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The 50th Anniversary
Professor of Organizational Psychology and Health
Manchester Business School

Why should high performing organisations prioritise wellbeing?
### Causes of Long-Term Absence for Non-Manual Workers 2015

<table>
<thead>
<tr>
<th>Reason</th>
<th>All</th>
<th>Manufacturing &amp; production</th>
<th>Private services</th>
<th>Public services</th>
<th>Non-Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress</td>
<td>58</td>
<td>50</td>
<td>46</td>
<td>79</td>
<td>60</td>
</tr>
<tr>
<td>Acute medical conditions</td>
<td>51</td>
<td>49</td>
<td>44</td>
<td>64</td>
<td>49</td>
</tr>
<tr>
<td>Mental ill-health</td>
<td>49</td>
<td>37</td>
<td>45</td>
<td>61</td>
<td>52</td>
</tr>
<tr>
<td>Musculoskeletal injuries</td>
<td>38</td>
<td>35</td>
<td>29</td>
<td>49</td>
<td>44</td>
</tr>
<tr>
<td>Back pain</td>
<td>32</td>
<td>32</td>
<td>33</td>
<td>36</td>
<td>26</td>
</tr>
<tr>
<td>Recurring medical conditions</td>
<td>25</td>
<td>24</td>
<td>23</td>
<td>31</td>
<td>22</td>
</tr>
<tr>
<td>Injuries not related to work</td>
<td>25</td>
<td>35</td>
<td>19</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Minor illness</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Pregnancy-related absence</td>
<td>16</td>
<td>13</td>
<td>17</td>
<td>17</td>
<td>15</td>
</tr>
</tbody>
</table>

Percentage of respondents citing this reason as leading cause *(base 394)*

*Source: CIPD Absence Management Survey*
Work-related ill health

1.4 million
Workers suffering from work-related ill health (new or long-standing) in 2017/18

541,000
Workers suffering from a new case of work-related ill health in 2017/18

26.8 million
Working days lost due to work-related ill health in 2017/18

13,000
Deaths each year estimated to be linked to past exposure at work, primarily to chemicals or dust

New and long-standing cases of work-related ill health by type, 2017/18
- 21% Other type of illness
- 35% Musculoskeletal disorders
- 44% Stress, depression or anxiety

Working days lost by type of ill health, 2017/18
- 18% Other type of illness
- 25% Musculoskeletal disorders
- 57% Stress, depression or anxiety

Work-related ill health per 100,000 workers: new and long-standing

The rate of self-reported work-related ill health showed a generally downward trend to around 2011/12; since then the rate has been broadly flat.

Working days lost per worker due to work-related illness showed a generally downward trend up to around 2010/11; since then the rate has been broadly flat.

Estimates of ill health based on Labour Force Survey (LFS) self-reports and deaths based on counts from death certificates and estimates from epidemiological information.

To find out the story behind the key figures, visit www.hse.gov.uk/statistics/causdis/
Work-related stress, depression or anxiety

595,000
Workers suffering from work-related stress, depression or anxiety (new or long-standing) in 2017/18

239,000
Workers suffering from a new case of work-related stress, depression or anxiety in 2017/18

15.4 million
Working days lost due to work-related stress, depression or anxiety in 2017/18

Stress, depression or anxiety by cause, averaged 2009/10-2011/12
- 21% Other
- 44% Workload
- 8% Changes at work
- 13% Violence, Threats or bullying
- 14% Lack of support

Industries with higher than average rates of stress, depression or anxiety, 2015/16-2017/18

- Education
- Human health and social work
- Public admin/defence
- All industries

The rate of self-reported work-related stress, depression or anxiety was broadly flat but has shown signs of increasing in recent years.

Working days lost per worker due to self-reported work-related stress, depression or anxiety shows no clear long-term trend.

Working days lost due to stress, depression or anxiety account for 57% of all working days lost due to ill health.

Estimates of work-related stress, depression or anxiety based on self-reports from the Labour Force Survey (LFS).

To find out the story behind the key figures, visit www.hse.gov.uk/statistics/causdis/
## Estimated Annual Costs to UK Employers of Mental Ill-Health

*(Sainsbury Centre for Mental Health, 2007)*

<table>
<thead>
<tr>
<th></th>
<th>Cost per average employee (£)</th>
<th>Total cost to UK employers (£ billion)</th>
<th>Per cent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absenteeism</td>
<td>335</td>
<td>8.4</td>
<td>32.4</td>
</tr>
<tr>
<td>Presenteeism</td>
<td>605</td>
<td>15.1</td>
<td>58.4</td>
</tr>
<tr>
<td>Turnover</td>
<td>95</td>
<td>2.4</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1035</strong></td>
<td><strong>25.9</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Presenteeism

<table>
<thead>
<tr>
<th>Health “Good”</th>
<th>Health “Not good”</th>
</tr>
</thead>
<tbody>
<tr>
<td>No absences</td>
<td>Healthy &amp; present</td>
</tr>
<tr>
<td>Some absences</td>
<td>Healthy and not always present</td>
</tr>
</tbody>
</table>
How common is sickness presenteeism?

<table>
<thead>
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<td>28%</td>
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<td>13%</td>
<td>24%</td>
</tr>
</tbody>
</table>

*N=39,000 employees from general working population (UK)*
Mental health costs the UK £70bn per year, equivalent to 4.5% of GDP.

Mental ill-health costs each employer £1,035 per employee, per year.

15.2m sick days per year due to stress, anxiety or depression.

Failure to unlock discretionary effort costs UK business £6bn.

Only 2 in 5 employees working at peak performance.
Individual Sources of Stress

Intrinsic to the Job
- Role in the organisation
- Relationships at work
- Career development
- Organisational structure and climate
- Home/work Interface

Symptoms of Stress
- Individual
  - Depressed mood
  - Excessive drinking
  - Irritability
  - Chest pains
  - High blood pressure
- Organisational
  - High absenteeism
  - High labour turnover
  - Poor quality control

Disease
- Coronary heart disease
- Mental illness
- Prolonged strikes
- Frequent and severe accidents
- Apathy
Intrinsic to the Job

- Too much work - quantitative
- Too much work - qualitative
- Too little work
- Time pressures and deadlines
- Poor physical working conditions
- Mistakes
- Too many decisions
Variable Workload

High Workload

Poor Procedures by Pilots

Responsibility for Lives

Shiftwork Hours

Training Others

Stressed Air Traffic Controller

Increased Risk of Coronary Artery Disease
Role in the Organisation

• Role ambiguity
• Role conflict
• Too little responsibility
• Responsibility for People
• Responsibility for things
• Lack of managerial support
• Organisational boundaries
DENTIST
Anxious Personality

- Patients perceive as inflictor of pain
- Job interfering with family life
- Trying to manage a practice
- Administrative duties
- Coping with difficult patients
Relationships

• Relationships with boss
• Relationships with colleagues
• Relationships with subordinates
  • Difficulties in delegating
  • Personality conflicts
Career Development

- Over promotion
- Under promotion
- Lack of job security
- Fear of redundancy or early retirement
Respondents Perceived Security in Current Job

(Source: CMI Economic Outlook April 2010)
Workplace at a glance

THE BAD NEWS, JOHNSON, IS YOU'RE BEING LET GO

THE GOOD NEWS IS YOU CAN HAVE YOUR OLD JOB BACK AT HALF YOUR FORMER PAY.

I CAN'T LIVE ON THAT.

THE REST OF THE GOOD NEWS IS WE CAN OFFER YOU A SECOND JOB, ALSO AT HALF YOUR FORMER PAY.

Job Growth

I'D OFFER YOU A THIRD, BUT I'M AFRAID OF OVERHEATING THE ECONOMY.

TOM TOLES
Organisational Structure and Climate

- Restrictions on behaviour
- No effective consultation or communication
  - Uncertainty
  - Loss of identity
- Lack of participation
Organisation’s Interface with Outside

• Divided loyalties
• Conflict of work with family demands
• Intrusion of problems outside work-economic, life crisis
Comprehensive Programme

Interventions

- **Primary – Dealing with the stressors**
  - Selection policies & induction
  - Workflow planning (task allocation, matching resource to work flow demand, etc)
  - Work Life Balance initiatives
  - Management Development Programmes

- **Secondary – Helping people to cope**
  - Resilience training
  - Annual reviews & appraisals and personal development plans
  - Healthy Lifestyle & Well-being programmes

- **Tertiary – Picking people back up**
  - Employee Assistance Programmes
CIPD Health and Wellbeing at work report, 2018:

Employers with a wellbeing initiative have:

44% better employee morale & engagement

31% lower sickness absence rate

... 60% of organisations do not yet have a wellbeing strategy...
There is a business case for wellness programmes

Price Waterhouse Cooper Research based on 55 companies
Making the business case

- If mental illness costs employers £28.3 billion per annum in 2009
- Prevention and early identification of problems, should save employers at least 30% £8 billion per annum

Case study examples

Education

We have worked with United Learning over 3 years supporting them with a strategic wellbeing programme to activate wellbeing across their group of schools. In order to upskill key employee populations around wellbeing they measured wellbeing centrally and provided training for key roles as well as activating a wellbeing champions network.

They have seen results by comparing the ‘Wellbeing’ Schools to those not involved with the programme in terms of:

- Sickness absence reduced 3 x more
- Teacher turnover reduced 5 x faster
- Levels of satisfaction with Work/Life balance increased and are higher
Case study examples

Rail Industry

Rather than a typical employee survey, Network Rail measured wellbeing by providing personal wellbeing reports to all employees. Heavily promoting the reports encouraged usage which enabled the data to be aggregated to provide a business level report on wellbeing across the organisation. Gathering a baseline enabled Network Rail to identify their health & wellbeing priorities which included upskilling and supporting line managers to manage their own wellbeing and that of their teams. Results showed that managers confidence increased by:

- 13% in terms of spotting signs and symptoms of stress
- 15% in terms of knowledge and skills to support teams through change
- 14% in terms of to have wellbeing convos with team
Why Does Psychological Wellbeing Matter for Businesses?

A worked example

Data collected from 2600 individuals in 2014 from a large public sector organisation
Impact on the Bottom-Line

Using the equation from Robertson, 2011:

\[ \text{Financial Benefit} = r \times \text{The expected improvement in psychological wellbeing with intervention, expressed as a Standard Deviation (Zwb)} \times \text{The value of a standard deviation increase in productivity / performance (£P)} \]

- \( r = 0.462 \) (the correlation in this data set between psychological wellbeing and productivity)
- \( Zwb = 0.25 \) (a conservative estimate that appropriate support intervention would increase psychological wellbeing by a quarter of a Standard Deviation. This is in line with Robertson, 2011)
- \( £P = £14,400 \) (using the commonly applied rule that a Standard Deviation increase in performance is worth 40% of average salary)
Impact on the Bottom-Line
The figures:

• For one individual the estimated financial benefit of improving psychological wellbeing by a conservative amount is £1,201

• Making these improvements for just 15% of those in the sample equates to a productivity increase worth £468,390

• Making these improvements for 15% of those in the company’s workforce of 34,000 people equates to a productivity increase worth £6.1million

• Making these improvements for 15% of the UK working population equates to a productivity increase worth £5.6billion
That’s enough to:

OR...

Pay the wages of 243,000 nurses

Buy 21,500 Lamborghini Aventadors
Tomorrow is the mandatory meeting on employee health and well-being.

The meeting starts at 6 a.m., so it will interfere with your sleep and not your work.

Doesn't that send a message that work is more important than health?

I hope so. That's the theme of the meeting.

Healthy employees are unproductive.

They're always exercising or eating fruit when they should be working.

We prefer employees who work hard and die before their pensions start paying out.

Suddenly I feel sick.

Right on schedule!
1. As a leader how do I create the right kind of culture to enhance the wellbeing of my staff? [Gather points on post-its, nominate a Chair, they submit three most popular ideas]

2. In my own life, Monday-Friday, what makes a good day for me and what makes a lousy day? [Gather points on post-its, nominate a Chair, upload all examples of good/ousy days]