3 The role of the workplace in health and well-being
Chapter 3 – The role of the workplace in health and well-being

With almost 75% of working age people in employment, Britain has one of the highest employment rates in the world. Although working hours and patterns are relatively flexible, those in employment spend a significant portion of their waking hours in a working environment. There they help to define and progress society; they provide for themselves and their families; and contribute to the economy and the profits of their employers or their own businesses.

Although there is now widespread understanding of the risks of damaging someone’s health through the workplace, the role it can have in promoting employees’ health and well-being is less well understood. The Introduction drew attention to recent evidence that work is, on the whole, good for an individual’s health and well-being, and the reverse is true of worklessness.

‘Most people in employment spend 60% of their waking hours in work… the workplace is a great place to promote the benefits of enjoying a healthy, active lifestyle.’

South Ribble Borough Council

Good health improves an individual’s quality of life, and a focus on their well-being can also add value to organisations by promoting better health and increasing motivation and engagement of employees, in turn helping to drive increases in productivity and profitability. In other words the benefits of health and well-being extend far beyond avoiding or reducing the costs of absence or poor performance. But this requires a changed perception of health and well-being, and a willingness from both employers and employees to invest resources and change behaviour.

The importance of prevention

The arguments for preventing work-related injury, disease and death are morally, socially and economically irrefutable. There has been significant improvement in the past 30 years – the number of injuries suffered at work has decreased by 70% since the introduction of the Health and Safety at Work Act 1974. Some of this decrease is the result of the decline of heavy industry and manufacturing, but much of the decrease is due to better management of health and safety in the workplace and a better recognition

27 http://www.hse.gov.uk/statistics/history/index.htm
of the risks and how to control them. This is a tribute to the efforts of employers, trades unions, occupational health services, the Health and Safety Executive (HSE), local authorities and others who have developed healthier and safer workplaces and ways of working, raising awareness of the importance of health and safety in the working environment.

The UK compares well with other industrialised countries in terms of workplace health and safety. Nonetheless 241 people lost their life last year as a result of a workplace injury and an estimated 274,000 people suffered a reportable non-fatal workplace injury (of which 141,350 were reported)²⁸.

The health and safety system is on track to meet the target, set in 2000²⁹, to reduce fatal and major injury, but targets for reducing the incidence of work-related ill-health and the number of working days lost from work-related injury and ill-health are unlikely to be met. It is essential that employers, local authorities, the HSE and partners continue to work towards meeting them.

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**Figure 3.1** Annual rate of reported fatal and major injuries, per 100,000 employees

![Graph showing annual rate of reported fatal and major injuries](image)

Source: Health and Safety Executive

Not just health and safety but also health and well-being

All organisations must ensure compliance with health and safety and other relevant employment law, through good health and safety management, prevention, and reducing exposure to risk. This will undoubtedly help to save costs and prevent ill-health and accidents. However, in order to realise the potential added value of raised productivity, organisations will need to extend their agenda to health and well-being.

The workplace can be a key setting for improving people’s health and well-being. Responses to the Call for Evidence highlighted various health and well-being initiatives set in the workplace. These ranged from increasing physical activity (by subsidising gym membership and sports pitches, and encouraging active travel to and from work), subsidising healthy food in the canteen, through to the provision of health screening and GP consultations in the workplace. All of these initiatives are welcome and encouraged, providing they are carried out in consultation with the workforce.

‘Employers are in a unique position of being able to educate, motivate and support their employees in understanding and actively maintaining their fitness and well-being.’
Commercial Occupational Health Providers Association

It was also clear from responses to the Call for Evidence that the reason health and well-being initiatives are not more numerous in the workplace today is the lack of a well-developed business case as to why employers should invest in them. Limited access to information for both employees and employers on the effectiveness and cost-effectiveness of these schemes has led to a lack of action. The question that needs to be answered is whether employers could expect improved performance from their staff if they invest in their health and well-being.

Is there a business case to invest?

Many organisations have invested in health and well-being initiatives for reasons other than to obtain a direct financial gain. The main reasons include:

• corporate social responsibility; improving the quality of life of the workforce and their families as well as of the local community and society at large;

• competition; in an increasingly competitive labour market there is more pressure on employers to distinguish themselves in order to attract and keep quality staff; and
high costs; for some it has become clear that, unless an initiative is introduced, the costs of sickness absence could threaten the business itself.

In many of these cases, data on effectiveness have not been systematically collected, but as part of this Review, PricewaterhouseCoopers (PwC) were commissioned to consider the wider business case and specifically the economic case for employers to invest in wellness programmes for their staff. The detailed findings of this work are being published separately alongside this Review\textsuperscript{30}.

PwC found considerable evidence from literature reviews and over 50 UK-based case studies that health and well-being programmes have a positive impact on intermediate and bottom-line benefits. Intermediate business benefits include reduced sickness absence, reduced staff turnover, reduced accidents and injuries, reduced resource allocation, increased employee satisfaction, a higher company profile, and higher productivity.

\textbf{The business case for promoting and supporting employee health and well-being is becoming increasingly clear. Employers can gain clear benefits in reducing employee turnover and increasing the productivity and engagement of employees.}

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Chartered Institute of Personnel and Development
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The available evidence suggests that initial programme costs can quickly be translated into financial benefits, either through cost savings or additional revenue generation. Quantifiable and significant financial benefits from organisations’ initiatives were found in a number of cases, including large, private-sector business, public-sector organisations and small and medium-sized enterprises. The message is clear: good health is good business.

\textbf{Good health is good business}

There are key elements to making any initiative work well. These are well recognised and supported through PwC’s work:

- successful programmes were those that were specifically designed to meet employee needs. There is no ‘one size fits all’ – what might be right for one set of employees may not be for another, even within one organisation. Employees must be engaged with the process and any programme must take account of their needs and what they value;

\textsuperscript{30} PwC \textit{Building the case for wellness} (2008) www.workingforhealth.gov.uk
The role of the workplace in health and well-being

- senior management buy-in is also fundamental to success. Leadership goes beyond endorsement of programmes and involves active and visible participation of senior management in health and well-being programmes;

- any programme or initiative also needs to be aligned with the business’ overall aims and goals. Rather than these programmes being an afterthought, they will be more effective if they are related to the vision, principles and overall business plan;

- employees’ views should drive ongoing change and influence programmes and initiatives that are offered. Communication is key, both in terms of employees being informed and updated on any health and well-being initiative, and their being continually consulted; and

- finally, if organisations are to form their own business case and share the value of health and well-being programmes with their directors, shareholders and other organisations, then it is imperative that they measure the outcomes of these programmes.

There is a need to build on this work. An evaluation tool would help businesses and organisations to understand the impacts of their health and well-being initiatives, and to share best practice. An accounting framework would enable them to report on the financial impacts in the boardroom and in company accounts as recommended by the Accounting Standards Board.

**Advice and guidance for employers**

A lack of information is the most common barrier to employers investing in the health and well-being of their workforce. Because the market is currently underdeveloped, there is a role for Government to facilitate the provision of information and practical advice for employers on investing in similar initiatives and ensuring the benefits are felt by both themselves and their staff.

Workplace Health Connect was a two-year pilot run by the HSE, designed to give free, confidential and practical advice to small and medium-sized businesses in England and Wales, on workplace health, safety and return-to-work issues. The pilot has now ended, with the final evaluation expected in early 2009. The service continues through Workboost Wales and Safe and Healthy Working in Scotland.
The responses to the Call for Evidence revealed that many organisations, especially smaller ones, would use an advice and guidance service providing it was tailored closely to their needs. Many would be willing to pay for a service of a suitable quality were it at a price which did not exclude smaller organisations. The market is currently underdeveloped, leading to a lack of information and a shortage of occupational health cover for the workforce.

The current absence of a Government-backed service in England provides an opportunity to test the market for a new business-led information, advice and consultancy service. The service should be trialled at a price that reflects the quality and value of the service. Advice should be business and provider-led. Best practice, knowledge and expertise are most advanced in the private and voluntary sector. Business is more likely to listen to business than take advice from Government.

The service should also aim to increase the coverage of occupational health support to the workforce, especially for those in smaller organisations. This could be through signposting to existing occupational health services, or directly marketing its own. The service could operate through regional or local partnerships to increase local employer engagement.

**Smaller organisations**

The business landscape and priorities are usually very different for small employers. Fewer staff, lower turnover, smaller profit margins and often no dedicated human resource function, can make it very difficult for them to engage in the health and well-being agenda. It is also more likely that one person being absent through sickness can have a substantial impact on the rest of the organisation if their key role or skills are removed.

Existing occupational health services are often aimed at larger organisations, including the public sector. The market is less developed for smaller organisations which may be less able to afford the costs of these services, and service providers may also find it more difficult to tailor their products to small organisations.

Yet smaller organisations can still implement health and well-being initiatives. There is little cost in promoting schemes to encourage active travel to work, ensuring sickness-absence management policies are set and adhered to, and providing advice and guidance on healthy working and living to their own staff.
The new health and well-being consultancy service must be geared towards working with small organisations. One option is for the consultancy to work with groups of small employers who share similar characteristics in terms of their business sector and workforce, so that there are economies of scale to reduce costs.

‘The pragmatic way forward is to ensure that the strongest players are asked to build a new interface with SMEs in order to encourage their participation in occupational health.’

The Focus Group

The service could also link smaller employers to those larger employers who have already developed good practice in health and well-being. Business is more likely to take heed of advice that comes from business. Larger employers could run seminars, offer advice and guidance themselves and provide opportunities for wider business discussion besides health and well-being. They could also extend their own occupational health services down their supply chain to smaller organisations.

In England, NHS Plus provides occupational health support for NHS staff, and aims to reach out to medium-sized businesses and offer a service on a commercial basis. In Scotland, SALUS and OHSAS have similar aims. There is a need for Government to evaluate the success of these initiatives in broadening access to occupational health and extending the understanding among businesses of the scope of occupational health to add value to their enterprises.

Taxation can be a disincentive for smaller organisations to invest in health and well-being programmes. Certain anomalies exist, for example, larger organisations can build a gym onsite without incurring any additional tax liability. However, if an organisation is too small to justify building an on-site gym, it would incur an additional tax liability were it to subsidise membership of external gyms for its employees. Employers also incur a tax liability if they pay for the rehabilitation of an injury incurred outside of work.

It is not just a medical issue

This chapter has so far commented on health and well-being in terms of promoting health and preventing ill-health and injury. But the way in which the workplace affects someone’s health and well-being is not simply a medical issue. The quality of the experience that someone has in their workplace can also impact on health and well-being.
In designing jobs and developing management arrangements, companies need to think about how staff will feel valued by the organisation, and what will motivate them to deliver a quality product or service without undue stress that might lead to poor health. In describing their ideal job, one individual will differ from another in the weight they place on factors such as salary, level of responsibility, convenience of location and overall workload. However, there are several key dimensions which are useful in describing desirable job attributes. Employees are likely to have worse health if:

- employment is insecure;
- work is monotonous and repetitive;
- workers have little or no autonomy, control and task discretion;
- there is an imbalance between effort and reward so that workers feel exploited or ‘taken for granted’ (wider than just the wage packet);
- there are few supportive social networks; and
- there is an absence of procedural justice in the workplace i.e. workers cannot be confident that they will be fairly treated by their employer.

The advice in HSE’s *Management Standards for Work-Related Stress*[^32], and similar guidance from a range of other bodies, is designed to help organisations avoid these problems.

The public sector has a critical role to play in leading by example. Recent changes in the Civil Service including, for example, Senior Management Master Classes and more frequent reporting of sickness absence tied to the objectives of Permanent Secretaries, signal an important new commitment to getting its own house in order. Although a good deal of work has been done to improve health and attendance management in the public sector, more can and should be done to contribute to improved services to the public. It is essential that the public sector steps up its efforts and works collaboratively with all organisations seeking to promote employee health and well-being.

[^32]: http://www.hse.gov.uk/stress/standards/
**Line management**

Senior management interest in these issues and leadership from the very top are vital. In addition, line managers have a key role in ensuring the workplace is a setting that promotes good health and well-being. Good management can lead to good health, well-being and improved performance. The reverse can be true of bad management. Good health equals good business, and the line manager is a key agent of change.

Line managers should be supported to understand that the health and well-being of employees is their responsibility, and should be willing to take action when health and well-being are at risk. This ranges from identification of the potential risks, hazards and causes, to support for people who have, or are at risk of developing, health conditions. Support may mean adjusting or adapting working practices, patterns or job roles where appropriate to do so.

**Better workplaces have better financial results**

The conclusions of the PwC work are supported by other studies which demonstrate that good working practices lead to improved financial performance.

Evidence from the US\(^{33}\) analysed the relationship between employee satisfaction and long-run stock market performance. The balanced portfolio of the ‘Best companies to work for in America’ earned 14% per year from 1998-2005, over double the market return, outperforming industry and characteristic matched companies.

Evidence from the Sunday Times’ ‘Best Companies to work for in the UK’\(^ {34}\) shows that companies who have higher levels of staff engagement (as measured by looking at parameters such as employee well-being, line management and team-working) have 13% lower staff turnover, less than half the sickness absence of the UK average, and on the stock market they have consistently out-performed the FTSE 100.

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34 \*Employee engagement and the bottom line\* – Bradon, 2006.
Recommendations

- Government should work with employers and representative bodies to develop a robust model for measuring and reporting on the benefits of employer investment in health and well-being. Employers should use this to report on health and well-being in the board room and company accounts.

- Safety and Health practitioners and, where present, trades union safety representatives should play an expanded role in acting to promote the benefits of such investment.

- Government should initiate a business-led health and well-being consultancy service, offering tailored advice and support, and access to occupational health at a market rate. It should aim to be self-sustaining in the medium-term, and be fully evaluated and tested against free-to-use services.

- Government agencies, and other bodies concerned with economic development and business, should promote employers’ understanding of the economic case for investing in health and well-being.

- Government should explore practical ways to make it easier for smaller employers and organisations to establish health and well-being initiatives.