Employee Engagement Summit

13 July 2010

Improving staff well-being in times of austerity

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UK National Director for Health and Work

HEALTH WORK WELLBEING

What is our overall goal?

Healthy, engaged workforces

Well-managed organisations

- A high-performing, resilient workforce
- Enhanced productivity

Contributing to:

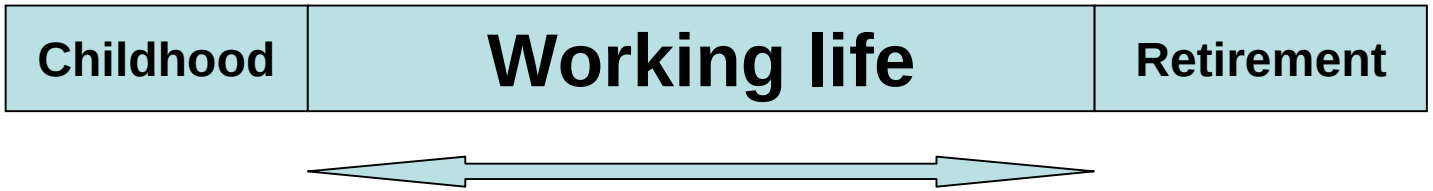
- A well-functioning society
- Better economic performance

Population trends

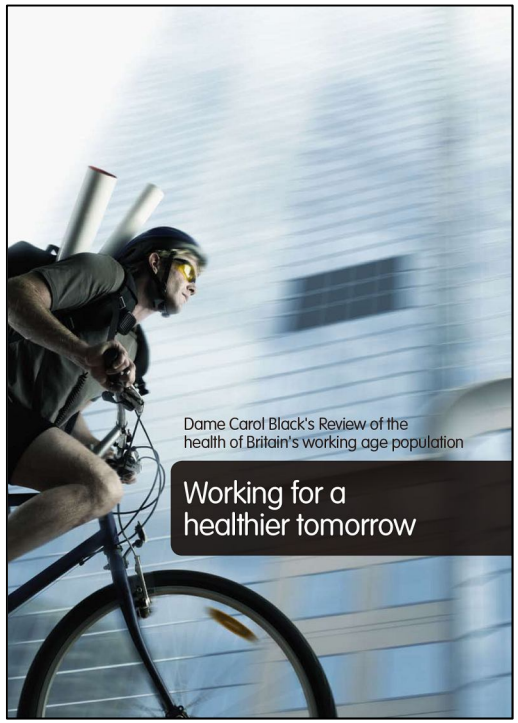
For a flourishing society we need the maximum number of productive years from as many of the population as possible.

On current predictions, the future population will be composed of longer survivors, with more long term conditions. Therefore :

- We need the ratio of earners and wealth-generators to dependants (children, pensioners, unemployed) to be as high as possible.
- This is a major challenge for us all.



A new vision for health and work



"At the heart of this Review is a recognition of, and a concern to remedy, the human, social and economic costs of impaired health and well-being in relation to working life in Britain.

The aim is not to offer a utopian solution for improved health in working life, but rather to identify the factors that stand in the way of good health and to elicit interventions, including changes in attitudes, behaviours and practices – as well as services – that can help overcome them."

Working for a healthier tomorrow, 2008

Prevent illness, promote health, intervene early, improve the health of the workless.

Costs of working-age ill-health

Financial

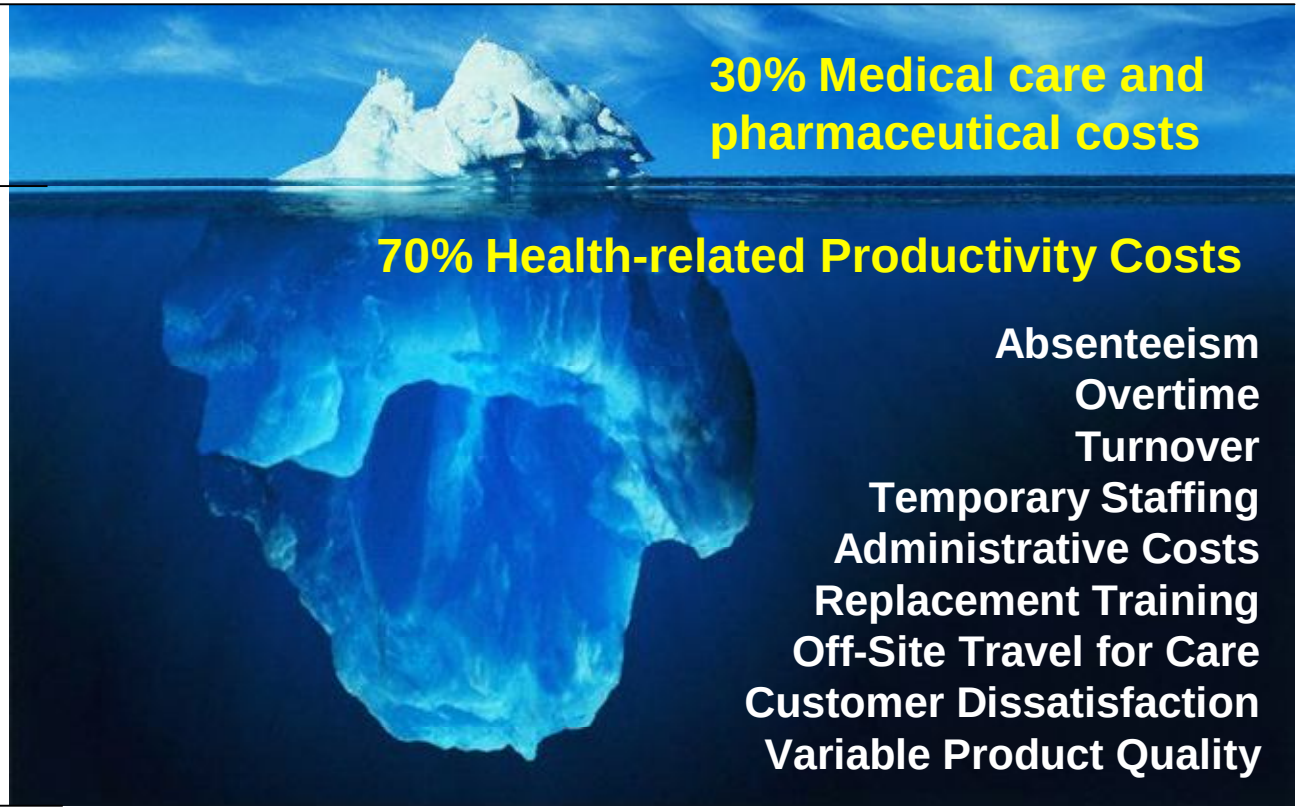
- Overall costs of working-age ill-health in UK exceed £100 billion per year (in 2008)
- Around 172 million working days were lost to sickness absence in 2007, at a cost to the economy of over £13 billion *(CBI)*

Social

"If people are not healthy enough to work – or are inadequately supported through ill health to make a return to work possible – it is not just the individual or the business which is affected. The bottom line is often the impact on his or her family and children."

Lane Lecture, University of Manchester, November 2007

The full cost of poor health for employers

These apply only in the US	
All these apply to Europe also	

(adapted from R. Loeppke, US National Business Group for Health, Philadelphia 2009)

Some impacts of the recession on workplace health

- **In the UK,** 31% of local authorities reported that there had already been an increase in demand for mental health services in their area. An additional 51% were anticipating an increase
- Enquiries to Citizens Advice Bureaux about community mental health services have increased by between 4% and 31% since the last quarter of 2008/09
- Around 25% of British families report more family arguments due to money problems caused by the recession

- **In the US,** increases in the overall unemployment rate have been shown to lead to increases in the prevalence of binge drinking among those who have lost their jobs, as well as to a lesser extent among those in employment

The Power of the Workplace for Health and Productivity Improvement

- The potential for large-scale health impact :
  - 28.5 million employees in the UK
  - families of employees extend impact even further.

- Advantages of the workplace :
  - a microcosm of society, as to varying age, gender, income, ethnicity
  - powerful communication and education structures are possible
  - a culture of health at worksites can reinforce positive health behaviours
  - long-term employer/employee relationships can sustain healthy behaviour
  - infrastructure for measurement of health outcomes is often in place.

Is there an economic case for Investment in the Workplace?

What do we know?

- Economic evidence of interventions and actions is promising but limited in the UK.
- The evidence is US dominated: there employers pay health care costs (approximately 30% of the overall costs of sickness) and thus have more incentive to promote better workplace health
- Much of the evidence has focused on interventions targeted at individuals rather than the workplace
- Interventions in the workplace can be of benefit to employees, employers and the public purse

Workplace Wellness Programs Can Generate Savings

"There is growing interest in workplace disease prevention and wellness programs to improve health and reduce costs. In a critical meta-analysis of the literature on costs and savings associated with such programs, we found that **medical costs fall by about $3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about $2.73** for every dollar spent.

Although further exploration of the mechanisms at work and broader applicability of the findings is needed, this return on investment suggests that the wider adoption of such programs could prove beneficial for budgets and productivity as well as health outcomes."

(Katherine Baicker, David Cutler & Zirui Song, *Health Affairs* 29(2), 2010)

Case Study – introducing new health and wellbeing initiatives

Digital Outlook Communications – a small company (digital marketing and creative agency)

- conducted a Best Companies survey to obtain employees' feedback on their wellbeing and the perceived quality of leadership and management

- established a Wellbeing Team, supported by senior management, to gather suggestions for, and implement, initiatives which included:
  - Introduction of flexible working;
  - Revamping the agency's charging system to ensure clients paid for work actually done, optimise profitability and enable employees to reduce working hours while still meeting financial targets;
  - Improved promotion of the employee benefits system;
  - Introduction of a mentoring and development scheme;
  - Improving the ergonomic working environment;
  - Establishing health and wellbeing as a KPI for all senior managers.

Case study - business benefits from the new initiatives

Digital Outlook Communications
(digital marketing and creative agency)

- Health and wellbeing survey scores improved 11% to a score of 4.9, better than all other small media companies surveyed in 2008

- Sickness absence rates improved 95% from 4 days per person in 2006 to 0.22 days per person in 2008

- Staff turnover was reduced from 34% in 2007 to 9% in 2008, resulting in savings in recruitment, training and induction costs.

Ginsters

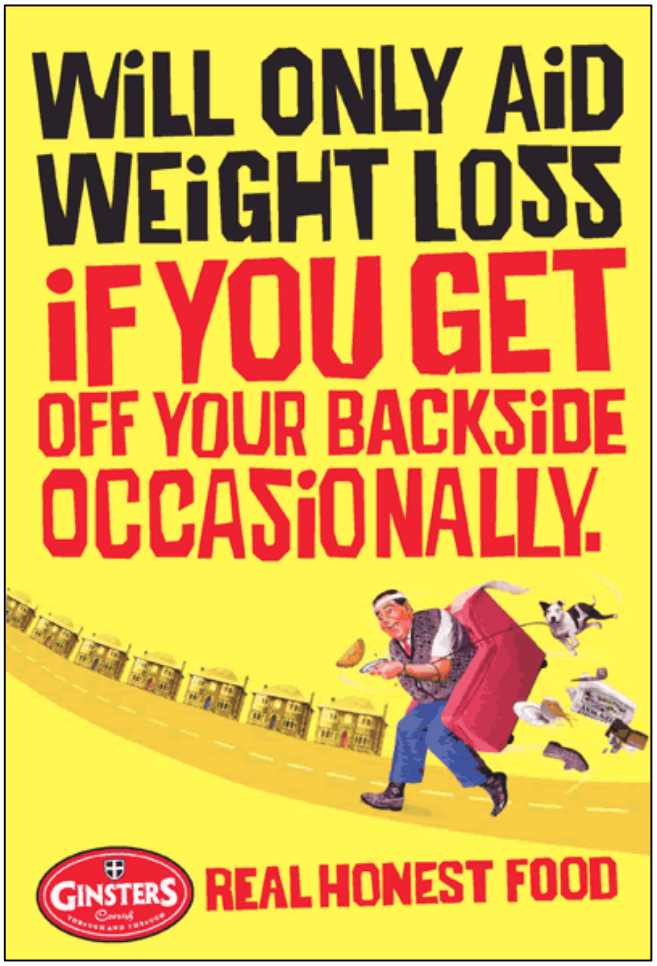
- Cornwall is one of the poorest areas in the UK: average earnings 25% below UK average.
- Ginsters is located in Callington, once a busy mining area, main industries now farming & tourism.
- From a population of 4,500, Ginsters employs 700.
- Ginsters had:
  - a high staff turnover
  - high sickness absence
  - disengaged staff

Ginsters:
Workplace Wellbeing Project Idea

- Initial data collected suggested:
  - Perceptions of fitness vastly differed from the reality
  - Higher than average levels of raised blood pressure
  - Poor diet choices and nutritional awareness
  - Very poor fitness levels
  - High percentage of smokers
- Of those who lived within a 2 mile radius of Ginsters, 75% drove to work!

Ginsters: What they are doing

- Started July 2006
- On-site fitness suite: workplace coordinator
- Slimming club and nutritional session
- Health surgeries (drugs, alcohol, BP, BMI, diabetes, audio and weight management)
- Around 15 regular physically based activities
- Taster sessions (e.g. canoeing, horse riding, archery, orienteering, scuba)
- New menus in Restaurant + free fruit for all staff
- Family and Community activities



Ginsters: the Business Case

1) Health insurance Premium reductions *(cost per eligible employee)*

2004/5	2005/6	2006/7	2007/8
£338.44	£336.88	£306.45	£288.81

This is direct result of the reduction in the number of claims by employees

2) Reduction in cost of advertising & agency fees indicates the trend of candidates approaching Ginsters direct & the impact of excellent staff stability.

Year	2006	2007	2008
Number of applicants	2481	3641	3764
Advertising Costs	£50743	£33805	£18126

3) Staff satisfaction:

58% →	**78%**

Empowerment and control for employees

Little, inexpensive things can make a

big difference…

Training Line Managers

- Training programme aimed at giving managers confidence to respond to staff experiencing mental distress.
- Based on the proven *beyondblue* National Workplace Programme (Australia)
- Excellent results in UK pilot:

Figure 1: the high impact of the training

- Builds awareness of depression and anxiety, and trains managers to spot symptoms.
- Allows time for discussion, and helps managers develop effective strategies for their own workplaces.

Sainsbury Centre Workplace Programme

Black's 2008 recommendations: progress

• 'Fit Note':	April 2010
• 'Fit for Work' service pilots:	April 2010
• Education and training initiatives for GPs	June 2009
• Regional co-ordinators of health, work and well-being	Dec 2009
• Government strategy, Mental Health and Employment	Dec 2009
• Public sector exemplar:	
Boorman review of NHS staff health in England	Nov 2009
• Occupational Health Adviceline for SMEs	Dec 2009
• Challenge Fund for Small & Medium Enterprises	Oct 2009
• Workplace Wellbeing Tool	March 2010
• National Standards for provision of OH services	Jan 2010
• Council for Health and Work	Established
• National Centre for Working-age Health and Well-being	Tendering

All are designed to help people stay in work.

Final thoughts

> No other technique for the conduct of life attaches the individual so firmly to reality as laying emphasis on work: for work at least gives one a secure place in a portion of reality, in the human community.
>
> ***Sigmund Freud***

"Without work, all life goes rotten."

Albert Camus