



Why invest in employee wellbeing?

What is wellbeing?

The term 'wellbeing' covers many aspects of the way we feel about our lives, jobs, and relationships. Our feelings of wellbeing at work are influenced by day to day experiences with colleagues and management, how purposeful we feel and the work that we do. Employers can have a major influence on an individual sense of wellbeing, which can have a multitude of benefits for the organisation itself.

A number of studies point to the potential benefits for those employers who choose to invest in employee wellbeing



Better performance

Better customer experience

Organisations with high levels of employee wellbeing, have **outperformed the stock market** by around 2%-3% per year over a 25 year period. *London Business School, 2015*

FTSE 100 companies demonstrating best practice in employee health and wellbeing show a **higher than average shareholder return** - 61% instead of 51%. *BITC/Ipsos MORI, 2010*

Reduced staff turnover

The average cost of **filling an employee vacancy** (recruitment, selection, temporary cover, redundancy payments, training and induction) is £6,125. *CIPD, 2009*



Reduced costs

The average annual cost of **absence and presenteeism due to ill health** is around 8% of a company's wage bill. *Telegraph Britain's Healthiest Company Survey, 2015*

Sickness absence costs UK employers about £692 per employee per year. *CIPD, 2009*

The **total cost of sickness absence** to UK business is around £15bn per year. *Black and Frost, 2011*

Presenteeism (where employees work, but are under-productive due to poor emotional wellbeing) costs the UK economy £15bn annually. *Centre for Mental Health, 2011*



Higher creativity

Organisations promoting health and wellbeing are seen as **3.5 times more likely to be creative and innovative**. *The Wellness Imperative: World Economic Forum, 2010*

If you're treated like you're not working with someone, but you're working for them, then it could create this kind of mental condition where your self-worth drops and you become less productive and less motivated.

Participant in our public dialogue, Cardiff

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What does 'good work' look like?

Good job design, strong leadership and effective management are key factors in ensuring the best outcomes for both the business and for employees.

'Good jobs' that lead to higher wellbeing tend to give staff >

These characteristics are all findings from the BIS Worker Wellbeing and Workplace Performance (2014)

 More control over their job	 Clarity of what is expected of them	 Variety in what they do	 Positive relationships with managers, co-workers and customers
 Belief that their workplace and pay is fair	 A sense of personal purpose and of their wider value to others	 Opportunities to use and develop their skills	 A safe and pleasant working environment
 Supportive supervision		 A sense of job security and clear career prospects	 Good work/life balance

What employers can do to create 'good jobs'

At individual level

1 Train and support staff to improve their own job quality and wellbeing skills

We found strong evidence showing the wellbeing benefits of training staff to improve their own job quality and wellbeing skills.

Help employees make their own work more interesting, use more skills, take more initiative, work flexibly, communicate better, develop resilience and build relations with co-workers.

These recommendations are based on evidence from the What Works Centre for Wellbeing's systematic reviews. You can read the full briefings at:

whatworkswellbeing.org

At team level

2 Train managers

Gallup research shows that 70% of an employee's motivation is influenced by our manager.

Our research showed that while workplace leadership training yields mixed wellbeing and performance results, managers can improve wellbeing by finding out what staff see as important for improving the quality of their work.

To be most effective when carrying out improvements, managers can make sure changes are integrated with other business systems and staff know that the changes are being introduced for their own health and wellbeing.

At organisational level

3 Assess your policies

We found promising evidence that it is good for an organisation to integrate improvements to quality of work with other employment practices, such as: proper training; fair and constructive feedback and performance management; and training of managers.

In this way, provided wellbeing is one of the objectives of the programme, people will be doing work that is good for their wellbeing as well as productive. Design policy changes with your staff, test what works and evaluate outcomes.