The business case for investing in health and wellbeing at work

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The business case for investing in health and wellbeing at work

Why health and wellbeing is a business-critical issue:

- Annual costs of absence, presenteeism, and turnover reached £53-56 billion in 2020-21 (Deloitte, 2022).
- Stress is one of the main causes of absence, and high workloads are the main cause of stress-related absence (CIPD, 2023).
- Estimated gains from improved productivity, attraction and retention could be around £120-£220 bn per year or over £4000-7000 per employee (BITC, 2023).
- When employees are thriving, they feel 84% more productive and 79% more creative (BITC and YouGov, 2022). •

Why integrated provision is vital

- Integrated provision includes co-ordinated and tailored suite of activities at each of the levels of intervention Positive work experiences lead to better overall health (encompassing physical, mental, social and spiritual health), greater innovation at work, and improved job performance (McKinsey Health Institute, 2023).
- Multifaceted interventions that balance work demands and provide job resources on the organisational, team, job, and individual levels enhances health (McKinsey Health Institute, 2023).

		Level of Intervention	Example Activities	Business Case
Integrated provision	finity	Prevent and protect	Identifying and managing risks at source, work design, flexible working, participatory interventions, good people management practices	 ROI of £5.6 for every £1 invested (Deloitte, 2022). Good people management practices result in 3x higher likelihood of engagement, lower sickness absence (What Works Wellbeing, 2017). Work design strategies such as increasing worker schedule control and voice, and regulating job demands leads to increased wellbeing (Lovejoy et al., 2021). Flexible working consistently increases wellbeing outcomes (Fox et al., 2022). Participatory interventions reduce stress and empowered employees, reducing absence and improving retention (Nielsen et al., 2021).
		Promote and develop	Training and skill development to enhance social relations, mental health literacy, and line manager confidence and competence	 ROI of £5 for every £1 invested (Deloitte, 2022). Training and employer support aimed at enhancing social relations at work improves wellbeing (Lovejoy et al., 2021). Mental health literacy training increases knowledge and reduces stigma (Kelloway et al., 2023). Developing manager competencies to prevent and reduce stress improves job satisfaction, performance and reduces absence (Yarker& Lewis, 2022, 2024).
		React and repair	Therapy/counselling, Employee Assistance Programs (EAPs), Return to work coaching	 ROI of £3.4 for every £1 invested (Deloitte, 2022). Individual therapy is expensive and has a lower ROI of £3.1 for every £1 invested (Deloitte, 2022). 34% of employers offer EAPs but these often minimalistic and have low usage rates of 5% (Frog Systems, 2023). Work focused return to work coaching leads to improved work ability (Yarker et al., 2021)
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Estimating the costs of absence to your business

Definition:

Sickness absence is when an employee is off from work due to sickness or ill health, which could be for either physical or mental reasons.

Calculating the cost of absence¹:

No. of employees x £781² x 55%³



Avg. Estimate of sickness absence due absence to stress cost £6.1 Billion

The cost of mental health absenteeism in 2021-21 (Deloitte, 2022)

1. Donaldson-Feilder, E., Yarker, J., & Lewis, R. (2011). *Preventing Stress in Organizations: How to Develop Positive Managers*. John Wiley & Sons, Ltd. (Original work published 2011) 2.People Management (2022)

3. HSE (2022). Work-related stress, anxiety or depression statistics in Great Britain.

Estimating the costs of turnover to your business

Definition:

Sickness absence is when an employee is off from work due to sickness or ill health, which could be for either physical or mental reasons.

Calculating the cost of turnover¹:

28% Of employees intentionally left their jobs or were planning to leave in the next year (Deloitte, 2022)

No. of employees leaving the org. each year x £5800² x 20%³

Saffinity health at work Avg. turnover cost

 Donaldson-Feilder, E., Yarker, J., & Lewis, R. (2011). Preventing Stress in Organizations: How to Develop Positive Managers. John Wiley & Sons, Ltd. (Original work published 2011)
 Doesn't say in paper

3. CIPD, 2008 (recent figures range from 16% (Perkbox, 2020) - 40% Koa (2024))

Estimating the costs of presenteeism to your business

Definition:

Presenteeism refers to the state of attending work despite illness, thereby being unable to perform to one's full ability.

Calculating the cost of presenteeism:

No. of employees x £4000

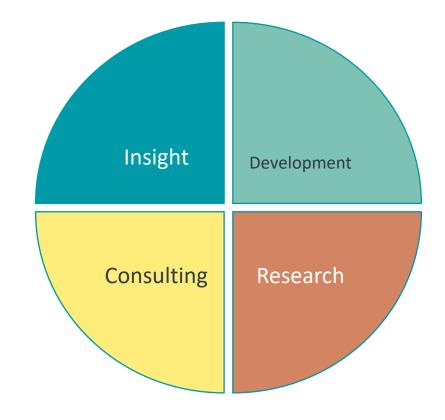


Avg. presenteeism cost **#1** Presenteeism is the largest contributor to an employer's mental health costs (Deloitte, 2022)

1. Donaldson-Feilder, E., Yarker, J., & Lewis, R. (2011). *Preventing Stress in Organizations: How to Develop Positive Managers*. John Wiley & Sons, Ltd. (Original work published 2011) 2. Whysall, Z., Bowden, J., & Hewitt, M. (2018). Sickness presenteeism: measurement and management challenges. *Ergonomics*, *61*(3), 341-354.

About Affinity

- Founded in 2006, we are a multi-award winning research and consultancy organisation. We bring together cutting edge research with practical, realworld approaches for work, health and wellbeing.
 We create original research and tailored solutions for our clients.
- We work with senior leaders and their teams, professional bodies and policy makers to improve employee health, wellbeing and performance.
- Our mission is to improve the working lives of all.



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 Preventing Stress in Organizations: How to Develop Positive Managers, Emma Donaldson-Feilder, Joanna Yarker and Rachel Lewis (2011)
 CIPD (2008)

- 3. Unclear?...book doesn't give reference
- 4. Sainsbury Center for Mental Health (year?)

