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Private sector

Health and Well-being at Work

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Overall summary of findings

The findings of the CIPD’s 2018 *Health and Well-being at Work* survey, conducted in partnership with Simplyhealth, show that overall organisations vary considerably in how proactive they are in promoting employee well-being. A substantial proportion have a standalone well-being strategy and take a fairly holistic approach to well-being. Just over half agree that employee well-being is on senior leaders’ agendas and just under half that line managers are bought in to the importance of well-being. Most organisations, however, take a reactive, rather than proactive, approach to health and well-being. They are more likely to act flexibly on an ad hoc basis, according to employee need, than have a formal strategy or plan.

Average absence levels have increased slightly compared with our 2016 survey, from 6.3 days per employee per year to 6.6 days. Minor illness remains the most common cause of short-term absence, while mental ill health, musculoskeletal injuries (including back pain), stress and acute medical conditions are the most common causes of long-term absence, as in previous years. This year, however, more organisations include mental ill health among their most common causes of short- and long-term absence. More than half (55%) of organisations report that reported mental health conditions have increased over the last 12 months. ‘Presenteeism’ (working when unwell) and ‘leaveism’ (using allocated time off, such as annual leave, to work or if unwell, or working outside contracted hours) are also common. Most organisations use a combination of methods to manage absence and promote attendance.

The survey reveals mixed results in relation to managing mental health and stress at work. Of concern is the increase in the significance of mental ill health as a cause of sickness absence: over a fifth now report that mental ill health is the primary cause of long-term absence (22% of organisations compared with 13% in 2016). Most are taking some action to identify and reduce stress in the workplace and manage mental health, and this year we have seen an increase in the proportion that are increasing awareness of mental health issues across the workforce, providing training aimed at building personal resilience and offering employee assistance programmes. Nevertheless, 29% of those who include stress among their top three causes of absence are not taking any steps to address it and just half of respondents agree that their organisation encourages openness about mental health, is effective at supporting people with mental ill health and actively promotes good mental well-being.

Our findings highlight some of the key threats to well-being in the UK workforce, particularly the increase in mental ill health, stress, ‘presenteeism’ and ‘leaveism’, as well as potential risks to well-being as a result of technological advances, in particular the ‘always-on’ culture. We find that while some organisations are making considerable efforts to promote employee well-being and create healthy working environments, in others employee well-being appears to be low on the agenda. Our findings suggest that many would benefit from a more strategic and integrated approach to attendance and well-being, underpinned by the support of organisational leaders and managers.
2 Private sector summary

This summary examines findings from the CIPD’s 2018 *Health and Well-being at Work* survey for a fuller understanding of the private sector’s approach to managing absence and employee health and well-being, and the challenges it faces.

**Organisations take a more reactive than proactive approach to well-being**

Private sector organisations are more likely to report that they act flexibly on an ad hoc basis according to individual need (64%) than that they have a standalone well-being strategy in support of their wider organisation strategy (36% compared with 61% of public sector organisations). Just half (51%) believe that employee well-being is on senior leaders’ agendas compared with 68% of the public sector, while 44% agree that line managers are bought into the importance of well-being compared with 55% of the public sector.

The lack of a strategic approach to well-being is reflected in our findings that budgetary constraints and value for money in terms of workforce coverage tend to have greater influence on the purchase of well-being benefits in the private sector than managing identified health issues in the organisation or alignment with the organisation’s health and well-being strategy. In private sector services, being competitive as an employer of choice is also seen as more important than addressing health issues when determining well-being purchases.

**Organisations with a strong well-being focus tend to take a fairly holistic approach**

Approximately three-fifths of the private sector report that their organisation’s health and well-being activity is designed to promote good work (for example job design, work–life balance), collective/social relationships, physical health, personal growth, mental health and values/principles, at least to a moderate extent. Fewer report their activity is designed to promote good lifestyle choices (45% compared with 64% of public sector organisations) or financial well-being (37%).

Our findings show that those organisations that focus strongly on one aspect of well-being are also more likely to focus more strongly on the others, whereas those that focus less strongly on any one aspect are likely to focus less strongly on the others. This implies that organisations with a strong well-being focus tend to take a fairly holistic approach, while others are doing little in any area.

**A quarter of organisations see no achievements from their health and well-being activity**

A quarter of private sector organisations report that no achievements have resulted from their health and well-being activity over the last 12 months. Organisations that are more reactive than proactive regarding employee health and well-being are significantly more likely to report no achievements (38% versus 11%).

Commonly observed achievements of health and well-being activity in the private sector are improved morale and engagement (46%) and a healthier and more inclusive culture (35%), very similar findings to those of the public sector. Three in ten (29%) private sector organisations report that their efforts have lowered their sickness absence level while nearly one in five report it has improved productivity. These figures were all higher in organisations that have a standalone well-being strategy in support of their wider organisation strategy, where senior managers have well-being on their agenda and where line managers are bought in to the importance of well-being.
A mixed approach to managing disability and long-term health conditions

Three-fifths of private sector organisations have a supportive framework for managing people with a disability and/or a long-term health condition, but just half have supportive frameworks in place for recruiting and/or retaining people with these conditions (compared with at least three-quarters of public sector organisations).

Private sector organisations are most likely to manage disability and long-term health conditions through a flexible and inclusive working culture (60%), access to support services, such as counselling or occupational health (56%), and through fair and inclusive absence and performance policies and practices (52%). Fewer are providing training and guidance for line managers (28%) despite our findings that developing line manager knowledge and confidence is the most common challenge organisations face in managing people with a disability and/or long-term health condition.

In terms of accessing external support or advice, compared with other sectors private sector organisations were least likely to have heard of or used Access to Work (19% have used compared with 48% of non-profit and 59% of public sector organisations) or Disability Confident (4% have used compared with 17% of non-profit and 35% of public sector organisations).

Advances in technology have both positive and negative effects on well-being

Manufacturing and production organisations are divided regarding the overall effect of advances in technology on employee well-being. A third believe the impact is generally positive, a third that it is generally negative and a third that it is neither positive nor negative. In comparison, nearly half of private sector services believe that advances in technology have a more positive than negative impact on employee well-being and just a quarter believe the impact is more negative.

The vast majority, however, believe that advances in technology have had both positive and negative effects on employee well-being in their organisation. The most common positive benefits include enabling flexible working and more effective communication. An inability to switch off out of hours and the stress caused by technology failure are the most common hazards.

Average levels of absence have increased

Average absence levels in the private sector have increased compared with the 2016 survey, particularly in manufacturing and production organisations (6.2 days per employee, up from 5.4 days per employee in 2016). In private sector services, the average absence level is 5.6 days per employee, up from 5.2 days in 2016, although longer-term data shows some evidence of a weak and fluctuating, but generally downward, trend in absence levels.

Absence rates remain considerably higher in the public sector than in the private sector: on average, public sector employees had 8.5 days of absence over the previous year.

More absence due to mental ill health

This year we have seen an increase in the proportion of organisations in the private sector including mental ill health among their most common causes of absence (particularly for long-term absence). The other top causes of long-term absence in the private sector are acute medical conditions, musculoskeletal injuries (including back pain) and stress. Half (51%) of the private sector reports an increase in reported common mental health conditions over the last year (compared with 67% of public sector organisations) and a third (34%) report an increase in stress-related absence (compared with 48% of public sector organisations).
More organisations are increasing awareness of mental health issues

Four-fifths of private sector organisations are taking some action to manage mental ill health, and this year we have seen a substantial increase in the proportion that are increasing awareness of mental health issues across the workforce (43%, up from 21% in 2016). This is still a lower proportion than public sector organisations, 72% of which say they are increasing awareness.

However, just half of private sector respondents agree that their organisation encourages openness about mental health and/or is effective at supporting people with mental ill health and just two-fifths (39%) that their organisation actively promotes good mental well-being, compared with 64% of public sector organisations. Moreover, private sector respondents are much more likely to disagree than agree that managers have the confidence and competence to identify and support employees with mental ill health.

Slightly more organisations are taking steps to reduce and identify stress

Just over three-fifths of private sector organisations are taking steps to identify and reduce stress in the workplace, a small increase on previous years (2018: 63%; 2016: 57%; 2015: 51%). This compares with 81% of public sector respondents who say their organisation is taking steps in the 2018 survey.

More organisations provide line managers with tailored support

Line managers in the private sector have primary responsible for managing short-term absence in three-fifths of organisations and long-term absence in two-fifths of organisations. (In the public sector, line managers have responsibility for managing short-term absence in four-fifths and long-term in three-fifths of organisations – showing that public sector line managers tend to carry a greater responsibility for managing absence than their private sector counterparts.)

However, just 44% of private sector respondents believe that line managers are bought in to the importance of well-being in their organisation. Half of private sector organisations train managers in absence-handling but fewer (just over a quarter) train managers to support staff with mental ill health, disability or long-term health conditions. More positive findings this year show a considerable increase in the proportion of organisations providing line managers with tailored support in managing both short- and long-term absence (45% for short-term absence compared with 16% in 2016; 52% for long-term compared with 21% in 2016).

‘Presenteeism’ and ‘leaveism’ are common

The vast majority of private sector organisations have observed ‘presenteeism’ (working when unwell) in their organisation over the last year and over a quarter report it has increased during this period. ‘Leaveism’ (using allocated time off, such as annual leave, to work or if unwell, or working outside contracted hours) is also commonplace, with 54% reporting that employees work outside contracted hours to get work done, 36% that employees use allocated time off (for example holiday) when unwell and 33% that employees use allocated time off (for example holiday) to work. Just over a quarter of private sector organisations have taken steps over the last year to address these issues.

### Key challenges for HR

Several of our findings indicate that many employees feel under excessive pressure in the private sector. Work-related stress (most commonly caused by high volumes of work) and mental health issues are on the increase and ‘presenteeism’ and ‘leaveism’ are common. Advances in technology also mean, for many, that the boundaries between work and home...
life are becoming increasingly blurred, resulting in an inability to switch off out of work hours. External sources of stress such as caring responsibilities and financial concerns may also add to the pressures employees face. In addition, wider trends such as the ageing workforce and the growth in obesity (and its associated ailments) present additional health risks. These trends present an urgent case for a proactive and holistic approach to well-being at work.

While our findings show that some organisations are making considerable efforts to address these issues, most of the private sector remains more reactive than proactive in promoting health and well-being. Our findings highlight several key challenges for HR going forward.

Understand the underlying patterns of absence and attendance
The majority of organisations have a well-established range of approaches they use to manage sickness absence, which is good, but our findings show that a focus on measuring and managing absence alone is not enough to inform an organisation’s approach to encouraging a healthy working environment.

HR needs to develop a solid, evidence-based understanding of the causes of absence and unhealthy practices such as ‘presenteeism’ and ‘leaveism’ and other factors that could adversely affect employee well-being. Unless well-being activity addresses the underlying issues affecting people’s behaviour, efforts to support employees and improve health and well-being will be short-lived.

Tailor policies and practices to organisational and employee needs
Our findings show that budgetary constraints tend to have greater influence on the purchase of well-being benefits than managing identified health issues in the organisation. Financial constraints are clearly part of organisational life, but unless investments are targeted effectively, organisations risk wasting what money they spend. Our findings show that where decisions are primarily influenced by budgetary constraints, organisations are more likely to report their well-being activity achieves nothing.

Organisations need to be clear about what employee and organisational impacts they are trying to achieve from their health and well-being and attendance initiatives (such as reduced absence, higher engagement, better retention, improved customer service, enhanced performance) in order to target their well-being activity effectively. They also need to ensure that they identify and address the underlying factors that contribute to, or threaten, employee well-being. Unless the underlying issues are identified and addressed, efforts to support employees, get people back to work and improve health will be short-lived.

Build a more robust framework to promote good mental health
It’s clear we have some way to go before the majority of workplaces achieve parity of esteem in the attention that good mental health receives compared with physical health, and the confidence and openness with which this aspect of health is treated. The aim should be to consider the health and well-being of the whole person; organisations have a responsibility to manage stress and mental health at work, making sure employees are aware of the services and support available to them and how to access them. It’s also vital that employers promote an open and inclusive culture so that employees feel confident about discussing a mental health issue and discussing the challenges they are experiencing.

Make a persuasive business case for investing in a healthy culture
The commitment of senior leaders is key for advancing a comprehensive health and well-being agenda. Understanding the full organisational impact of absence, stress and ill health and the value added by a healthy culture is essential for making a persuasive business
case to bring senior leaders on board and access resources for investments in employee well-being. Developing clear objectives and metrics to evaluate and track progress can help more effective targeting of initiatives and justify investments. The fundamental building blocks of creating a healthy workplace – effective leadership, people management practices and culture – don’t necessarily require financial investment, but they do require organisational investment, for example in terms of management time.

**Strengthen the capability of line managers**

Line managers have a pivotal role in promoting employee well-being and attendance, and our findings show that health and well-being activity has more positive outcomes where line managers are bought in to the importance of well-being. Nevertheless, in a substantial proportion of organisations, line managers are not bought in to the importance of well-being and they lack the skills and capability to support employees. Moreover, management style is one of the top three causes of stress at work for 30% of employees based in the private sector.

Managers don't need to be health experts, but they do need to recognise the value of health and well-being at work, be able to spot early warning signs of ill health, have the competence and confidence to have sensitive conversations, direct employees to appropriate sources of help and actively promote good attendance and well-being. This can be a daunting prospect for a line manager who is not adequately equipped to deal with these issues, with their own health and well-being potentially in jeopardy if they lack the necessary skills, confidence and time to support employee well-being effectively.

**Looking forward**

There is a growing body of literature that confirms the organisational benefits of a proactive approach to health and well-being. HR has a crucial role to play in driving the well-being agenda forward through increasing organisational awareness of the value of a healthy workforce and developing a fully integrated approach to a healthy workplace underpinned by the support of organisational leaders, managers and culture.