) *Does worker well-being affect workplace performance?* London: Department for Business, Innovation and Skills.

CHARTERED INSTITUTE OF PERSONNEL AND DEVELOPMENT. (2015a) *From best to good practice HR: developing principles for the profession*. London: CIPD. Available at: <http://www.cipd.co.uk/hr-resources/research/best-good-practice-hr-developing-principles-profession.aspx>

CHARTERED INSTITUTE OF PERSONNEL AND DEVELOPMENT. (2015b) *Human capital reporting: investing for sustainable growth*. London: CIPD. Available at: <http://www.cipd.co.uk/hr-resources/research/human-capital-reporting-sustainable-growth.aspx>

DOLAN, P. and METCALFE, R. (2012) Measuring subjective well-being: recommendations on measures for use by national governments. *Journal of Social Policy*. Vol 41, No 2. pp409–27.

DOLAN, P., PEASGOOD, T. and WHITE, M. (2006) *Review of research on the influences on personal well-being and application to policy making*. London: Department for Environment, Food and Rural Affairs.

ENGAGE FOR SUCCESS. (2014) *The evidence: well-being and employee engagement*. London: Engage for Success.

INVESTORS IN PEOPLE. (2014) *Health and well-being: the framework*. London: Investors in People.

LAKIN, T. (2015) Why you shouldn't ignore Glassdoor. *Human Resources*. 7 September. Available at: <http://www.hrmagazine.co.uk/article-details/why-you-shouldnt-ignore-glassdoor>

LAWLER, E.E. (2008) *Make human capital a source of competitive advantage*. Working Paper No MOR 16-09. Los Angeles, CA: University of Southern California, Marshall School of Business.

ROSLENDER, R., KAHN, H. and STEVENSON, J.E. (2009) *Workforce health as intellectual capital: a comparative study of UK accounting and finance and human resource directors*. Edinburgh: Heriot-Watt University, School of Management and Languages.



# Engagement and well-being: are they linked?

Katie Bailey

A large number of research studies over many years from both academic and practitioner communities have highlighted the beneficial outcomes for employers of having a highly engaged workforce, such as improved performance, customer satisfaction and productivity. An area that has received relatively less attention until recently has been the link between engagement and outcomes that are of benefit to the individual worker, such as well-being. However, there has been a spate of research over the past five years or so that has investigated this area in some depth, and the overall findings so far are encouraging (Engage for Success 2014).

Studies that have investigated the link between engagement and well-being have generally shown the type of relationship you might expect; in other words, high levels of engagement are associated with high levels of well-being and vice versa, and this general finding was confirmed in a recent synthesis that considered all the recent academic research findings on engagement (Bailey et al 2015a, 2015b). For instance:

- Engaged staff experienced less emotional exhaustion among 480 white-collar workers in Poland (Dylag et al 2013).
- High levels of engagement were negatively associated with psychological distress among 96 legal staff in a large New Zealand law firm (Hopkins and Gardner 2012).

- Engagement was negatively associated with worsening ill health among a sample of 1,967 workers in Japan (Shimazu et al 2012).
- There was a positive link between engagement and job and life satisfaction among 724 restaurant workers in the USA (Steele et al 2012).
- Employees who reported positive views of the psychological climate at their workplace and high levels of engagement also reported high levels of personal accomplishment and well-being (Shuck and Reio 2014).

Although there was a positive correlation between engagement and well-being in the majority of studies, some questions remain that we are less sure about. First, is engagement an antecedent, correlate or outcome of well-being? In other words, which comes first: engagement or well-being? For instance, in one study, well-being was positioned as a moderator that was found to strengthen the link between the meaningfulness of work and engagement (Soane et al 2013); in another, stress, burnout and health complaints were positioned as antecedents that led to lower levels of engagement (Andreassen et al 2007); and, in a third, engagement was considered as being one element of employee well-being (Conway et al 2015).

Second, is engagement in fact any different from well-being? What is not widely known is that

when researchers first started exploring engagement, they measured it by reverse-scoring a scale originally developed to measure job burnout, arguing that the two were opposites (Maslach et al 1996). Subsequent researchers have argued that engagement is in fact something quite different, but there is still an ongoing debate about whether, when we measure the two, they are sufficiently distinct from one another to enable a meaningful investigation into how they are linked (Cole et al 2012). In other words, it may be enough to measure either engagement or well-being; considering both may not be necessary. This notion is lent further support by the finding that many of the factors that drive up engagement levels, such as supportive supervisors and co-workers, availability of needed resources and well-designed jobs, also drive up levels of well-being. While this question remains unresolved, it would seem that there is sufficient evidence to claim, whatever the precise relationship between the two, that engagement and well-being enjoy a positive and mutually reinforcing relationship. Jenkins and Delbridge's (2013) recent research lends support to this by suggesting that where engagement strategies are introduced for purely instrumental purposes – with the aim of enhancing performance but without considering the human consequences – there may be detrimental effects on employee morale.

Without getting too heavily into the debate about definitions, it is nevertheless also worth acknowledging both the complexity and the dynamic nature of 'well-being'. This was summed up well by Nic Marks of the New Economics Foundation when he said, '*well-being is not a beach you go and lie on. It's a sort of dynamic dance and there's movement in that all the time, and it's the functionality of that movement which actually is true levels of well-being*' (Nic Marks, Radio 4, 7 January 2012, cited in Dodge et al 2012, p230). As Dodge et al (2012, p230) argue, '*stable well-being is when individuals have the psychological, social and physical resources they need to meet a particular psychological, social and/or physical challenge.*' In other words, well-being is a personal state that ebbs and flows throughout the working day. Whether we experience well-being thus depends not so much on the nature of the situations we face per se, but instead, and in a similar way to engagement, on the balance between these situations and the resources we have at our disposal to deal with them.

An important, related point is that as human beings, and to function well, grow and flourish, we need to be faced with and successfully negotiate challenges through our working days. Our sense of well-being often depends on the sense of accomplishment that comes from a difficult job done well. Too little challenge, and our jobs become monotonous and boring; too much challenge, and they become overwhelming and stressful, in both cases depleting our levels of both engagement and well-being. Creating and sustaining high levels of both engagement and well-being for individual employees therefore involves managerial insight into the nature

of the tasks being undertaken and the resources being provided by the organisation. Resources can be either: physical, such as the tools and equipment necessary to carry out the work; relational, such as supportive co-workers and supervisors; or organisational, such as appropriate structures and a positive psychological climate. Organisations that provide the most appropriate resources to their employees, together with tasks that are challenging but attainable, are those that will enjoy the most positive levels of both engagement and well-being amongst their workforce.

### References

ANDREASSEN, C.S., URSIN, H. and ERIKSEN, H.R. (2007) The relationship between strong motivation to work, 'workaholism', and health. *Psychology & Health*. Vol 22, No 5. pp615-29.

BAILEY, C., MADDEN, A., ALFES, K. and FLETCHER, L. (2015a) The meaning, antecedents and outcomes of employee engagement: a narrative synthesis. *International Journal of Management Reviews*. DOI: 10.1111/ijmr.12077.

BAILEY, C., MADDEN, A., ALFES, K., ROBINSON, D., FLETCHER, L., HOLMES, J., BUZZEO, J. and CURRIE, G. (2015b) Evaluating the evidence on employee engagement and its potential benefits to NHS staff: a narrative synthesis of the literature. *Health Services and Delivery Research*. Vol 3, No 26.

COLE, M.S., WALTER, F., BEDEIAN, A.G. and O'BOYLE, E.H. (2012) Job burnout and employee engagement: a meta-analytic examination of construct proliferation. *Journal of Management*. Vol 38, No 5. pp1550-81.

CONWAY, E., FU, N., MONKS, K., ALFES, K. and BAILEY, C. (2015) Demands or resources? The relationship between HR practices, employee engagement and emotional exhaustion within a hybrid model of employment relations. *Human Resource Management*. DOI: 10.1002/hrm.21691.

DODGE, R., DALY, A.P. HUYTON, J. and SANDERS, L.D. (2012) The challenge of defining well-being. *International Journal of Well-being*. Vol 2, No 3. pp222-35.

DYLAG, A., JAWOREK, M., KARWOWSKI, W., KOZUSZNIK, M. and MAREK, T. (2013) Discrepancy between individual and organizational values: occupational burnout and work engagement among white-collar workers. *International Journal of Industrial Ergonomics*. Vol 43, No 3. pp225-31.

ENGAGE FOR SUCCESS. (2014) *The evidence: well-being and employee engagement*. Engage for Success, May.

HOPKINS, V. and GARDNER, D. (2012) The mediating role of work engagement and burnout in the relationship between job characteristics and psychological distress among lawyers. *New Zealand Journal of Psychology*. Vol 41, No 1. pp59-68.

JENKINS, S. and DELBRIDGE, R. (2013) Context matters: examining 'soft' and 'hard' approaches to employee engagement in two workplaces. *International Journal of Human Resource Management*. Vol 24, No 14. pp2670-91.

MASLACH, C., JACKSON, S.E. and LEITER, M.P. (1996) *Maslach burnout inventory manual*. Mountain View, CA: Consulting Psychologists Press.

SHIMAZU, A., SCHAUFELI, W.B., KUBOTA, K. and KAWAKAMI, N. (2012) Do workaholism and work engagement predict employee well-being and performance in opposite directions? *Industrial Health*. Vol 50, No 4. pp316–21.

SHUCK, B., and REIO, T.G. (2014) Employee engagement and well-being: a moderation model and implications for practice. *Journal of Leadership and Organizational Studies*. Vol 21, No 1. pp43–58.

SOANE, E., SHANTZ, A., ALFES, K., TRUSS, C., REES, C. and GATENBY, M. (2013) The association of meaningfulness, well-being and engagement with absenteeism: a moderated mediation model. *Human Resource Management*. Vol 52, No 3. pp 441–56.

STEELE, J.P., RUPAYANA, D.D., MILLS, M.J., SMITH, M.R., WEFALD, A. and DOWNEY, R.G. (2012) Relative importance. *Journal of Psychology: Interdisciplinary and Applied*. Vol 146, No 6. pp617–50.

# Is working harder and smarter good for you?

Chidiebere Ogbonnaya and Karina Nielsen

Since the mid-1990s, high-performance work practices (HPWPs) have become popular as a way to create high-quality jobs. HPWP are a set of interdependent human resource management (HRM) practices aimed at empowering employees to increase organisational performance. HPWPs have been found to be related to positive organisational performance outcomes, such as labour productivity and financial performance. The question as to whether these practices also have a positive impact on employee well-being is a question yet to be answered.

## What are high-performance work practices (HPWPs)?

One of the most prevalent models to describe HPWPs is the ability-motivation-opportunity (AMO) model, which identifies three key elements of HPWPs. According to this model, HPWPs incorporate HRM practices that enhance employees' work-related skills and *abilities* (for example training), improve employees' *motivation* to perform well (for example payment schemes, promotion and career opportunities, job security and performance appraisals), and provide *opportunities* for employees to exercise discretionary effort (for example participative work practices, teamworking and discretionary job design). The key assumption is that the ability-motivation-opportunity elements of HPWPs should be used together in a consistent manner (or coherent

bundles) to generate mutual benefits for both the organisation and employees.

## HPWPs and employee well-being

The debate as to whether HPWPs are beneficial and/or detrimental to employee well-being has been dominated by two perspectives. The first, a mutual gains perspective, suggests a win-win situation for both the organisation and its employees. Mutual gains are achieved as employees in workplaces adopting HPWPs thrive in a challenging and supportive work environment, and therefore report enhanced well-being. The second, more critical, perspective suggests that HPWPs are associated with work intensification, and this in turn may have detrimental effects on employee well-being.

## HPWPs: mutual gains for both employee performance and well-being

Pertinent to the mutual gains perspective is the norm of reciprocity; as employees perceive management invest in them, they respond by investing themselves in their work. HPWPs send positive signals to employees via workplace practices that develop employees' *abilities*, improve employees' sense of *motivation*, and provide *opportunities* for employees to make independent decisions about their work. Employees, in turn, perceive these signals as an indication that management value them and that management consider the workforce as valuable

resources worth investing in. These perceptions create a form of 'goodwill' among employees, prompting them to reciprocate through investing themselves in their work.

There is some evidence to support the mutual gains perspective. It has been found that HPWPs foster the development of organisational justice and support, and create a work environment where employees feel motivated and cared for. For example, employees in such environments are able to optimise their work-related skills through training, teamworking and information-sharing. They are given autonomy over their job tasks and encouraged to participate in decisions concerning the workplace. These job characteristics influence employees' sense of work empowerment and HPWPs are perceived as reflecting a legitimate concern for employee welfare. Along these lines, employees in workplaces with high adoption of HPWPs are more likely to experience better work-related health and well-being than employees in workplaces with lower adoption of HPWPs. Employees in high HPWP organisations, for example, report greater levels of job satisfaction, contentment with their job and commitment to their organisation. They also report having trust in their management and being less anxious at work. These outcomes are likely to build employees' resources and make them engage with their work and therefore perform better.

### **The critics' view on HPWPs and well-being**

Although there is some evidence to support the mutual gains perspective, critics have raised doubts about the benefits of HPWPs for employees. The main argument of the critical perspective is that if HPWPs are introduced primarily to reach organisational goals and objectives, they may have negative consequences for employees through work intensification. In such circumstances, the main focus of HPWPs might be to increase employee involvement, elicit greater work effort from employees, and drive towards achieving enhanced organisational performance. Employees are induced to work too hard at the detriment of their well-being, take on too many job tasks, and consequently feel stressed and burned out. To better understand the consequences of HPWPs, it becomes important therefore to consider the role of work intensification in determining how HPWPs may impact on employee well-being.

The critics' perspective has received less attention, but there is evidence to suggest that HPWPs may bring about work intensification. As a result of the high levels of work demands and pressure caused by work intensification, employees may report being emotionally exhausted and burned out.

### **Conclusion: is working harder and smarter good for you?**

The answer to the question of whether HPWPs are good for employees is not straightforward. If the core elements of HPWPs are put together in a way that may promote a fair, supportive and engaging work environment, HPWPs might stimulate perceptions of organisational

justice and promote employee well-being. Alternatively, if HPWPs are adopted primarily to maximise labour productivity and elicit greater work effort from employees, without much regard for employee welfare, HPWPs might increase feelings of work intensification and lead to poor employee well-being.

### **Further reading**

APPELBAUM, E., BAILEY, T., BERG, P. and KALLEBERG, A. (2000) *Manufacturing advantage: why high-performance work systems pay off*. Ithaca, NY: ILR Press.

VAN DE VOORDE, K., PAAUWE, J. and VAN VELDHoven, M. (2012) Employee well-being and the HRM-organizational performance relationship: a review of quantitative studies. *International Journal of Management Reviews*. Vol 14, No 4. pp391-407.

# Part 4: Good mental health is everyone's business

In this fourth part in our series of thought pieces on employee well-being, we look at why it is so important for employers to have a greater awareness of mental health problems, and promote the good mental health of their workforce. We also look at how employers can offer support to employees who may be struggling, to enable them to flourish and perform at their best. We have invited three well-known voices in this area to offer their views and reflections on the need to retain a focus on mental well-being.

## Introduction

Our annual *Absence Management* surveys show that mental health issues are a major cause of long-term sickness absence from work. The number of employers citing a rise in reported mental health problems has risen significantly from 21% in 2009 to 42% in 2012 and has remained at this high level since. Overall, it's estimated that one in four people in the UK will experience a mental health problem each year.<sup>8</sup> Research by the CentreForum Commission led by former Health Minister Paul Burstow found that mental health problems cost UK employers £26 billion each year, averaging £1,035 per employee.

As well as looking at how to best respond and support staff when an issue emerges, it's essential to focus on promoting good mental health throughout the workforce. Increasing awareness of mental health issues across the workforce as a whole can

help to break the silence around talking about mental health. We don't hesitate to talk to someone if we see they've got a broken arm, but often we shy away from conversations about mental health. The culture of the organisation and the extent of awareness and training around mental health will affect whether people feel able to flag any concerns or say if they're struggling, and then have a good-quality conversation about what support or work adjustments they may need. In your organisation, do employees and line managers avoid talking about mental health, or do they have open and supportive conversations?

Despite a considerable amount of change in the world of work around how employers understand and support mental well-being, there is still a long way to go. Employers, in particular HR professionals, have a vital role in promoting employee health and well-being, but their action will be most effective if supported by wider, joined-up action by government and other stakeholders. Anti-stigma campaigns such as 'Time to Change', run by the mental health charities Mind and Rethink Mental Illness, can have a significant impact in raising awareness about mental health and helping to reduce the stigma and discrimination around mental ill health. There is scope for wider action to promote such campaigns on the part of employers, government and other stakeholders.

In this section, our three contributors explore some of these issues, discussing the relationship between employment and mental health, and the steps that can be taken to foster an open and supportive culture to promote the mental health of the workforce.

## References

CENTREFORUM COMMISSION.  
(2014) *The pursuit of happiness: a new ambition for our mental health [online]*. Available at: <http://www.centreforum.org/assets/pubs/the-pursuit-of-happiness.pdf> [Accessed 27 November 2015].

CHARTERED INSTITUTE OF PERSONNEL AND DEVELOPMENT.  
(2015) *Absence management: annual survey report 2015 [online]*. London: CIPD. Available at: <http://www.cipd.co.uk/hr-resources/survey-reports/absence-management-2015.aspx> [Accessed 27 November 2015].

<sup>8</sup> <http://www.mind.org.uk/information-support/types-of-mental-health-problems/statistics-and-facts-about-mental-health/how-common-are-mental-health-problems/>



## Our authors



**Adrian Wakeling** has worked in the public sector for over thirty years. He is part of a team responsible for informing the future strategic direction of Acas and influencing the wider debate on the value of workplace relations. Adrian has a particular interest in mental health and how an understanding of psychology can help to improve both the effectiveness of organisations and the quality of working life.



**Paul Farmer** has been Chief Executive of Mind, the leading mental health charity working in England and Wales, since May 2006.

He is Chair of the Association of Chief Executives of Voluntary Organisations (ACEVO), the leading voice of the UK's charity and social enterprise sector. Paul is also a trustee at Lloyds Bank Foundation, which invests in charities supporting people to break out of disadvantage at critical points in their lives.

Paul is Chair of the NHS England Mental Health Taskforce – bringing together health and care leaders and experts in the field, including people using services, to lead a programme of work to create a mental health Five Year Forward View for the NHS in England.

Paul has an Honorary Doctorate of Science from the University of East London, is an Honorary Fellow of St Peter's College Oxford, and was awarded a CBE in the New Year's Honours 2016.



**Norman Lamb** has been the Liberal Democrat MP for North Norfolk since 2001. He was appointed Minister of State for Care and Support at the Department of Health in September 2012 and served in this position until the end of the Coalition Government in May 2015.

As Health Minister, Norman worked to reform the broken care system and led the drive to integrate health and care, with a greater focus on preventing ill health. He also challenged the NHS to ensure that mental health was treated with the same priority as physical health, with the first ever waiting time standards in mental health being introduced this year.

He was educated at Wymondham College, Norfolk and the University of Leicester, where he studied law. He worked for Norwich City Council as a senior assistant solicitor before joining Norfolk solicitors Steele and Co, where he became a partner and head of the firm's specialist Employment Unit.

# Walking the tightrope: why work should be more than just a safety net when our mental health is at risk

Adrian Wakeling

*This is an article about mental health in the workplace. It deliberately avoids discussing statistics, government initiatives, latest research or good practice.*

*What I would like to do instead is tell one woman's story: the story of Anna and how she tried to manage her mental health and stay in work, what went wrong along the way and what her experience can teach us.*

*Along with Anna's story, I would like to throw in my own thoughts about mental health. These are based upon nothing more than my reflections on thirty years of working life, dealing with my own ups and downs and listening to other people's problems. My theory is that although a significant minority of people will suffer a diagnosed mental health problem at some point in their working lives, many, many more of us routinely walk the very thin line between health and ill health. Most of us are fortunate and have supportive people around us, and manage to get by. But we are often left with a very real fear of falling, and not being able to find our way back to 'normal'.*

## Anna's story

Anna works for an organisation which helps people with alcohol and drug addiction: offering rehabilitation and counselling. She is excellent at her job and shows a great deal of empathy for her clients. She has a diagnosed mental health illness for which she

has been taking medication for over a decade.

Anna chose not to disclose her diagnosis because she wanted to be judged without any preconceptions and without the shadow of stigma that had dogged her for many years. Experience had also taught her that keeping quiet was often the best policy. The prevailing ethos where she works is not one of emotional resilience, so much as emotional isolation. As her manager told her, 'once we've dealt with our clients' problems, we haven't got time for anyone else's'.

This point was brought home by the experience of a colleague. She had the same medical diagnosis as Anna, and had chosen to tell her managers about her condition. But Anna had often heard this colleague being referred to in a derogatory manner. This led her to naturally conclude that 'I wouldn't tell them about my illness in a million years'.

Working closely with people with addictions every day is very emotionally demanding. Anna told me how she would sit for hours with an alcoholic while he sobered up and 'watched spiders coming out of the walls'. Many of the clients were ex-servicemen and many had criminal records. She learned quickly how to interact with them.

After several years of this intense work, Anna's mental health started

to deteriorate. Unfortunately her workplace offered little in the way of a safety net. Supervision, so essential for such demanding jobs, was virtually non-existent. Anna recalled one occasion when her line manager did try and speak with her. But when no private space was available, the manager suggested they just 'lean out of the window and have a chat'.

Anna's experience is not uncommon and only mirrors what can happen in organisations, especially those under pressure to put the client first: change can be poorly managed; communication can drift into being inconsistent and haphazard; and individuals often get promotion, not necessarily because of their people skills, but because of their technical know-how. Anna's workplace seemed to be unable to provide breathing space to reflect on 'how you felt or how you were coping'.

Anna reached the point where she felt she could no longer go to work and went on sick leave. During her absence she began therapy and reviewed her medication. But part of the procedure for getting sick pay meant talking to a health insurer used by her employer. They questioned her on numerous occasions and cast doubt on the nature and length of her leave. In the end she felt she had no option but to disclose her condition or fear losing her sick pay.

Anna is now going back to work after six months off. She has been told that changes have been made and there will be regular supervision. She is being allowed to start on a part-time basis following her doctor's advice. She has also been told that only two people know about her diagnosis. But trust is a key issue: she thinks that the word will be out and she doubts that the culture will have altered much: *'getting the beds full and managing the money,'* she said, *'will still take precedence over staff welfare.'*

Still in a fragile condition, Anna is having to face the prospect, not of getting back to normal, but of getting back on the tightrope. This is in a workplace that is geared up to understand mental health: but finding ways to apply this understanding to staff sometimes seems too difficult. So what chance would Anna have in another public or private sector organisation like the one you or I work in?

Many of us have walked the tightrope, but for most this is only a temporary exercise in fear. For Anna it is an everyday experience: taking one step at a time, very slowly, while trying to control her breathing and not look down.

We all need a safety net to catch us if we fall, but should it have to come to this? We have done plenty of talking about mental health. Surely it is time to turn all the good words into good workplace deeds.

A skilled and capable worker like Anna needs to be back in the full swing of things, so she can help her clients resolve their own problems. Of course, this may take time and resource. But for those that still need the business case for promoting positive mental health at work to be spelled out, let's bear this equation in mind: a week in

rehabilitation costs less than a week in prison or protracted health service interventions – which is where many of the addicts end up without the help of people like Anna.

*For in-depth Acas guidance on mental health and details of Acas training events in your area, visit **[www.acas.org.uk/mentalhealth](http://www.acas.org.uk/mentalhealth)***

# Fostering a mentally healthy workplace culture

Paul Farmer

Over the past few years, employee well-being has been rising up the agenda for employers in the UK. A key aspect of this has been, and continues to be, the mental health of staff. With mental health problems affecting one in six British workers each year (ONS 2009) and mental health the leading cause of sickness absence in the UK (Davies 2014), it makes good business sense for employers to explore ways to tackle these issues and create more mentally healthy workplaces.

We all have mental health, just as we all have physical health, and it operates on a spectrum. Poor mental health can affect anyone. The World Health Organization (2001) predicts that by 2020, depression will be the second most common cause of ill health worldwide. In spite of this, mental health is often still a taboo subject. Of those who have had to take time off because of workplace stress, a staggering 95% cited another reason for their absence,<sup>9</sup> and as the Time to Change Public Attitudes survey (2014) indicated, 49% of people still feel uncomfortable talking to an employer about their mental health.

We are now at a tipping point. An increasing number of organisations, small and large, now recognise that they are only as strong as their people. They depend on having a healthy and productive workforce and they know that when employees feel their work is meaningful and they

are valued and supported, they tend to have higher well-being levels, be more committed to the organisation's goals and perform better. Research shows that FTSE 100 companies that prioritise employee engagement and well-being outperform the rest of the FTSE 100 by an average of 10% (BITC and Towers Watson 2013). Good mental health underpins this. We recommend that employers put in place a comprehensive strategy to help people stay well at work, to tackle the root causes of work-related mental ill health and to support people who are experiencing a mental health problem in the workplace.

By fostering a mentally healthy workplace culture and putting in place the right support, businesses find that they are able to achieve peak performance. This agenda has become important not only for HR professionals and line managers who are increasingly understanding the link between good mental health and productivity, but also for senior business leaders who are starting to see mental health as a strategic boardroom priority.

Another important aspect of this is *how* we work. The way we work is changing and in-demand skills such as teamwork, collaboration, joint problem-solving, flexible working, resilience-building and staff development all require employees who are mentally healthy, resilient, motivated and focused. Linked to this are shifts

in the views and aspirations of employees. As indicated in Deloitte's (2014) Millennial Survey, millennials (those born in the 1980s and 1990s) have shown very different preferences from their predecessors when it comes to workplace culture, well-being and self-development. Millennials prioritise a healthy work-life balance and a positive workplace culture, and are more likely to turn their back on the business that trained them if these needs are not met. Therefore, managers must be equipped to support staff to manage the increasing blurring between work and life.

Throughout the course of Mind's awareness-raising work on this issue, we have seen an evolution in how employers view workplace well-being, with the focus shifting from the reactive management of sickness absence to a more proactive effort around employee engagement and preventative initiatives. This shift has given employers the impetus to turn to peer learning as a means of sharing knowledge and best practice around how to promote staff well-being in their sectors. A good example of this is the City Mental Health Alliance, a London-based employer-led collaborative formed in 2013 and championed by senior leaders across almost 30 of London's biggest businesses, which aims to share best practice and increase awareness of mental health with a view to influencing workplace culture.

<sup>9</sup> MIND. (2014) YouGov survey of 1,251 workers in Britain.

Despite the strides we've made, there's still a long way to go. There is clearly still work to do when it comes to breaking down stigma and providing the type of open and supportive culture that enables staff to be honest with managers, access support and enjoy a healthy working life. A key area of focus going forward is line manager capabilities. Research shows that an effective and supportive line management relationship is one of the key indicators of workplace well-being. Building healthy relationships at work is often a question of managers taking simple steps to support staff – ensuring they factor in regular catch-ups, provide clear priorities, celebrate employee successes, involve staff in decision-making and mould their management style to suit the individual's needs. For tips and ideas on what line managers can do to support staff well-being, have a look at the 'Taking Care of your Staff' section of the Mind website.

It's important to remember that line manager behaviour is as much influenced by the working culture within an organisation as it is by individual ability or motivation to support employee well-being. Senior leaders have a significant impact on how line managers carry out their role, by setting the overall organisational approach to well-being and ensuring this is implemented consistently across the organisation.

So what should the future look like? Given the rapidly growing profile of mental health in the past few years, there is an enormous opportunity to harness the public interest and really start to think progressively about what

employers can do to push the agenda forward. The twin goals of increasing levels of staff well-being and engagement should be a major priority for UK business leaders – you can't have one without the other, as evidenced by Mind's 2013 survey, in which 60% of employees said they'd feel more motivated and more likely to recommend their organisation as a good place to work if their employer took action to support the staff mental well-being.<sup>10</sup> In seeking to move rhetoric to reality, employers must mainstream good mental health and make it a core business priority. A mentally healthy workplace and increased employee engagement are interdependent – by looking after employees' mental well-being, staff morale and loyalty, innovation, productivity and profits will rise.

#### How can Mind help?

- Sign up for our e-newsletter for the latest free resources
- Download our free guides for employers
- Webinars for line managers and HR professionals/SMT
- Mind Workplace – training and consultancy
- Local Minds – for a range of services, including counselling
- Mind Infoline and Legal Advice Service
- Information on Mind website
- Free resources for employees

#### References

BUSINESS IN THE COMMUNITY and TOWERS WATSON. (2013) *BITC Workwell FTSE 100 public reporting benchmarking research findings*. London: BITC. Available at: <http://www.bitc.org.uk/our-resources/report/workwell-benchmarking-report>

DAVIES, S.C. (2014) *Annual report of the Chief Medical Officer 2013. Public mental health priorities; investing in the evidence*. London: Department of Health. Available at: <https://www.gov.uk/government/publications/chief-medical-officer-cmo-annual-report-public-mental-health>

DELOITTE. (2014) *Big demands and high expectations: the Deloitte millennial survey*. London: Deloitte. Summary available at: <http://www2.deloitte.com/al/en/pages/about-deloitte/articles/2014-millennial-survey-positive-impact.html>

OFFICE FOR NATIONAL STATISTICS. (2009) *Adult psychiatric morbidity in England, 2007: results of a household survey*. Newport: Office for National Statistics.

TIME TO CHANGE. (2014) *Attitudes to mental illness 2013 research report*. Available at: <https://www.rethink.org/get-involved/campaigns/time-to-change/time-to-change-national-attitudes-2013-report>

WORLD HEALTH ORGANIZATION. (2001) *Mental health: a call for action by world health ministers*. Geneva: WHO. Available at: [http://www.who.int/mental\\_health/advocacy/en/Call\\_for\\_Action\\_MoH\\_Intro.pdf](http://www.who.int/mental_health/advocacy/en/Call_for_Action_MoH_Intro.pdf)

<sup>10</sup> MIND. (2013) Populus survey of 2,060 adults aged 18+ in England and Wales, in work between 6–10 March 2013.

# The importance of the workplace in achieving one agenda for mental and physical health

Norman Lamb

Rectifying the historic injustice in the priority given to physical health over mental health was one of my highest priorities as a minister in the Department of Health. Despite the fact that one in four people will experience a mental health problem at some point during their life, a combination of institutional biases and a wider social stigma have continually served to undermine and disadvantage those suffering from mental health conditions – from depression and anxiety to obsessive compulsive disorder and psychosis.

The economic, moral and human case for treating mental health conditions with the same level of compassion and urgency as physical health is overwhelming. Mental ill health represents a substantial burden on the UK economy, estimated to be around £100 billion each year, including the costs of sickness absence, lost productivity, unemployment, and health and social care. This is a figure approaching the entire budget for the NHS, which was around £115 billion for 2015/16.

I was proud of the progress that was made during my time in government: for example, securing the first ever waiting time and access standards for mental health treatment, trebling the number of people accessing psychological therapies, new guidance to end the use of face-down restraint, and a 50% reduction in the number

of people detained in police cells during a mental health crisis.

These were positive steps in the right direction, and few would deny that the profile of mental health has grown exponentially in Britain in recent years – both as a political and a social issue. But with much more still needing to be done, there cannot be any room for complacency. Many people with mental health problems still do not enjoy the same access to evidence-based treatments and services – in the right place, at the right time – as those with physical health problems. Financial incentives in the NHS discriminate against mental health. And people battling mental illness can find it extremely difficult to stay in – or even find – employment.

The relationship between employment and mental health is critical. Mental ill health accounts for nearly half of all Employment and Support Allowance claims, and the employment rate of people with severe and enduring mental health problems stands at just 7%. This is particularly troubling when the inability to find employment is known to exacerbate mental illness, while people with these conditions generally have a better outlook if they are in work.

Helping people to find or return to work must be a key aspect of our mission to achieve equality for mental health, which will mean making sure that mental health

and employment services are joined up more effectively than they currently are. Given what we know about the importance of prevention and early intervention in mental illness, however, we should also be ambitious in strengthening the critical role of employers in promoting mental health and well-being in the workplace.

It's difficult to spot the signs of mental illness. People still find it difficult to talk about conditions such as depression, and reports of stigma and discrimination in the workplace are common. But managers and colleagues are well placed to recognise and respond to changes in the behaviour of those they work with on a daily basis. By taking measures to promote and support the mental health of staff, there is enormous potential for employers to help to reduce mental illness and stop these problems from reaching crisis point when they do arise.

During my time as minister, I signed up for the Department of Health to become an exemplar employer under the Time to Change campaign, pledging its commitment to tackle stigma and discrimination and take action to support the mental health of its workforce. I eventually succeeded in persuading every government department to sign up, and went on to issue a challenge to all FTSE 100 companies to do the same. Many did not respond, but



it was pleasing to see the number who did agree to participate or introduce their own plan to support employees' mental health.

I was encouraged to see the role of employers addressed in NHS England's Five Year Forward View, which set out an expectation that NHS organisations '*lead the way as progressive employers*' by signing up to schemes such as Time to Change and developing new workplace incentives to promote employee health. The blueprint also contained a welcome commitment to ensuring that NICE guidance on promoting healthy workplaces is properly implemented, particularly for mental health. Big employers must set an example for others to follow.

Taking greater responsibility for mental health should not be seen as a burden. It makes plain economic sense to have a healthy, positive and productive workforce, which will lead to less absenteeism and less sick pay. If the human and social arguments aren't enough, the case for dealing more effectively with the mental health of the workforce can be expressed simply in these terms of enlightened self-interest. The Cornish pasty company Ginsters, for instance, has received recognition for its innovative schemes to improve the health and well-being of staff – including mental health – and has reaped the benefits of improved productivity and a stronger corporate reputation.

These initiatives can make a real difference. Since signing the Time to Change pledge, organisations have seen a 14% rise in the number of people talking about mental illness at work. Yet 49% of the public still say that they would feel uncomfortable talking to their employer about their mental health, so there is clearly still a

long way to go in encouraging more open conversations in the workplace.

Employers across the country must have access to the right training to help them to understand how best to promote the mental health of the workforce, how to improve awareness of mental illness, and how to provide more effective support to those who need it. Society would not tolerate an organisation that is unable to look after the physical health and safety of its employees. Equality demands that we apply the same principle to mental health – nothing less is acceptable.



# CIPD

Chartered Institute of Personnel and Development  
151 The Broadway London SW19 1JQ United Kingdom  
**T** +44 (0)20 8612 6200 **F** +44 (0)20 8612 6201  
**E** [cipd@cipd.co.uk](mailto:cipd@cipd.co.uk) **W** [cipd.co.uk](http://cipd.co.uk)

Incorporated by Royal Charter  
Registered as a charity in England and Wales (1079797) and Scotland (SC045154)

Issued: February 2016 Reference: 7191 © CIPD 2016