

Investors in People

Making Work Better Conference

Tuesday 10 September 2024

Improving Employee Health and Wellbeing

Professor Dame Carol Black GBE

Co-Chair, NHSE Advisory Group on Health and Wellbeing
Chair, Centre for Ageing Better
Chair, British Library

The Labour Market May 2024

- Employment rate at its lowest since 2017 !
- Economic **inactivity** at its highest in almost a decade, driven by more older people out of work and fewer young people in the labour force (more in full-time education, but 10% in neither education nor work).
- More people at all ages are not in work due to long-term ill-health condition.
- 900,000 more people out of work than pre-pandemic, yet...
- ...some 900,000 jobs in the UK economy are unfilled, with continued strong growth in earnings.
- For those in work, there are signs that more people can get the hours and form of employment they want

Productivity post-pandemic

- Productivity in the UK has been going in the wrong direction.
- Employee engagement levels in the UK have been stagnant.
- There are **many drivers** of these facts in the post-Covid world.

Post-COVID Workplace Trends

- Uncertainty, weariness and anxiety about all that has happened.
- Health and Wellbeing (including financial WB) elevated in workplace
- Chronic health conditions increasing in working-age people.
- Mental Health deteriorating for many employees, especially the young.
- Need for better individual employee experience recognised.
- Flexible Working – and hybrid working – both good and bad.
- Leaders needing to re-imagine how they lead
- Line managers needing upskilling and support.
- Occupational Health more important, but supply inadequate.
- Investment in technology and information.
- ESG, ethical investing, more notable.

Health and productivity

A. Haldane

(previous Chief Economist, Bank of England) :

“Clear evidence, for the first time since the industrial revolution, of poor health detracting from both growth and wellbeing.”

2023

Chronic ill-health and work, 2024

- More working-age (WA) people report long-term health conditions.
- Post-COVID 470k more UK people are out of work on ill-health grounds.
- Worryingly 3.8m WA people are **in work** with a work-limiting health condition (increase 1.4m over past decade) – a similar number to the 3.9m WA people inactive in the labour market.
- Those with a work-limiting health condition earn on average 15% less per hour than the fully fit.
- Rate of work-limiting conditions has grown fastest among young workers, doubling in past decade, major cause mental ill-health.
- The NHS is poorly positioned to cope with this increase.

Young people

The
Health
Foundation

Resolution
Foundation

We've only just begun

Action to improve young people's mental health, education and employment

Charlie McCurdy & Louise Murphy
February 2024



resolutionfoundation.org

@resfoundation

- Between 2018 and 2022 **21%** of 18 to 24 year olds with MH problems were workless, against 13% of those without such problems.
- The proportion of full-time students with a CMD has reached **37%**, compared with 15% for working young, 23% of out of work young.
- **30%** of young non-graduates with a CMD are workless, compared with 19% of non-grad without MH problems, and 17% of graduates with a Common Mental Disorder.
- **79%** of youngsters workless due to ill-health have qualifications only at or below GCSE, against 34% of all people in that age group.

Resolution Foundation : Recommendations

Four priority areas for action:

- tackling mental health issues at the earliest opportunity;
- providing second chances to get vital qualifications while still in compulsory education;
- boosting advice and opportunities for those not bound for university; and
- ensuring that managers in key sectors undertake mandatory MH training.

Failing to act on the youth MH crisis can only bring more costs in future:

- to the state (in benefits and foregone tax);
- to employers (missing potential workers and risking absence); and
- most importantly to all the young people.

The Older Worker

“ We already know quite a bit about the causes of Health-Related Job Loss (HRJL) in the older worker; and what measures employers can take:

- prevention,
- early intervention,
- creative use of workplace adjustments, and
- commissioning of OH and VR expertise.”

(Only 45% of UK workers have access to OH.)

“ On the policy front, re-focus employment support services, job coaching and Access to Work, towards the needs of older workers.”

Steve Bevan 2023

Deficiencies in business training and investment in human capital

Andy Haldane, FT, 10.2.24

“ Spending on training per worker by UK companies is about half the average among EU companies. In international league tables UK companies rank a lowly 29th.

Spending on training per employee fell by about 27% from 2011 to 2022.

The introduction of the apprentice levy, intended to boost business investment in skills, has instead resulted in the number of apprentices falling by over 30%.

This failure has resulted in a large and widening skills deficit – some estimates suggest that more than 10 million workers do not have the skills they need to do their job effectively.

This deficit is one of the largest contributors to the UK’s recent stagnant productivity.”

Retaining staff

By the statutory pension age (66) one in three workers are unemployed – a considerable loss of experience and talent.

The UK ranks 21st internationally for employment of older workers (PwC data).

“ The most important reason for low employment of older workers is endemic ageism: discriminatory recruitment, retraining and business practices in companies, including around Occupational Health and job flexibility.

Tellingly there is no statutory reporting requirement on the age profile of staff.”

Haldane suggests a voluntary compact – a collective commitment by businesses to train and retain their most precious asset, people.

Centre for Ageing Better

Age-friendly Employer Pledge launched 30/11/2022, 411 signed up

“ ... we will :

1. Identify a senior sponsor for age-inclusion in our workforce – and publicly state our commitment to the pledge
2. Ensure that age is specifically named within our EDI policies
3. Take action to improve the recruitment, retention and development of workers over 50, in the following areas:
 - create an age-friendly culture; hire age-positively;
 - be flexible about flexible working; career development at all ages
 - ensure everyone has the health support they need.

We will commit to take action in at least one area every year and to report back on our activities and achievements annually.”

60% of A-f employers are currently seeing benefits within 12 months in recruitment, retention and development of workers in 50s and 60s.

Flexible working

Employee Innovation during Office Work, Work from Home, and Hybrid Work

- “ Detailed data from an Indian IT services firm with precise measure of innovation activity of over 48,000 employees.”
- “ The quantity of ideas did not change during WfH compared with WiO, but idea quality fell.”
- “During HW the quantity of submitted ideas fell, and innovation suffered, particularly in teams not well co-ordinated on when they undertook WiO and when WfH.”
- “... remote and hybrid work modes may inhibit ... innovation.”

Institute of Labour Economics, and Universities of Chicago, Essex and Heidelberg

GALLUP Global Workplace 2023



World's largest ongoing study of the employee experience, since 2005, 122k respondents.

“The message is clear. Economic growth is slowing, and if global GDP doesn't grow every other problem gets harder to solve.”

The 2022-23 study has one clear message for leaders:
“Change the way you manage people”.

Poor management leads to miserable lives, hating your job is worse than being unemployed, and those negative emotions end up at home. If you are not thriving at work you are unlikely to be thriving in life.

The cost of poor engagement to the global economy is estimated at \$8.8 trillion yearly, that is 9% of global GDP.

Employee Wellbeing Outcomes

W.Fleming, February 2023

“Outcomes from **individual-level Mental Health** interventions”
... cross-sectional evidence from UK.

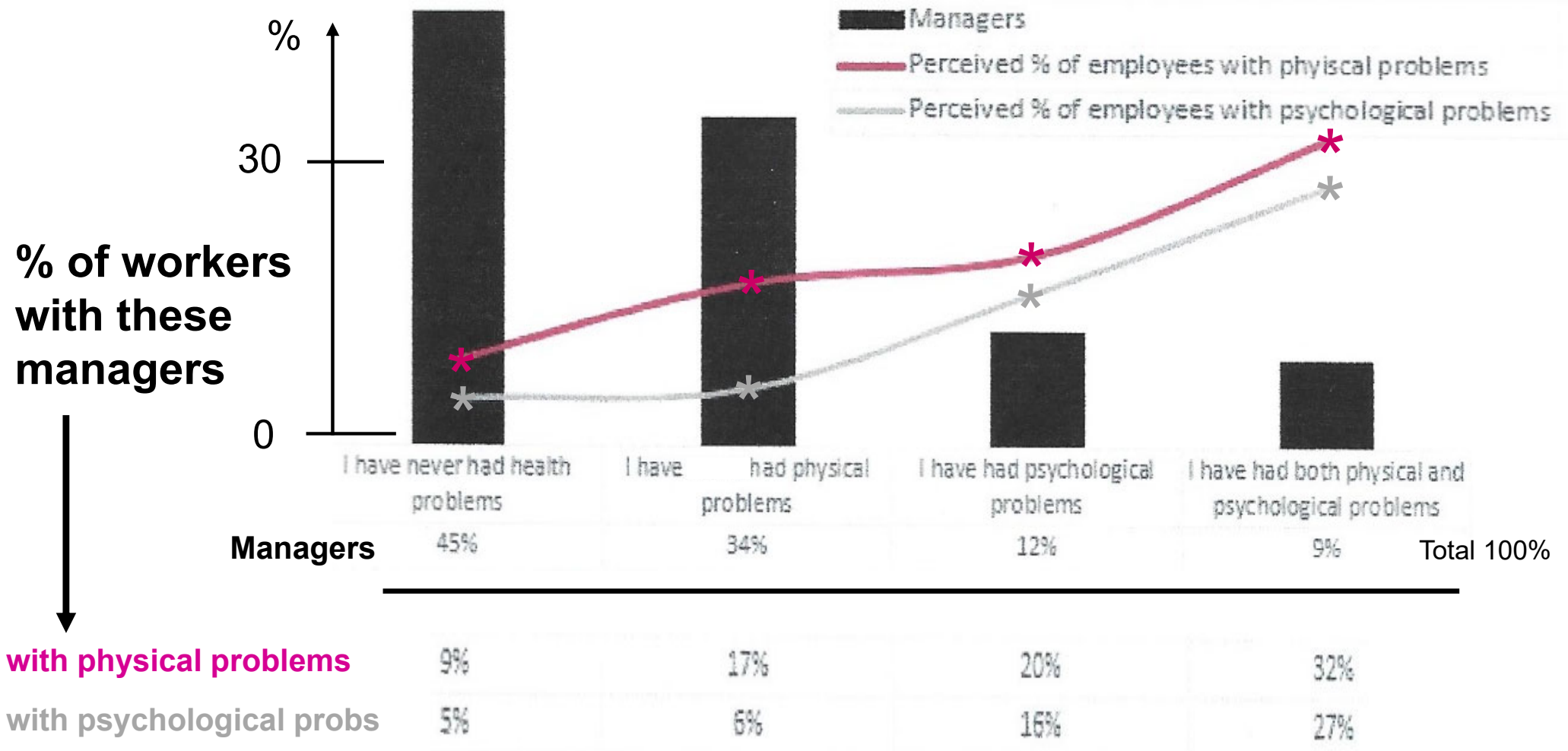
- **By generating new evidence** from an existing large set of survey data, using credible techniques, Fleming has shown that, except in a few cases such as volunteering, interventions affecting individuals **have little positive effect** ...
- ... in that the **outcomes for two groups** (those who took the intervention, and effectively a computer-generated control group with similar characteristics who did Not take it) **were very similar** (and in some cases the intervention group did worse).
- Over the past few years poorly-evidenced approaches aimed at individuals have become increasingly popular, and have swamped the importance of organisational change affecting worker groups, though many reports have emphasised the importance of workplace culture and managerial practice.
- Evidence now needs to be generated to show whether an **organisational approach** would be more worthwhile – or perhaps a combination of interventions at group and individual levels.

Institutional factors: culture and behaviour

Key features common to organisations that have improved **health, well-being, engagement and productivity:**

- Visible senior leadership
- Board-level or equivalent engagement
- Informed healthy managers, well supported, enabling engagement
- Provision of 'good work'
- Attention to both sickness absence and presenteeism
- Attention to mental, physical and financial health.
- Empowering employees to care for their own health
- **Evaluation to ensure continuous improvement**

Healthier Managers don't have so many ill Employees



Data from a 2017 survey of 1,540 managers of small- or medium-sized enterprises in the German-speaking part of Switzerland.

Gen AI

- May be a very helpful tool to address productivity challenges.
- If Gen AI can now take care of rote tasks, and even some complex knowledge work, the nature of work could change for millions of people, not just tech workers.
- However, if it's not managed properly, the very adoption of Gen AI could burn people out even more, accelerating the downward spiral.
- Employees could be freed or re-deployed to focus on work that involves judgment, innovation, creativity, and collaboration – work that is more *human*.

The essential ingredient



“ People not assets make organisations thrive. ”



Ane Uggla

Swedish-Danish business woman

Chair, A.P.Moller Foundation