

RESEARCH REPORT

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Employee Well-being and Resilience

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ABOUT THE AUTHOR



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Nick is a highly experienced HR practitioner, and has led organisational development, resourcing, talent & leadership, performance and L&D functions in a number of major businesses. In a corporate career to Group Vice-President level, Nick worked across seven industry sectors at local, regional and global levels. An Engineer by qualification, he spent the first years of his career engaged in design engineering and programme management for world-class businesses such as GE, Alstom and Rolls-Royce Aerospace.

Nick has leveraged his eclectic sector and functional career to build an industry reputation as someone who challenges both HR and the wider business to think differently and as a creator of innovative thinking in the organisational arena. Having run his own consulting business and now, as a Senior Partner in Korn Ferry's consulting practice, he has worked with CEOs, Boards and HR functions around the world on a broad range of people and organisational topics including organisational capability and risk, talent strategy, workforce planning and HR effectiveness. Speaker, writer and a Co-Director of the Henley HR Centre from 2010 through 2016, Nick continues to contribute to Henley's HR development offer. He was awarded a Visiting Professorship in 2014.

EMPLOYEE WELL-BEING AND RESILIENCE

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1 Introduction

When undertaking some research recently into the world of talent management, one of the things that stood out was the changing nature of the relationship between employee and employer. The rise of career-consumer behaviours in those with the skills that we need to execute strategy was driving a more discretionary relationship between employees and employers characterised by a mutual exchange of value. More details can be found in the two Henley HR Centre research reports 'Talent management. Where are we now?' and 'Employer value proposition. Time for HR to up its game', and in the subsequent paper 'The rise of the career consumer'. However, not all of the implications of this research were fully explored in these reports. There was one phrase that was used time and again – the term 'employee wellbeing and resilience'. Organisations were beginning to take much more of an interest in how employment impacted staff at a personal level, not so much in terms of talent retention or attraction, but in terms of the physical and mental health of individuals.

The interesting thing was that when the area of well-being was investigated a little deeper, there seemed to be very little clarity as to quite what it meant and even less consistency as to what was being done. One thing that all agreed, however, was that employee well-being (whatever it was) was going to become increasingly important and that organisations were going to need to find some answers.

This is why the topic was thought worthy of a follow-on research project in its own right and we set off to talk to a number of different organisations about what the topic meant to them, and what they were either doing or planning to do. As in previous Henley HR research, we conducted personal interviews with key HR and non-HR leaders to really try to get under the skin of the topic, while at the same time attempting to highlight common themes and differences, along with insights to assist other organisations in moving forward with the topic. We asked a number of questions during each interview

1. What is the perceived level of importance in the organisation of employee well-being and resilience and why?
2. To you, what does employee well-being and resilience comprise?
3. What issues are you experiencing relating to well-being and why?
4. What are you doing about it and what's working?
5. What does this mean for the HR function?
6. What are you measuring?

Comments were recorded verbatim and then synthesised to understand the various themes and insights. Then, around two-thirds of the way through the interview process, an event was held at which a number of participating organisations (and others) were invited to discuss the questions, and to comment on emerging themes. This feedback was also taken into account.

I must finish this section with an apology. During the course of this research, I underwent tendon-reconstruction in both elbows, and this severely impacted my ability to write up this research. Finally, some time later, I'm relieved to be able to complete it but would like to apologise for the delay and thank you for your patience.

2 Participating organisations

We would like to express our thanks to the following organisations for giving up their valuable time and sharing insights in order to assist with this research. Henley HR research is founded upon real issues and real experiences at ground level, so without this kind of support we would be unable to produce relevant research from which organisations more widely might benefit.

NHS	Oxford Instruments
John Lewis Partnership	Mencap
McDonald's	Goodyear
Avis Budget Group	Empactis
BT	Wagamama
Nestlé	Nokia Al Saudia
Deloitte	Handelsbanken
Siemens	Tandem Coaching
Danone	Lifetime Training

3 Summary of research findings

Something that soon emerged loud and clear from this research was that an organisation's relationship with an employee well-being agenda is very definitely a journey, but one with a number of quite well defined steps. The transitions between these stages are characterised by step changes in approach and the resolution of particular dilemmas and challenges, as indicated in Figure 1. Initially there are process needs, but these turn into more cultural needs as the stages progress. The key stages, described in more detail in subsequent sections of this report, can be summarised as follows:

Stage 1:

Keeping employees safe – the starting point on the well-being journey and a basic requirement. Often characterised by a policy and rule-driven approach surrounded by awareness and education in order to capture hearts and minds. The motto here is usually **toward zero harm**. Occupational health is frequently the guardian of approaches to treat the symptoms of, and attempt to prevent, physical injury. A safety department or function may also exist. However, although of obvious importance, this is well-being as seen through a relatively narrow lens and is unlikely to drive benefits beyond a reduction in injury and absence, and do little to proactively drive the employer value proposition (EVP). Measurement may be dominated by metrics relating to lost time accidents (LTAs). In organisations with a strong safety culture, it can sometimes be difficult to raise awareness of less tangible forms of well-being and to develop more systemic approaches.

Stage 2:

Keeping employees productive – it is not a great leap in thinking to move from a safety mindset to one that looks at less direct influences on physical well-being which, although not so likely to result in serious injury, may result in absence or productivity issues. The motto here is that **a healthy workforce is a productive workforce**. The approach to well-being has grown beyond safety to a consideration of indirect influences, such as working environment, flexible working and health benefits. Measurement may be overly reliant on engagement surveys and sickness absence. There may not be much recording or analysis of data, such as reasons for absence.

Stage 3:

Engaging employees and leaders – this stage is critical in being able to move beyond a somewhat employer-centric and physical well-being biased approach. It is characterised by the need to expand measurement approaches and develop insights around the business benefits of well-being for business leaders and a move into a more educational and enabling approach for employees that is less parental. The scope of well-being begins to move beyond the office or factory and into lifestyle areas, such as nutrition, which may uncover some push-back from those employees who feel that an organisation's reach should end at the office door or factory gate. An infrastructure is in place around direct and indirect physical well-being (gyms, healthy eating choices in canteens, incentives etc), but progress into areas of mental well-being is under-developed. Key to success is perceived authenticity, and this phase may also feature the inclusion of well-being into elements of the articulated EVP.

Stage 4:

Supporting the whole employee – the step change here is that an organisation has moved beyond physical well-being into the complementary area of mental well-being. This opens up a number of challenges, not least those of culture (e.g. attitudes to employees discussing stress) and the ability to spot the signs of impending mental well-being issues before they are diagnosable conditions. Key to this transition is the requirement for line managers to be playing their 'A' game. It should be possible for mental well-being issues to be discussed openly and given at least equal prominence alongside issues of physical well-being. Direct questions may be asked in employee surveys and there is a sense that the individual's needs are as important as those of the organisation.

Stage 5:

Creating a culture of employee well-being – this is where we have a number of factors building upon one another – from metrics through to the engagement of business leaders and employees, together with aligned processes and structures to corral the various responsibilities around well-being into one holistic offer. But what really differentiates here is that words are matched by actions, such that well-being is fully embedded in the organisation's EVP because there is a strong sense that care for its employees is at the heart of the company's values and practice. Aligned messages and behaviours are role modelled from the very top.

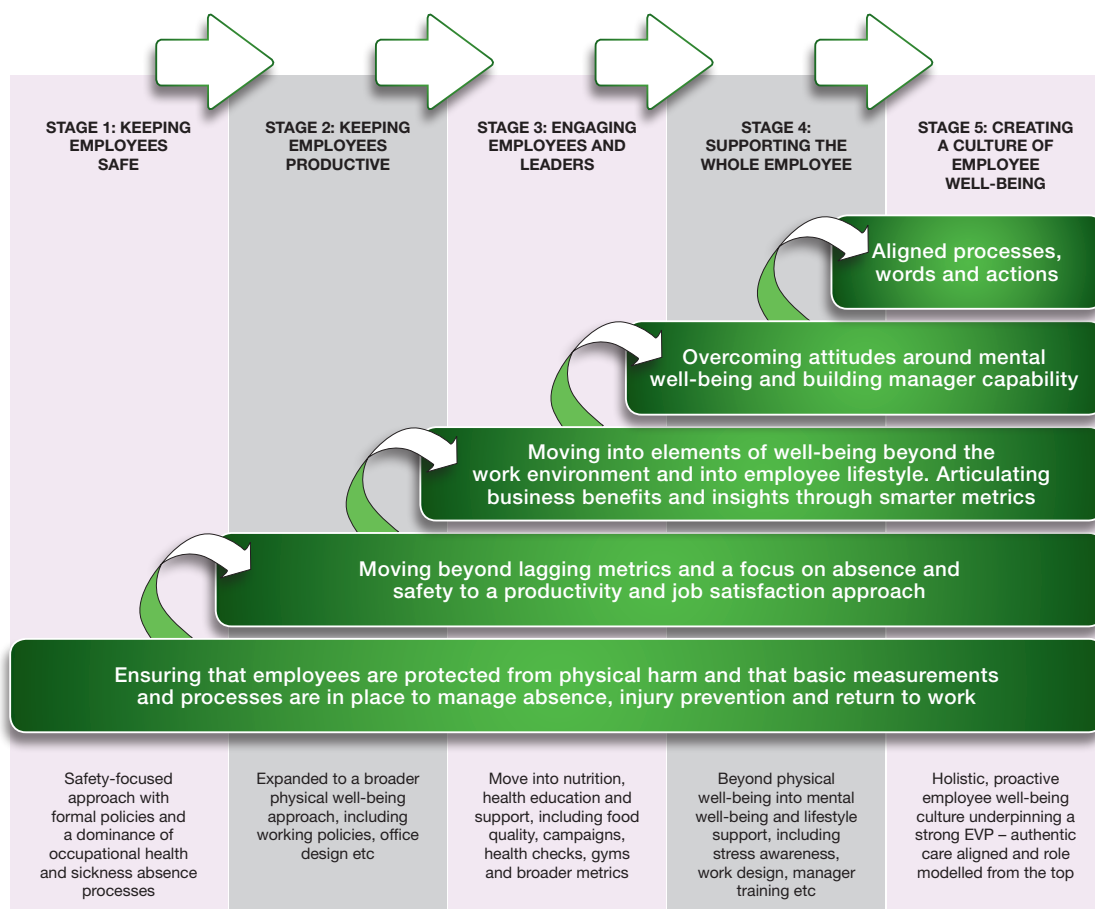


Figure 1. Creating a well-being culture – the organisational journey

The topic itself is now as broad as it is deep, but this has been an evolution... As such, it has become increasingly hard for organisations to be able to throw a rope around it.

So, we can see that employee well-being is not a simple nut to crack... A number of different strands need to be drawn together in order to make progress, and the focus of the whole organisation is required to create a true well-being culture.

The importance of employee well-being is growing significantly, driven by a number of factors from the rising cost of healthcare insurance to the increasing co-dependency between well-being and EVP in light of changing career models.

The topic itself is now as broad as it is deep, but this has been an evolution. With its roots in the health & safety culture of manufacturing, well-being has grown in scope to also include considerations around working environment and process, work design, nutrition, mental well-being and in some cases financial well-being. As such, it has become increasingly hard for organisations to be able to throw a rope around it. This holistic definition has raised challenges in terms of ownership and clarity. In particular, it has raised major challenges in articulating the business case for well-being beyond the traditional measurement of lost time through accident or injury and sickness absence. This measurement challenge has contributed, along with some historically misaligned attitudes, to a situation in a number of organisations where it feels hard to get the leadership to prioritise the issue.

But leadership culture and measurement are not the only barriers to progress – some lie with employees themselves. Many organisations reported moderate levels of cynicism among employees, who doubted the sincerity of the organisation in light of what were perceived to be big gaps between word and deed. This authenticity proved to be a critical factor in those organisations that were able to show success in engaging their workforce around their well-being.

Where nearly all organisations got bogged down was in attempting to transition from physical to mental well-being, where they encountered a whole range of issues ranging from cultural attitudes that classified adverse reactions to stress as perceived weakness or lack of capability and the topic of mental health as a taboo subject, to difficulties in developing awareness of mental health-related issues before they became conditions. Where successes occurred, the common factors were an investment in line manager awareness and capability and a role-modelling of the right attitudes and behaviour by the leadership of the organisation.

The learnings for HR start with measurement. Employee well-being is the kind of subject that emphasises HR's long-standing capability gap around metrics and data analytics. The use of more insightful and relevant metrics helps HR to better articulate the case for a more proactive, holistic and extended application of employee well-being; which in turn helps to create the leadership engagement essential to real value generation in the arena. However, HR also needs to engage with its own role in creating barriers to well-being, through process complexity and sometimes inflexibility. They must also marshal the various interested parties across structural boundaries in order to drive a more holistic well-being approach that becomes a key element of the EVP used to attract and retain talent.

So, we can see that employee well-being is not a simple nut to crack, but some of the steps at least feel reasonably clear. A number of different strands need to be drawn together in order to make progress, and the focus of the whole organisation is required to create a true well-being culture. The good news, however, is that the train has not left the station on employee well-being, and not every organisation needs to have the same ultimate destination in mind in the same timeframes. It is a journey from where you are – to where you need to be – at the speed that you need to get there. Understanding your starting position (see Figure 2) is therefore essential before you can progress. If there are urgent gaps to plug then they need to be addressed, but the important thing is to maintain a good balance between what is espoused and what is delivered, because when words and actions are not aligned, it makes it very hard to move forward.

Where are you on the dial?

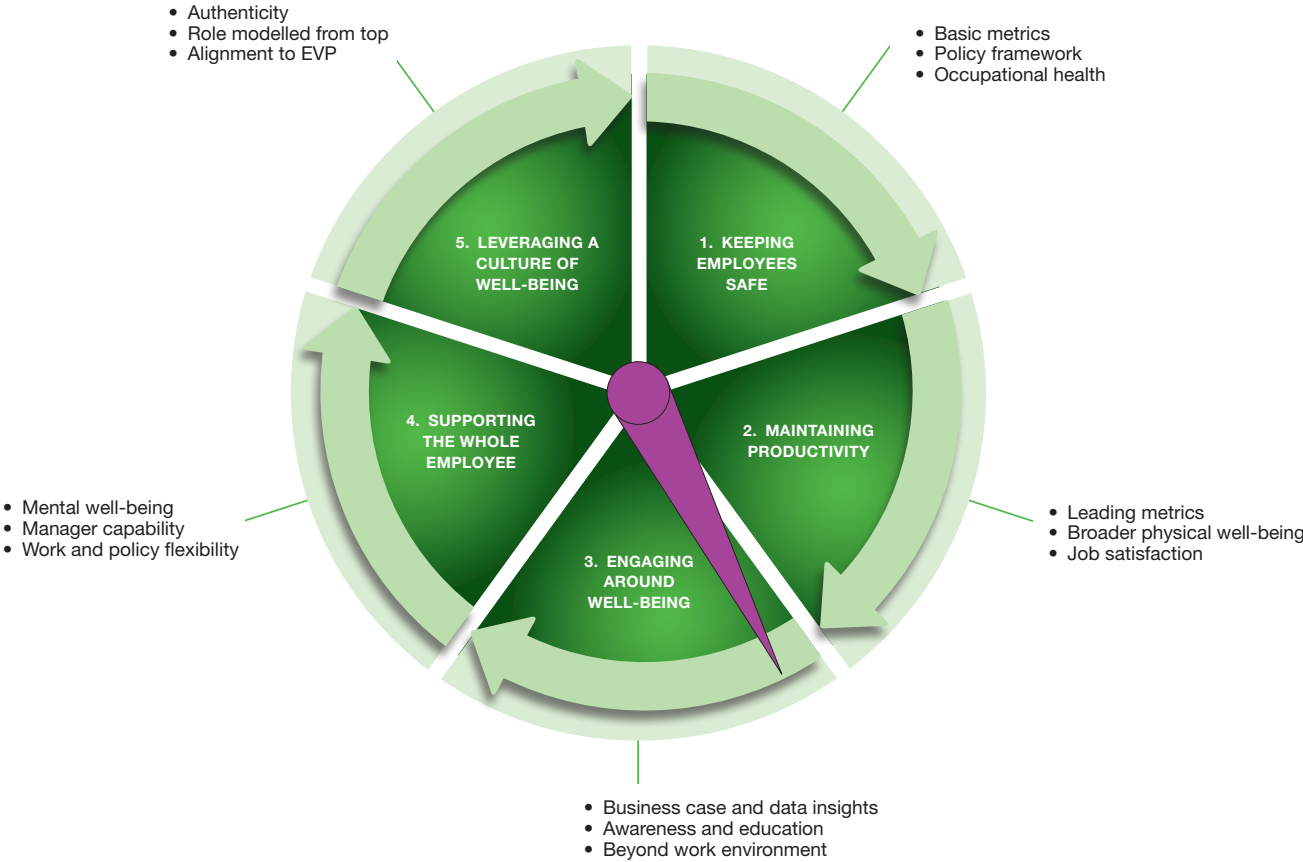


Figure 2. The well-being culture dial

4 More detailed research findings

What we seem to have here is a collision of factors which together mean that we need to be focusing more on the physical and mental health of our workforce.

4.1 How important is employee well-being for your organisation and why?

Organisations are increasingly looking at the commercial and non-commercial benefits of employee well-being.

What we seem to have here is a collision of factors which together mean that we need to be focusing more on the physical and mental health of our workforce. The first of these factors is that of change. As organisations need to become more agile and efficient, as industries continue to adjust to life after the global financial crisis, as complexity inside and outside our organisations increases quicker than our ability as human beings to develop our ability to deal with it – we find that change has simply become a constant. The combination of continual and substantive change, often coupled with a workforce that has been reduced in size and restructured, means that many of our employees are dealing with a lot. This may be additional change work on top of more everyday duties, meaning longer hours or more travel, or it may be the mental challenge of dealing with ambiguity and uncertainty. Either way, questions are beginning to be asked about the impact on our employees. Part of the reason for this is that we are noticing some of the symptoms – sickness absence levels, incidences of stress-related illness, physical health issues, issues with engagement or productivity.

And here we highlight what appears to be a provocation – that many of the drivers for a focus on employee well-being seem to initiate from a concern about organisational performance, i.e. well-being being an issue that, if improved, will deliver higher productivity or reduce the impact of sickness. One very honest HR leader commented ‘it is almost as if we are trying to find the magic bullet that will keep the organisation productive as we pile on more work.’ Another remarked, ‘it’s on our radar but we’re not really doing much about it – we have indicators of a lack of well-being – levels of stress-related absence and a lot of anecdotal stuff about unmanageable role design and long hours.’ Another talked about their organisation beginning to notice some of the symptoms but being reticent to deal with some of the answers – ‘we tend to deal more with the symptoms than the causes, because we don’t like the answers. There is a sense that we see more and more people taking time out and being signed off. We are pushing people so hard they don’t make good decisions any more.’ In organisations either based out of or with a big presence in North America, there was a strong financial driver in relation to the cost of employee healthcare. Healthcare cost has been a major political hot potato in the United States for several years, and it should be no surprise that there is a strong focus in this respect.

This mindset may be one of the underlying explanations as to why, anecdotally through the research, the word ‘well-being’ was universally used, but the word ‘resilience’ and a focus around resilience appeared only very infrequently.

When talking of symptoms, another finding is worthy of note and proves both a motivator and a hindrance for organisations thinking about employee well-being; and that is the significant increase in mental health issues among employees. For

example, in some sectors, they have experienced a significant increase in mental health issues over recent years, which cannot be explained away through changes in measurement approach. In almost all organisations interviewed, the rise in mental health issues was considered a worrying trend but also one that presented many more perceived challenges than more traditional physical well-being issues. The topic of mental well-being and resilience will be discussed in more detail in subsequent parts of this report.

The results of a freedom of information request recently published in the Daily Telegraph, using data from over 100 hospital trusts in the UK, suggest that the average NHS worker now takes 15.5 days off sick each year, reaching 25 days in certain areas. Within this, stress is increasingly a reason for absence among NHS staff, showing a 37% increase in the past three years.

Another frequently reported driver was related to the attractiveness of an employer and its ability to retain its people; and a growing sense that employees were expecting employers to have approaches to maximise well-being. 'We have people working long hours and travelling a lot. We are realising that we need to think about resilience so that we don't lose people,' said a leader in a global services organisation. A global talent leader remarked, 'there is a sense that the psychological contract has changed and we are expected to address some of this.' Many of the organisations interviewed talked about the different attitudes of younger employees entering their businesses: that they were much more aware of work-life balance, less accepting of working long hours and much more vocal as to the fact that they expected their employer to be managing the impact on them personally. 'Younger people want a different relationship with the business and expect it to do things for them,' said a senior leader in the retail sector. This obviously reinforces the dilemmas of the multi-generational workforce, as well as the fact that talent shortages and an increasingly employee-centric talent market are forcing organisations to think harder about the relationship between well-being and employees as part of the deal that they offer to current and future employees.

But there were also some drivers that felt more holistic and philanthropic. Here there were frequently cultural drivers that were in some cases nationality-oriented and in some cases very much linked to the culture of the organisation itself. For example, one financial services organisation talked of the way in which some of the attitudes from its Scandinavian naissance had inculcated other elements of the global organisation and that this had placed the well-being of employees very much at the forefront of its approach to business, work and employment practice. Another offered, 'we have a moral obligation to look after the well-being of our people.' One senior HR leader in a large global technology business talked of what he described as the 'huge social time-bomb' of the way in which 24-hour availability via technology was driving unsustainable pressure to work longer hours and be available to work at any time. The role of technology in driving the potential for issues surrounding well-being was highlighted by many as an example of why well-being was becoming more of a talking point.

The issue is certainly beginning to grab the headlines though. A good example of the growing importance of employee health can be found in our own NHS. Simon Stevens (Chief Executive of NHS England) was quick to talk about the topic upon taking charge. Concerned about the rising trend in mental health issues and also the

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increasing cost of sickness absence, Stevens announced a programme of action built around three key pillars:

- Piloting a well-being initiative – across 55,000 staff, including health checks, fitness classes, occupational health involvement, education and accountability at board level
- General Practitioners – addressing the risk of burn-out through practitioner health case studies, including anonymous access to support, with a view to developing a framework that can be rolled out nationally
- Nutrition – including better access to food for out-of-hours staff, the quality of food options available to all staff and the renegotiation of catering contracts

Such a public articulation of the growing importance of well-being serves to underline the way in which organisations are beginning to consider the topic.

One final point that arose through conversations around the importance of this topic was that there were large inconsistencies in the degree to which senior leadership was engaged around the topic. We will discuss this in more detail in the section relating to some of the issues being encountered, but leadership awareness and role modelling emerged as a critical area. One HR leader remarked that ‘it is absolutely not on the leadership team radar and they would feel uncomfortable talking about it. “Safety and well-being” is one of our core values, but when I ask the leadership team about it they only talk about safety.’ One very positive story, however, related to an organisation where one of the most senior and respected leaders chose to reveal their own very personal story of workplace stress and how it had impacted upon them. One of the key points they made was that organisations must not think of the impact only when it becomes a diagnosed condition, such as depression or a physical ailment, but consider the cumulative impact of what we often just call ‘stress’. Stress itself is not a condition, but we use it as such, often saying ‘I’m stressed’ or ‘work is stressful right now’. The message from this leader and from other organisations surveyed is that it is not ok to have a binary mindset to well-being – to effectively consider it a non-issue until it results in something tangible, such as absence. If we do, we are pushed to focus on treating symptoms not causes. We need to think of it proactively as something that requires design and management in everyday work.

4.2 What does employee well-being and resilience comprise?

Currently a huge range of approaches. Different philosophies from local risk assessment to holistic employee health culture. But approaches are usually under-developed and one-dimensional.

It is clear that well-being is interpreted in different ways in different places and by different organisations, but we can categorise six broad areas of focus:

- Safety
- Physical health
- Mental health
- Work environment
- Nutrition
- Financial well-being

Nearly all of the organisations we spoke to had ambitions to approach employee well-being more holistically, but this is rarely their starting point, and many had not progressed beyond a limited scope in terms of their focus on well-being, in spite of this aspiration.

In general, we see a trend from an interest in physical well-being toward an approach that includes mental well-being. For many organisations, the approach to physical well-being has its roots in a health & safety culture. For some this means that the approach to well-being is based heavily in a culture of treatment rather than prevention, with a procedural approach driven by occupational health departments. As one multinational organisation commented ‘in some countries well-being is mixed up with health & safety. The UK has just appointed a well-being manager, but they are really just health & safety. Occupational health is largely campaign driven in many places, but where it is embedded it is mixed up with health & safety.’ Where such cultures exist, there is an emphasis on sickness absence as a barometer of well-being.

The next phase in the evolution of a well-being approach is when such organisations begin to move more into the preventative space, building on absence or simple health & safety data to delve deeper into some root causes and identifying actions to mitigate frequency and impact. Strategies to address well-being may typically include looking at work design and management. One interviewee summed this up nicely by saying ‘typically we have looked at well-being through the sickness lens. Now we are moving to three key focus areas – reactive elements of employee health, health surveillance and lastly, proactive. Some of it is about spotting things before they happen and intervening, or helping someone come back to work more quickly due to modification of their work. Most people would call this OH [occupational health], whereas well-being for us is more about keeping people fit and healthy at work.’

Proactive approaches will frequently feature measurement of employee health, for example through the provision of free regular health checks, and feature schemes or campaigns aimed at increasing awareness of health or offering support and incentives around key health-related themes, such as smoking cessation or cycle-to-work schemes. The aim is to try to develop a more informed workforce and to encourage them to participate in ways that can improve their health.

The phase beyond this move from reactive to more proactive appears to again focus on physical well-being, but revolve around a broadening of its scope. The two areas where this is most common are the move into nutrition and the move into the design of the working environment. By nutrition, we are talking about a mixture of education as to the benefits of healthy eating and an understanding of the science behind nutrition, along with making changes to the nutritional value of the food that is available to staff while at work. When we refer to the working environment, we are exploring a broad selection of factors from the provision of open spaces and communal areas to the type of lighting and the purity of the air, from the use of glass to open up office spaces to the eye and the provision of flexible workspaces to the inclusion of employee kitchens or café areas – the aim being to create variety, interest, relaxation and ease of working as a means of making people feel happier at work through the medium of physical infrastructure. Working environment needn’t mean in the office of course. It can also mean enabling employees to work more location-independently or via technology-enabled solutions that minimise unnecessary travel and time.

The phase beyond this move from reactive to more proactive appears to revolve around a broadening of physical wellbeing scope into nutrition and the design of the working environment.

These two areas seem to represent the threshold between the worlds of physical well-being and mental well-being, and for many organisations that took part in the research this is a transition point after which progress into more holistic physical and mental well-being strategies seems to falter despite good intent. Many organisations are moving forward on these two areas in addition to more traditional and 'parental' domains, such as health & safety and the avoidance of work-limiting physical conditions brought on by issues in work design. But there is something else that characterises work environment and nutrition as thresholds in approach – they also inhabit the boundary with a more personal, and therefore more complex, dimension to well-being and raise philosophical questions about the degree to which an organisation can, or should, interact with an individual's personal life outside the workplace. This is discussed as a theme in a later section of this report.

Beyond this point in the evolution of a well-being approach and philosophy, organisations move into the domain of mental well-being. At this stage a whole host of dilemmas arise, including but not limited to the following (see later section):

- What do we mean by mental health or mental well-being?
- At what point do employees see this as intrusive?
- Cultural norms around working hours and reaction to pressure
- Stigma associated with mental health issues
- Diagnosed versus undiagnosed

The ambition is to create an approach to well-being that is broad and versatile. 'Our well-being strategy is quite holistic – physical and mental well-being, work-life balance, work environment and nutrition. If we get all of this right we will have a healthy, productive workforce,' said one organisation. This holistic and complementary philosophy was echoed by another who commented, 'we are now beginning to have a more holistic approach – mind, body and purpose. The physical impacts on the mental.'

However, the growth of the focus on mental well-being appears to be following a similar early path to the more advanced approach to physical well-being. Whereas many approaches to physical well-being grew out of a narrower focus on health & safety, many organisations' approaches to mental well-being are focused heavily around stress and its link to absence and lower productivity. 'We are mainly thinking of this as being about stress at work and haven't really thought about it in other ways at the moment,' said one HR leader. One organisation reported that one of the dilemmas with an approach centred around stress was that stress itself wasn't really a measurable condition but an invisible one, meaning that there is only the ability to tangibly measure what it can lead to as an outcome. This means that organisations are more dependent upon individuals being comfortable in talking to their managers early on when they felt stressed at work, or managers being able to notice some of the early symptoms of stress before they result in more readily diagnosable conditions.

Some organisations, however, are moving into a more proactive approach to mental well-being. 'We have moved to a broader mental health consideration and now into a broader well-being piece.' 'We are moving into mindfulness etc. We see resilience as distinct from stress management – it's about people who are well, working on strategies that can make them more resilient – a life skill applicable to wider life not just work. Will help you deal with any issues at work or home.'

Another remarked, 'we want to look at the environment that you work in – how well it is set up to ensure you are happy – not just occupational health stuff about computer screens and so on. How people respond in stressful situations – what could I do when I'm not happy that could help? A more fluid relationship, with the business reacting at the right time with the right thing rather than a survey. A more individualistic approach. Needs to be thoughtful not just funky – based around how you want people to work.'

Although many organisations struggle to get their heads around mental well-being, for a clear minority, a common theme that appeared to unlock thinking was that of helping employees to help themselves. As one HR leader commented, 'I think it is about moving more into the life-coaching arena and away from the psychological side. Perhaps using tools and approaches around EQ [emotional quotient/intelligence] and psychometrics to open things up. We have worked with it from NLP [neurolinguistic programming] to mindfulness.'

An interesting point to note was that one organisation had a real focus on what it termed 'financial well-being' and the link to both mental and physical well-being. Their rationale was that they had found through calls to employee assistance programmes, along with other information, that their employees were reporting growing issues relating to debt, anxiety around future financial planning and increasing issues with making ends meet in the demanding modern world (childcare costs etc). They had very sensibly concluded that offering assistance to their people regarding how to better manage their finances and address debt issues would have a knock-on impact on levels of mental well-being via reducing causes of anxiety and physical well-being through affordability of better nutrition and working fewer hours in order to accrue more overtime. Providing financial advice was also very much within their skill set. It was early days, but initial signs were good in terms of the benefits of this approach. As such, financial well-being is certainly worthy of inclusion on our list of well-being philosophies.

Speaking to one organisation, they strongly felt that it was time to bring all of these different factors together under a more holistic and all-encompassing heading of 'employee health' in order to avoid some of the solo-ism in approaches. The example they used was for a HGV driver. As it currently sat, the most likely manifestation of a well-being agenda for that individual would be the measurement of their hours – an approach deeply rooted in a health & safety-biased physical well-being approach. However, what if we were to think more broadly about the demands of the work itself and its potential impact? What about the impact of such work on nutrition? A driver may lack access to healthy meals due to the location and hours of their work. In the same way that the NHS has recognised that staff working night shifts often only having access to food from vending machines, HGV drivers are also frequently operating during the hours of darkness and often having access to a limited selection of food options. What about the mental impact of being away from their families for extended periods or lacking the company of colleagues? What about the financial pressures of frequently being paid by the load? What about the frustrations of delays at border crossings and ferry ports? What about the well publicised risks relating to illegal immigrants attempting to find routes into other countries? What about the physical and mental impact of spending the majority of your time in a small cab and the lack of opportunity for physical exercise? What about risks from polluted air? You see when you look at a role like this in a more holistic way, you realise that there are many dimensions of well-being that are potentially being neglected for each and every individual by virtue of a narrow approach to the subject. This perhaps illustrates the need for a shift in the way that organisations think about well-being to a broader and more holistic approach based around the work that an individual does and the environment in which they do it.

Although many organisations struggle to get their heads around mental well-being, for a clear minority, a common theme that appeared to unlock thinking was that of helping employees to help themselves.

They strongly felt that it was time to bring all of these different factors together under a more holistic and all-encompassing heading of 'employee health' in order to avoid some of the solo-ism in approaches.

4.3 What challenges are organisations experiencing and why?

The main barriers appear cultural, especially in the attitudes to mental well-being. Getting leadership to see the topic as a business issue is also a major challenge.

A clear finding from the research was that the vast majority of organisations were finding it difficult to make progress on well-being. This was especially so when looking to move into the domain of mental well-being and having a joined-up and holistic approach. The main barriers fall into the categories below:

- Moving beyond a health & safety mindset
- Creating a joined-up approach
- Culture at the top
- Employee cynicism and perceived hypocrisy
- Crossing the line in terms of personal intrusion
- Attitudes toward mental well-being

We have talked a little already about the challenge of moving beyond an ‘avoid physical harm’ approach to a broader well-being philosophy. Where organisations, for good reason, have a very strong safety culture (in manufacturing or extraction industries, for example), we frequently find that there is a focus on the avoidance of physical injury and a heavy occupational health approach to education and treatment. Frequently, in factories and other such environments, it is easy to also talk about factors such as work design and work environment, but this is often in the context of issues like manual handling and desk or chair design rather than the broader impact of work and working environment on well-being. However, there can also be benefits to such a focused culture since there is at least recognition of the business impact of well-being issues on productivity or cost. In organisations that have the capability to injure or even kill people due to the nature of the work, the challenge may sometimes be less about whether or not the issue is taken seriously, and more about education and the breadth and sophistication in the way in which people are thinking about well-being.

Another issue that can make it difficult to move beyond a health & safety mindset is that of measurability. Health & safety is relatively easy to measure in terms of the size of the issue and whether or not you are making a difference to outcomes, since the outcomes are often quite visible. There is a whole industry of measurement around health & safety – lost time accidents, near miss ratios, sickness absence and occupational health referrals to name but four. Measuring employee nutritional health, stress levels or mental health conditions is obviously much more challenging and it is therefore much more difficult to make a business case in this respect. ‘A lot of organisations have well-being managers or teams who are finding it hard to defend their existence and show a connection to the bottom line,’ said one provider of services in the well-being space. One organisation was finding that once they were able to put some measure of quantifiable impact around the subject of mental health, they started to get traction with the leadership. ‘There is now a realisation that stress can impact anyone, even our top performers. It costs £125k to replace a manager so the business is listening to us now.’

The vast majority of organisations were finding it difficult to make progress on well-being, especially a move into the domain of mental well-being and having a joined-up and holistic approach.

Another issue that can make it difficult to move beyond a health & safety mindset is that of measurability... Measuring employee nutritional health, stress levels or mental health conditions is obviously much more challenging and it is therefore much more difficult to make a business case in this respect.

Challenges such as these contribute toward it being hard to create more holistic and joined-up strategies to address well-being since they create silos, structurally or culturally. For example, where you have an occupational health function used to working with a particular range of issues, it may be skill sets that make it difficult to move into other areas of well-being. Or where the emphasis is on bringing staff back to work after they have been absent from work and diagnosed with a condition, it may be culturally difficult to also think about more holistic and proactive issues such as nutrition. Whatever the reasons, organisations appear to almost universally find coalescing the different threads of well-being under one umbrella a near impossible task.

The question of ownership is often asked in these situations. Sometimes involvement is fragmented across a number of different areas such as occupational health, HR, safety managers, employee well-being teams, employee assistance programmes and external suppliers; and it is nobody's job to pull these threads together into a more effective and holistic offering. One or two organisations had appointed chief well-being officers as an attempt to address this, but it is early days yet in terms of demonstrating the efficacy of this approach.

A key hindrance is the way in which the leadership of the business acts and thinks around well-being. Several organisations reported huge challenges in gaining buy-in at the top for approaches to well-being. The most commonly-cited reasons for this were return on investment and attitude toward the demands of the job. As stated above, creating a clear articulation of the benefits to the organisation in a way that engaged the leadership was often difficult, and many respondents talked about resistance or 'intellectual agreement' that slowly got de-prioritised as other issues emerged in terms of actions. One interviewee made the observation that 'lots of organisations talk about it but make no investment in it – if you were running a factory, you would be investing to maintain your equipment, but when we think about people we don't do this. There is a need for ongoing maintenance, which we apply to machines but not our people.'

But a more worrying trend in terms of senior leadership failing to engage with well-being was around attitudes to mental well-being. A number of organisations reported a culture at the top that looked at employees complaining about the stresses of their job as weak or saw it as indicative merely of employees not being up to the demands of the work. 'Leadership is split on this – there are some people on the board who are genuinely worried about their people and some people who think we are simply not performance-focused enough,' said one organisation. These leadership teams often role modelled a culture of extreme working hours or leadership styles that created a culture of pressure and fear of failure. One HR leader remarked 'some leaders don't engage with it well or over simplify it. There is a view that you have to be strong and it's all about task.' Another senior leader commented, 'our leaders work very long hours and change agendas all the time, asking people to do stuff at the last minute. This creates stress in the organisation.'

It would be wrong to suggest, however, that barriers to developing comprehensive well-being strategies are associated in the main with the leadership of the organisation. The research showed that many times, the resistance came from the employees themselves. This reared its head in two main ways – either cynicism around the authenticity of the organisation in pursuing a well-being agenda, or an ethical pushback as to the degree to which an employer's reach should extend into one's personal life. 'Employees think it is tokenistic that we are saying these things but not addressing causal issues like under-staffing. We are being undermined by cynics who say that this is hypocritical and inauthentic.' This was the view of one global HR leader in the midst of trying to engage employees around their own well-being.

A number of organisations reported a culture at the top that looked at employees complaining about the stresses of their job as weak or saw it as indicative merely of employees not being up to the demands of the work.

Organisations reported one challenge above all as being the greatest – attitudes around mental well-being itself.

Just as in the wider world, the area of mental health has been a taboo and misunderstood subject for decades.

‘People see some of these things we want to do as going beyond the role of the organisation – think it is too intrusive and crosses a divide. The works council’s very hot on this,’ said another.

It is interesting that, as employers begin to think more holistically about employee well-being, related issues begin to emerge such as privacy, the divide between work life and home life, and the right of another party to regulate elements of individuals’ lives. However, we should not be surprised. Such issues have dogged anti-smoking and alcohol awareness campaigns for many years. Decades before, there was similar resistance around the compulsory wearing of seatbelts. Relatively recent press coverage in the UK around a ban on smoking in cars carrying children has shown the issue to be held in a highly sensitive way by a politically-significant proportion of the population. The same pattern has been demonstrated around efforts to increase the level of nutrition offered in school lunches to children, with some parents protesting that their children should be allowed to eat whatever food they want, irrespective of nutritional value.

All these issues came up quite frequently in the research, but organisations reported one challenge above all as being the greatest – attitudes around mental well-being itself. This was summed up by one statement in particular. ‘We struggle to talk about mental well-being. People are experiencing a lot of uncertainty about their roles, but there is a really negative culture around people who have stress or mental health issues.’

Organisations appear highly uncertain as to how to approach the issue, either due to its less tangible and measureable nature, or due to cultural or personal attitudes. Occasionally, there is a sense that being impacted by the pressure of work is either something that people just need to get used to or something that is indicative of weakness or lack of capability. Just as in the wider world, the area of mental health has been a taboo and misunderstood subject for decades. Those experiencing a decline in mental well-being may be reticent to speak up about it, while those who work with them or manage them may feel ill-equipped to bring up the subject or may simply not notice that anything is wrong. Hence, mental health is the area of sickness absence showing the highest growth. In the NHS, absence through mental health issues increased 37% in the three years to 2014. Also, a mental health issue is more likely to result in a long-term absence than other types of issue. These issues are also tough to spot before they result in a diagnosable condition, so we have a ‘Holy Trinity’ of challenges: they are hard to spot early, difficult to engage people around and harder to treat. In a way, it’s no wonder that organisations are getting bogged down at this point in their wider approaches to employee well-being.

4.4 What are organisations doing and is it working?

There is a clear trend for an initiative-led focus on employee well-being, but mainly on physical well-being. Some are investing more than others.

This broad and complex issue is unsurprisingly resulting in a wide range of actions to address it. The activities taking place in the organisations interviewed during the course of this research can be summarised under one or more of the following areas:

- work on resilience and managing mental well-being
- broader partnerships with charities and specialist providers
- removing complexity from work
- action on nutrition
- a focus on physical health infrastructure and incentives
- leveraging employee diversity

On the mental well-being front, we already talked about some of the challenges that result in progress being slower than desired. However, pretty much all organisations we spoke to had plans in place to try to make a difference. The real trend here was in relation to resilience. It was interesting to note that in the conversations around well-being up to this point, the word 'resilience' was hardly mentioned. However, when talking about what was being done, it was ubiquitous. Organisations were putting a lot of effort into working with employees to develop their personal resilience in order to make them better placed to deal with issues that could result in a decline in mental well-being both at work and in their wider life. These approaches ranged from techniques focused on developing mindfulness (i.e. noticing what is going on and activating choices as to how we react) to ways of managing the sensation of feeling stressed (such as controlled breathing) to specific skill-building around financial management.

Organisations were putting a lot of effort into working with employees to develop their personal resilience...

One organisation with a proactive approach was supporting employees in understanding more about their own tolerance levels to stress and other factors impacting mental well-being. 'We have a dedicated internal well-being site that allows people to look at their own resilience and the impact that they, as managers, have on their team.' One organisation described the progress around well-being as follows, 'there is a mindfulness shift going on at the moment using specific techniques in meetings and leadership teams. Permission to make space to be listened to and listen to others. Initially a lot of cynicism around this but people beginning to see the benefits now.'

A technology business has a pragmatic approach. They were re-purposing some work that they had done in the past around change resilience for a specific audience for broader use across populations, with the aim of giving people some tools that they could apply to broader work and life in order to better manage mental well-being. 'On resilience to change, we have taken some of the work we did on mergers and acquisitions and some of the theory of change and started talking to people and developing tools to help them,' a representative commented. This trend of helping employees to help themselves seemed to be a very common approach that was gaining some traction despite some initial cynicism, utilising tools and approaches sometimes designed for slightly more specific purposes to make a difference to broader issues.

One organisation had built resilience into its leadership model in order to give it visibility in the organisation. The challenge in this case will be to ensure that the interpretation of the capability remains true to the intent, and does not become confused with under-performance or a culture of keeping your issues to yourself.

The next area where organisations were putting in place some tangible actions was in the area of partnerships. This again was an option predominantly aimed at filling awareness and expertise gaps in the domain of mental well-being. The sector of employee health is one in which there is a growing group of providers, able to supply expertise to assist in the design of strategies, conduct diagnostics or assessments, or support via system enablement. Several organisations were making use of various providers in this space to complement internal resources in more specialist areas and to benchmark their approaches. Such providers often represent cost-effective ways of providing a broad menu of employee health services, and bring with them both measurement capability and experience in supporting the implementation of well-being approaches across businesses and sectors.

The next area where organisations were putting in place some tangible actions was in the area of partnerships. This again was an option predominantly aimed at filling awareness and expertise gaps in the domain of mental well-being.

The other kind of partnership being leveraged involves charities and other not-for-profit (NFP) organisations with a specific relevance to well-being and, in particular, mental health. These were typically being used to increase awareness and to demonstrate that the business had a values-based commitment to the subject. Being

One element that was pleasing to see come out in the research interviews was that of addressing well-being through the nature of the work.

Process simplification has a powerful return on investment in terms of the removal of stressors, so it is of value to find out where the real pinchpoints are and to see if they can be addressed.

Several organisations had or were engaging in initiatives to educate their workforce around nutrition.

parochial for a moment, it also provides access to information and expertise in a very low cost way while, at the same time, providing opportunity for the charity or NFP organisation to form a corporate relationship and perhaps secure some funding.

Both these types of partnership could be taken to indicate an outsourcing of the elements of well-being that the organisation finds difficult – most commonly mental well-being or skills-specific elements of physical well-being. It is early days for such expertise-outsourcing models to prove their efficacy, but this type of approach has worked in other areas of people strategy, so there is every chance that it will also work here.

One element that was pleasing to see come out in the research interviews was that of addressing well-being through the nature of the work. When talking about the topic of stress with a number of experts, one of the things that emerged is that stress itself is not a condition in its own right. What you have in reality are a plurality of 'stressors' (long hours, ambiguity, or factors that create feelings of anxiety and so on) and the way in which our reaction to these stressors can lead to recognisable conditions such as depression, fatigue, musculoskeletal complaints etc. Approaches such as mindfulness or relaxation techniques are just two ways in which our reaction to stressors can be moderated. Flexible working, better IT enablement, leadership culture and the like are examples of where stressors themselves can be minimised or eliminated. In this report so far, we have talked a lot about quite specific stressors relating to culture, working hours, management behaviour, ambiguity and working environment, but there is also an underlying level of stressors associated simply with the things that get in the way of people doing their jobs. These can create feelings of frustration or anger, generate peer or customer conflict, extend the amount of time that it takes to get the job done or just make an individual feel that the world is against them. For example, IT systems that don't work properly, cumbersome or bureaucratic processes, different time-zones, getting stuck in traffic or other commuting difficulties, lengthy escalation or decision-making processes or ways of working that seem at odds with what an individual or business is trying to achieve.

'We are putting a lot of effort into simplifying processes – making it easier for our people to access the information they need to do their jobs. For example, giving managers on the floor tablet computers, enabling work across boundaries via online collaboration platforms and communities where they can share best practice and make people feel that they are not alone,' said an HR leader in a retail organisation. This is an important point because it is illustrative of a situation where there is a powerful potential impact on well-being, but it sits outside of the traditional sphere of influence of thinking about well-being. It is particularly relevant for HR, since there is possibly no other function of the business where there is potential to touch so many employees with process and policy. Therefore, the responsibility that HR must carry is to ensure that its processes and policies are not over-engineered or unnecessarily hard to use, since this additional complexity is multiplied across the whole organisation. Process simplification has a powerful return on investment in terms of the removal of stressors, so it is of value to find out where the real pinch-points are and to see if they can be addressed.

Another major area of focus was that of nutrition. Here we saw two types of approach in practice – education and tangible action around nutritional choices offered in the workplace. Several organisations had or were engaging in initiatives to educate their workforce around nutrition. Some of the education schemes were being met with a degree of resistance due to some of the perceived privacy issues described

in an earlier section of this report, but more information was being passed on to staff through booklets, posters and via health professionals. One organisation was reporting some success with its approach. 'The vending machines all have healthy food in and there is a "know your numbers" campaign where you bring dieticians in to talk about diet, measure cholesterol and have diagnostics /plans to become healthier – all at company expense.' One organisation was avoiding the 'tell' approach and using a 'discovery' approach – it was helping employees look at patterns and how they react to the world, and different triggers. People were strapping monitors to themselves for 48 hours and seeing where they spiked. This was really engaging individuals and yielding some surprises. One nice example of thinking was the approach of one organisation, in the food industry, which had been prepared to accept somewhat unreasonably skewed press coverage in order to recommend that its staff did not follow a diet comprising wholly of its own products. This was of course merely aimed at ensuring that the type of food it offered had its proper place as part of a broader and balanced diet, since it was not intended to be consumed for every meal; yet the reaction of the tabloids was somewhat less balanced.

Beyond education, steps were being taken in many businesses surveyed to improve the quality of food available in staff canteens and vending machines. Some organisations were forming partnerships with local firms to allow more choice, whereby employees could order food in the morning and have it delivered to their office in time for lunch. In canteens, there was certainly a rise in the number of healthy choices being offered alongside a range of convenience foods, but this was an area where many organisations were encountering practical issues, such as a lack of influence over the providers of outsourced food services, particularly in the public sector where public/private partnerships with catering suppliers were sometimes embedded for up to thirty years! Where one or two organisations had experimented with the withdrawal of less healthy options such as snack foods, they had found the need to reinstate them due to pressure from employees. There was no real evidence of business taking a wider perspective on employee nutrition, such as the impact of extending commuting on diet, early or late working hours resulting in the omission of breakfast or dinner, or over-packed diaries meaning that employees sometimes missed lunch. This overlap between working patterns, culture and diet is perhaps an area where there is further unexploited opportunity in the area of well-being.

By far the most universal area of actual action was in the space of the provision of physical well-being infrastructure and incentives. For example, the vast majority of the organisations either had on-site gyms or offered considerable discounts to employees to join local gyms or national chains in their area. They reported a good take-up on these offers. Many offered cycle-to-work incentives based upon the tax breaks offered by government for such schemes, and had created bike sheds and showers for use by those wishing to cycle or run to work or exercise at lunchtime. Certainly such relatively minor things, such as the provision of staff showers, have a major impact on whether or not employees leverage such opportunities. Attempts were being made to look at the health impact of natural light, with one organisation making a considerable investment in the way in which an office was designed simply to be able to reduce the amount of electrical light being used in the work environment.

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Using employee diversity itself to engender well-being is a really powerful way of addressing the issue.

We see a very broad range of approaches that tend to favour the more tangible area of physical well-being, but are beginning to move increasingly into the more holistic nutritional and mental well-being spaces.

Social and collaborative spaces also played a key role in organisational solutions being employed. Sometimes these were simply spaces where employees could get away from their desks and get a different kind of experience around work. Sometimes they were pleasant interior or exterior spaces designed to provide a space to relax or eat. One IT organisation offered staff a fully-equipped kitchen with large quantities of healthy food and drink available at any time for staff to enjoy, and as a result such spaces had become social hubs.

Several organisations were providing some kind of health incentives. An HR director of a retail food outlet offered, 'people are walking a lot during the day, even up to 20 miles. We link up to fitness bands and link to rewards driven by health provider.' Another had just embarked upon an initiative to give over 7,000 employees a free health check. Commonplace, especially in North America, were incentives for smoking cessation, such as lower health insurance premiums, or vouchers for achieving weight-loss targets. In the UK, one organisation had a whole range of options that it offered to its people, from a recreational club focus to a string of company-owned hotels, holiday cottages and campsites. They also gave individuals £250 to spend on some kind of fitness activity, along with private healthcare for the management population. More than one organisation was working in partnership with the risk function internally, recognising the importance of employee well-being on business cost and performance.

Lastly, there was one organisation in the retail sector that had come across a particularly interesting way of addressing well-being – one that no doubt many more organisations could take advantage of in a cost-effective way, but not one that would necessarily be immediately obvious. Said a leader in that business, 'one of the things we have found is that getting the right balance in a team is very important, especially in terms of age mix. If you have a few older people, the teams tend to work better because younger people find that these people tend to understand their issues and care more.' Using employee diversity itself to engender well-being is a really powerful way of addressing the issue. This organisation had initially noticed this trend by analysing employee engagement survey data, and now made a conscious effort to try to balance the age make-up of its teams. They had discovered that younger employees looked to more experienced employees almost as uncles and aunts, and felt comfortable airing their personal feelings with them in a way that they did not with peers or managers. At the same time, many of these older employees had been parents to children of similar ages and so were able to empathise and support these younger individuals in the workplace. Using the workforce itself in such a way appears to be a great way of making a difference to well-being, for both individuals and business. It is perhaps surprising that it did not come up more often as a way in which organisations were tackling the subject. It may well be that this is happening elsewhere, but is not a conscious approach.

So, when it comes to what organisations are actually doing around well-being, we see a very broad range of approaches that tend to favour the more tangible area of physical well-being, but are beginning to move increasingly into the more holistic nutritional and mental well-being spaces. Physical well-being strategies are well developed and are increasingly focused on prevention and on incentives around a healthier lifestyle. Nutritional approaches are, in the main, based around education and offering healthy options in staff canteens and vending facilities. In the mental well-being space, progress is slow for a range of reasons, but approaches such as teaching mindfulness are the most popular.

4.5 What does this mean for HR?

The main issues facing HR are those of culture, articulating the business case for well-being and improving on under-developed metrics. Well-being is increasingly becoming a key element of the EVP.

One thing that emerged quite strongly from the research was that HR is finding this whole area quite tricky for a variety of reasons, and it has exposed some challenges to and gaps in HR's operating model.

The aspiration for HR's role as well-being champions and business partners around a manager and leader-led cultural change came across very strongly. 'HR has two roles – protecting risks of sickness and loss of productivity plus safety ... and cultural change resulting in a decrease in the gap between espoused employee value proposition and actual.' This link with EVP was typical among those interviewed, as was the link with culture. 'HR should and could be the heart and the conscience of this, promoting programmes and activities that are supporting workforce health. The whole change agenda needs looking at. We don't do it in a way that promotes health.' These were the words of one HR leader describing how fundamental shifts in culture were needed. 'HR needs to be more focused on what employee health really is and give it the same level of importance as they give things like appraisal and recruitment. How much time do managers and staff spend talking about this kind of thing? How do we get employees to become more accountable for their own health?'

Building well-being into manager- and leader-led processes was a key discussion topic in the research. It was typical for those interviewed to report that well-being did not play a role in performance discussions between employees and managers, and the need to educate line management emerged as a key need for HR. This was summed up nicely by one leader who commented, 'we need to try to move away from HR processes into leadership practices. The challenge for HR is to equip leaders to do this, to understand why this is important, the impact on the business and how they can impact this in small ways every day.'

This question of ownership for well-being was commonplace. Those interviewed were clear that well-being was a business not an HR issue, but this view was not always reflected outside HR. A fundamental barrier standing in the way of resolving this question was HR's ability to articulate the business case for well-being. 'HR needs to better understand the business needs and not make it an HR programme but a business programme. Metrics are vital – how we demonstrate that this is important. The business won't invest in this unless HR can articulate the cost of doing nothing,' said one HR leader heavily involved in cultural change around the topic. It seems that being able to make this initial translation from an employee to a business issue was front and centre in HR's ability to move from a reactive role to a more proactive and preventative role working in partnership with the wider business. Yet very few considered themselves effective in this space (see the next section on measurement).

Structural issues relating to well-being cutting across so many areas of responsibility added to challenges in establishing the imperative. It seems that many leadership teams were quick to acknowledge the issue intellectually, but more reticent to prioritise funding when viewed against a number of other needs. HR found it easier to establish financial cases around physical absence than, for example, the impact of stress. While researching the topic, it was interesting that a small minority of organisations were beginning to look at the impact of 'sick presence' i.e. when an individual is at work but feeling poorly or stressed, and the impact of this upon their contribution. This is currently an under-explored area, but one that HR could get behind.

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Perhaps above all of this is the question of culture. Whether it be the perceived intrusion into an employee's personal affairs, such as smoking cessation or nutrition, or changing attitudes to mental well-being and stress at the top of the organisation, culture appears to be both the biggest blocker and the greatest opportunity. This research suggests that culture should be addressed across the following dimensions:

- **Top team and leadership attitudes and engagement** – HR needs to continue to champion the growing importance of well-being, use data better to make its case and articulate the business benefits. Off the back of this, senior HR leaders must hold up the mirror to those senior behaviours and attitudes that serve to act against rather than for, perhaps in the same way in which HR has made progress with some elements of diversity and inclusiveness using unconscious bias approaches. Using engagement survey data to understand how employees feel about well-being issues is an obvious opportunity if not already being used. Either packaging groups of questions with a well-being theme, or adding explicit questions around the degree to which employees feel under pressure or feel listened to around the demands of their work.
- **Employee engagement around their well-being** – this is an area where HR has been making inroads in terms of the physical side of well-being, and this should certainly continue. Evidence shows that offering incentives can help, and the provision of free health checks is proving effective in raising awareness. However, moving into the area of mental well-being or into the life outside of work has proven difficult. There is considerable cynicism in some employees as well as a view in both staff and leadership populations that an organisation's concern with employee health should stop at the office door or factory gate. At risk of being over-provocative, the element that seems to be missing here is perceived authenticity. Employees aren't stupid; they know that it is in the business' benefit for them to be healthy and productive. What seems to be underplayed by corporations is the sense that they actually care – **really** care – for an individual; and nothing creates cynicism more than employees hearing one thing but experiencing or seeing another. This goes back to culture at the top in a way, but HR needs to ensure that messaging around well-being is both honest and backed up by things that employees can actually see and feel. In the words of Schein's famous culture model, HR needs to be looking at the **artefacts** and **symbols** of well-being culture as evidence of the underlying **values**. In other words, don't talk about the company caring about well-being when people are routinely working 90-hour weeks and the working environment is poor. People **see** the symbols and artefacts and **deduce** the values – they don't see the values. Too often HR is in the space of communicating that something is important rather than helping to demonstrate that something is important.
- **Line management capability to support well-being** – another theme appearing in the research was the importance of good management. This plays two roles in well-being. The first is to be aware of the employee impact relating to the way in which work is set and managed. The second is to be there to notice and listen to ways in which an employee's well-being might be being affected. The ability to notice how an employee is potentially being impacted by work is key to the ability to be proactive and preventative, rather than reactive. It is also one of the most important things in addressing mental well-being, since the symptoms are less easy to spot, and may not even be apparent to the employee. So the manager's role is vital, since they not only own some of the problem, but also some of the solution. This means that managers must be able to engage with their people around such issues – to raise concerned questions when

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they see an employee's behaviour changing, to skilfully listen and support if an employee comes to them with a problem around their well-being, and to come up with ways to improve the situation. If they can do this then they are seen to care, and if managers are seen to care then that is a powerful step forward in culture. HR can support this work through providing line managers with the skills, toolkit and confidence to have the right kind of conversations.

- **Process and work design** – HR has many processes and a strong influence over working policies and working environment. The function should look at its processes and policies to ensure that they do not drive unnecessary work or complexity. HR processes impact all employees, so potential is considerable. This should cover not only terms and conditions of employment such as locational requirements, but also the tools that employees have in order to do their jobs and the nature of the work itself. For example, are employees struggling with technology that doesn't work well or that makes it hard for them to work outside of the office? Are they spending too much time on overly-complex administrative processes? Are roles and responsibilities in work design clear or cloudy? Is it hard to get things done? All these contribute toward work being easier or harder to get done and therefore hours of work and levels of stress.

Only when progress is being made on all of these axes can organisations really talk about their approach to well-being in their EVP. Only when they are able to reflect this in their EVP can they have the best chance of attracting younger talent into their organisation. What we do know about EVP is that it is worse to promise one thing and to deliver another, than to have an imperfect proposition but talk about it honestly. What we also know is that the generations currently coming into the world of work are much more conscious of EVP and the relationship that they have with work. They are less tolerant of working long hours and are looking for a good balance between work and life. They are also acutely aware of getting back what they put in. Organisations with working environments that do not give adequate importance to well-being are likely to find it increasingly difficult to attract, retain and motivate such employees into the future in a market that makes it easy for them to take their skills someplace else. This doesn't mean that every organisation needs a basketball court and a slide between floors, but it does mean that we need to reframe some of our perceptions around the experience that employees have at work. HR has a key responsibility in moving the needle here, but it is not HR's problem – it is a business problem.

4.6 What is being measured?

In general, metrics around well-being are hugely under-developed. The majority of organisations are relying on a combination of engagement survey data and after-the-fact occupational health data. However, nearly all recognised this gap and were taking steps to address the issue of metrics.

In reality, it's clear that measuring well-being is always going to be more tricky than measuring some other things. That said, the research showed some really stark gaps in the way in which HR and business as a whole attempted to measure employee health and well-being.

Typically, organisations were heavily reliant upon employee engagement surveys, which frequently only correlated to well-being indirectly, and data on sickness absence. 'We have an all-employee survey which includes some questions on this,' said one global head of talent, which was a common theme. The majority were actively examining engagement data and attempting to make connections with

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Reporting issues ...
sometimes make it
difficult to establish a
burning platform within
an organisation.

employee well-being, but this was sometimes difficult given the kind of questions asked. For some, questions such as 'do you have the tools to do your job?' were as close as they were able to get to a question relating to well-being. However, there were some organisations that, despite being somewhat reliant upon this kind of data, were being quite smart in the way in which they used it. Several organisations were packaging groups of relevant engagement survey questions to give an indication of general well-being. One had even termed such a package as a well-being index, comprising a composite of questions around support availability, teamwork, management of change, support from managers, advocacy and job satisfaction. These approaches, which make the best of what you have, are often a very cost-effective way of creating more value from existing or even historical data, and would be recommended to any organisations not already doing so. One organisation in the financial sector had included a very interesting question as part of their employee survey – 'do you have energy at the end of the day to pursue interests outside of work?' This is a great question because it not only yields potentially insightful and pre-emptive data, but also serves to reinforce a perception that the organisation cares that its employees enjoy a sensible work-life balance.

Some organisations were not even measuring sickness absence, its reasons or its trends. 'We don't measure trends currently. We measure absence but only how many days, with no reasons for the absence,' remarked one large, global organisation. 'We have questions in our engagement survey. We don't really look at sickness absence or occupational health data,' said another HR leader. Those who were measuring absence were encountering difficulties in making sense of the data. One large UK-based organisation was capturing sickness-absence data, but a combination of system constraints and individual behaviours meant that they had little confidence in the integrity of data relating to the reason for absence. For example, over 25% of all absences recorded in the system had no reason code and the most commonly stated reason for absence was dependency leave. Upon further investigation, there was evidence to suggest that many people used dependency leave as a default reason for absence because it was rarely followed up by managers. Reporting issues like this sometimes make it difficult to establish a burning platform within an organisation. For example, one organisation had a reported absence level of only 4%, whereas it was widely believed to be in excess of 12%, but issues with reporting were to blame for masking this underlying rate of absence.

Exit interviews were also widely used by organisations to generate data on well-being. However, those organisations using such data were also somewhat suspicious of its accuracy. Equally, where well-being issues, such as stress, long hours or excess travel, are reported at exit, it is obviously too late to do anything about it. Where such data was useful, however, was in helping to put a cost to well-being issues, since the relationship with unnecessary recruitment cost becomes more relevant. One organisation was trying to use this data cleverly – 'work-life balance is a big trend for people leaving the firm and we are trying to link with the cost of replacement. The "Holy Grail" is to measure the additional risk to the firm by not dealing with effects of stress.' The same company had made comparisons between absence, productivity and hourly pay rates in order to provide some tangibility to issues with absence and well-being.

Another large technology business was working hard to use a large number of data points to create insights around well-being. 'We are finding it very difficult to extract cause and effect. We have a number of KPIs [key performance indicators] around well-being and health - sickness absence, LTI [lost time injury], rehabilitation, work-related occupational health issues, initiative-tailored measurement (pre and post), sickness reason and a well-being index, where we throw a hoop around specific

engagement questions twice a year in a benchmarkable way. This year we have thought about putting in something more radical – how would individuals rate their well-being?’ Other organisations were using data provided by their health insurance partners – ‘we are also collecting data from medical insurance. We have seen a reduction in sick leave and an improvement in health check results (blood sugar, blood pressure etc). We will correlate with performance data after one year,’ said an HR leader in one business.

The topic of presenteeism or sick presence was largely under-explored, no doubt due to its relative sophistication compared to the point of evolution described by most of the organisations surveyed in this research. What we mean by such phrases is the impact on productivity and effectiveness experienced by employees who are not absent, but suffering from the effects of issues with physical or mental well-being. The NHS is beginning to get into this territory. The NHS Health & Well-being Review (also known as the Boorman Review) was commissioned by the Department of Health and led by Dr Steven Boorman. It was an investigation into the health and well-being of NHS staff, and the final report was published in November 2009. At that time, it was estimated that sickness absence was reaching levels equivalent to 10 million working days or 45,000 full time equivalent staff per year, and resulting in £1.7 billion of direct costs to the NHS. When interviewed recently for this report, Dr Boorman also referred to sick presence, a term coined by the Work Foundation to describe the other side of sickness absence – where staff still come to work despite being ill, but under-perform due to a combination of feeling unwell or the effects of medication. This in turn has been shown to increase stress and make future absence more likely, or increase the potential to spread illness to colleagues.

Although many NHS Trusts would admit to considerable issues with the reporting of absence, they are probably more aware of the impact of issues such as mental health than many other organisations, and are digging quite deep into some of the issues that they have. One initiative in a particular Trust was looking to pioneer an approach that involved actually asking employees a specific question along the lines of: ‘do you believe that a decision or work activity you have been involved with in the last week has been adversely impacted by your physical or mental well-being?’ This is a very brave approach, and one to which there has been considerable resistance within the organisation. It will be interesting to re-visit this organisation at a later date to see what happened. It is perhaps by unlocking some of this type of measurement that HR and others involved in well-being can develop more insightful and powerful data to support arguments around employee well-being.

So overall, we see that measurement of well-being is, for a variety of plausible reasons, very under-developed in those organisations interviewed in the course of this research. This is appearing to have a knock-on impact on the ability of HR and others to articulate the business impact of employee well-being – particularly before it creates an absence or diagnosable condition – that is in turn, making it harder to move to a more sympathetic culture. As such, measurement should be an area of focus for organisations wanting to move the needle on well-being.

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5 Final comments

The topic of employee well-being is a fascinating one for HR on account of a number of factors. The first being that, driven by the tailwind of the explosion in the importance of EVP in a post-recessionary world, it has suddenly increased in both scope and importance in a way that has arguably caught many organisations and HR functions by surprise. The second is that it has moved into areas that organisations, HR functions and employees alike find difficult – a transition into delicate arenas such as mental health and the degree to which any organisation should seek to influence an employee beyond the boundary of the office door or factory gate. Thirdly, it has exposed even further HR's challenges in measurement and creating compelling arguments to influence leadership and employee populations. Fourthly, the topic is all tied up with cultural change, making progress difficult and effort-intensive.

As a result, the research shows that in the majority of organisations, action lags ambition by a significant degree. Much of the low-hanging fruit is being addressed, such as action around the more tangible elements of physical well-being and initiatives to educate and incentivise, but evolution into wider lifestyle change and mental well-being areas is dogged with challenges. Those who have managed to make some headway have done so by engaging senior leadership and creating a positive perception of care and authenticity in the approach among the employee population.

Measurement remains the Achilles' heel of HR, with difficulties in moving from an intellectual to commercial articulation of the issue being a critical factor in success or failure to engage an organisation; with many organisations lacking quite basic metrics and the remainder struggling to create insights from a patchwork of indirect measures. If there were one place to focus going forwards, this would be a good one to target.

In summary then, HR needs to play catch-up with employee well-being. It needs to focus on six key areas as a minimum as illustrated in Figure 3:

1. **Increasing focus and rationale:** upping the importance of well-being – in particular, mental well-being and, within this, stress. Understanding the stressors that exist in employees' interaction with work and where addressing the nature of work and simplification of processes is a potentially easy win.
2. **Bringing the elements together:** looking at employee well-being holistically and not through a narrow lens – this will mean finding a way to corral together elements that may be structurally disparate.
3. **Delivering relevant insights:** measurement and creation of commercially relevant insights – ensuring that basic measures are in place, supplemented by much more specific insights that can be better linked to business performance.
4. **Building the deal:** ensuring that the EVP both includes elements relating to well-being and that the organisation is capable of delivering them.
5. **Addressing cultural blockers:** looking across elements of organisational culture and developing a clear understanding of what supports or hinders the well-being agenda – then supporting the business in addressing them over time.
6. **Practising what's preached:** working with leaders and line managers to move reality in line with espoused values – this will involve upskilling and embedding well-being principles into policy and process. Ensuring that positioning and communication is authentic and that actions match words.

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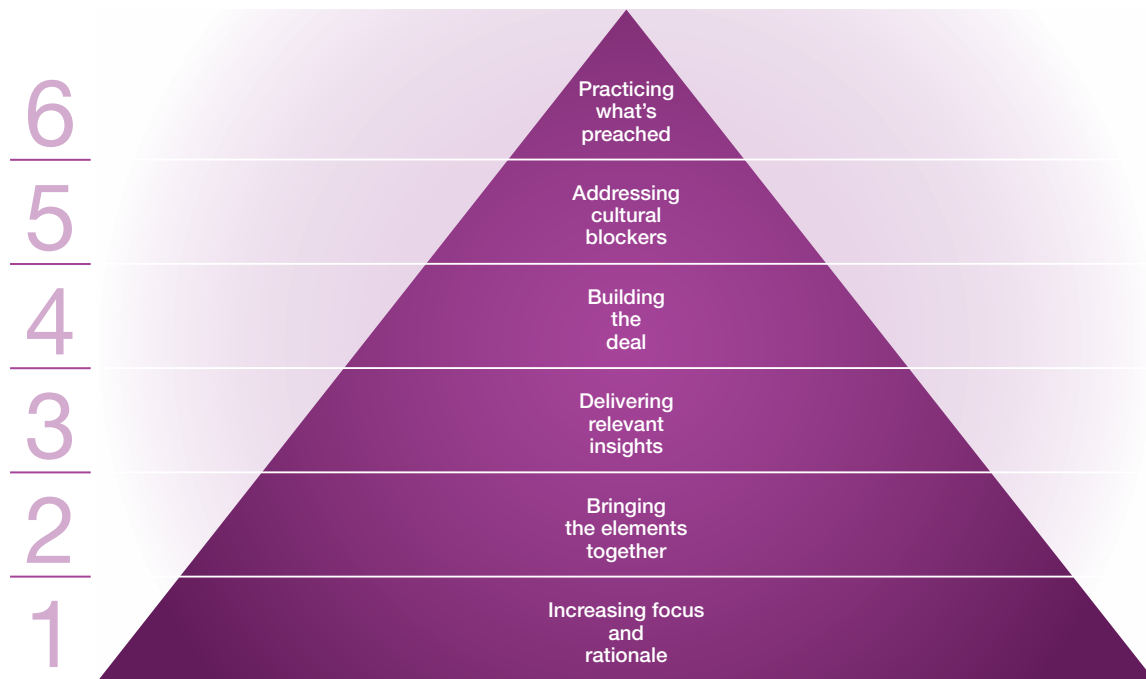


Figure 3. HR's input into building a well-being culture

Well-being is a business issue, but it is also one that HR must play a leading role in championing and supporting. If the function can make progress in closing the lead that the topic has gained on them, then this will be reflected in a better hit-rate between the promises made to employees and the reality that they experience in an organisation, and drive both an improvement in business performance and, most importantly, manage risks to employee health that have impact beyond organisation level and at societal level itself. This is the prize.

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