

Change agenda

What's happening with
well-being at work?

Introduction

The concept of employee well-being has grown in popularity over the past few years, but is it something new or just a clever relabelling of traditional absence management, occupational health and good management practice? What programmes and initiatives are taking place under this heading and how effective are they for both employee and employer?

In response to these questions the CIPD set up an advisory group in 2006 to identify some useful principles for the development and introduction of employee well-being in the workplace.

The aim for the group was to combine the knowledge and understanding of people from organisations with the restricted literature on this broad approach to well-being. The members of the advisory group had all recognised the importance of workplace well-being and were engaged, at different stages, in the development and promotion of a well-being approach in the workplace.

This Change Agenda is the result of our research and the findings are intended to stimulate debate by:

- examining the nature of employee well-being
- exploring what well-being programmes involve
- identifying the impact of well-being on individuals and organisations
- illustrating how employers are introducing the concepts of employee well-being into their organisations.

Public policy and well-being

The issues of absence management and employee well-being have become increasingly important to public policy-makers in the last decade due to a number of factors.

One of these is the high cost to business and the public purse of employee absence. Nine out of

ten respondents to the CIPD's annual absence management survey (2006) identify employee absence as a significant or very significant cost to their organisation. The average level of absence is eight days per employee per year and costs organisations annually almost £600 per member of staff. Public sector absence levels and costs are even higher at nearly ten days per employee every year and £680. In July 2004 Chancellor Gordon Brown highlighted reducing the high cost of public sector absence as a priority in his spending review announcement.

The spiralling number of incapacity benefit (IB) claimants has also ensured the issue of employee well-being has increasingly attracted Government attention. The number of IB claimants has increased from 0.7 million in the late 1970s to around 2.7 million in 2006 Department for Work and Pensions, (DWP).

Another concern to Government is the huge increase in the prevalence of mental health conditions in the last ten years. The proportion of IB claimants suffering from a mental health condition has increased significantly in the last decade to nearly 40% today compared with 25% in the mid-1990s (DWP, 2006).

Stress and other mental health conditions are now among the main causes of employee absence, according to the CIPD absence management survey (2006). The Health and Safety Executive (HSE) estimates that stress costs business £3.8 billion a year.

The increase in obesity is also a major worry for policy-makers. Department of Health (DoH) research reveals that if current trends continue, the proportion of men who are obese will have risen to 33% by 2010 from 22% in 2003. The number of obese women is set to rise from 23% to 28% over the same period.

It is estimated that treatments for conditions linked to obesity, including heart disease, cancer, depression,

back pain, diabetes and skin problems swallow up 9% of the NHS budget (Lean et al 2006).

Other factors that ensure the issue of promoting health and employee well-being is at the top of the public policy agenda include an ageing workforce and the need for individuals to work longer to support their retirement and fund their pensions.

In response to these challenges the Government and its agencies have published a number of policy documents and guidance that emphasise the importance of tackling ill-health through good employment practice, effective return-to-work and rehabilitation strategies, as well as through proactive employee well-being support by employers.

In 2000 the HSE, in conjunction with the DoH and the Department for Education and Employment, launched its ten-year occupational health strategy, 'Securing Health Together'.

The aim behind the strategy was 'to tackle the high levels of work-related ill-health and to reduce the personal suffering, family hardship and costs to individuals, employers and society'.

In November 2004 the HSE published its management standards on stress, which set out a step-by-step guide to carrying out a risk assessment for work-related stress. The standards are based on the HSE's six causes of work-related stress (demand, control, support, roles, relationships and change) and are designed to help the HSE meet its target of reducing illness caused by work-related stress by 20% by 2010.

Also in autumn 2004 the DoH published its 'Choosing Health' White Paper which, outlined some principles for supporting the public to make healthier and more informed choices in regards to their health. The White Paper included a chapter on work and health, which highlights the importance the Government places on employers as key stakeholders in the provision of this support.

The White Paper states: 'Many employers recognise that they have a direct interest in creating an environment that helps people make healthy choices: because of

corporate social responsibility or because a healthier, more engaged workforce makes good business sense. A motivated, healthy workforce is more likely to perform well. Employers and employees benefit through improved morale, reduced absenteeism, increased retention and improved productivity.'

The Government's desire to promote the benefits of a healthy and supportive working environment to all organisations and employees was further underlined by the *Health, Work and Well-being* strategy published in 2005 by the HSE in conjunction with the DWP and the DoH.

This theme was again picked up by the 2006 DWP Green Paper, 'A New Deal for Welfare: Empowering People to Work', which sets out the Government's intention of achieving an employment rate of 80% of the working population. The document emphasises the importance of 'working in partnership with employers, employees, health professionals and insurers to develop a comprehensive package of measures that help to...create healthy workplaces and improve access to good-quality occupational health support, thus minimising the likelihood of people developing health problems in the first place'.

As the debate matures, it seems there is an overarching aspiration emerging to create an equal, healthy and vibrant society where people enjoy what they are doing whether in or out of work, in turn leading to individuals being more productive in their working lives.

The Government recognises that it cannot manage this huge task by the reform of the policy and legislative framework alone and, to realise the vision, it is engaging with key stakeholders, including employers, trade unions and individuals.

Employers and well-being

All businesses seek to be in a healthy state. If their employees are in a good state of health and well-being, this must surely contribute to successful performance, according to the Institute of Directors in its guide to well-being at work (2006). They comment that healthy and fit employees are essential to ensuring a company remains efficient and profitable. CIPD research shows that health and well-being

in the workplace is steadily rising up the business agenda as more employers recognise the benefits and contribution that can be made by introducing workplace health and wellness policies.

The involvement of employers in their employees' health and environment is not new. The famous Bourneville and Port Sunlight villages were built by the Cadburys and Levers for their factory workers in the nineteenth century. However, this early approach was paternalistic, uniform and involved taking control over many aspects of the employees' lives.

Over the late twentieth century, occupational health has developed as a discipline of medicine with the aim of helping in the care of employees. However, occupational health support has tended to be available only in larger organisations where services have been traditionally focused on seeing employees only when they were sick or on preventing accidents at work. According to the CIPD absence management survey (2006), this emphasis seems to be slowly shifting somewhat in the private but particularly in the public sector to better support the health and well-being among all those of working age rather than just managing sick employees.

Individual well-being

Personal well-being does not exist on its own or in the workplace but within a social context. Recent years have seen individuals' lives affected by social, lifestyle and employment changes but despite these shifts people still have the same basic physical and mental needs for social support, physical safety, health and a feeling they are able to cope with life. Increasingly, they are demanding that employers help them to achieve this, particularly as a large part of their lives are spent at work.

Evidence from the case studies in this document show that workplaces that recognise this, who enhance the well-being of their employees and have high workplace standards, also help those people to improve their own well-being.

Part 1: What is well-being?

A definition

There are many varied definitions of well-being. The CIPD believes that well-being at work initiatives need to balance the needs of the employee with those of the organisation. We define it as:

creating an environment to promote a state of contentment which allows an employee to flourish and achieve their full potential for the benefit of themselves and their organisation.

Well-being is more than an avoidance of becoming physically sick. It represents a broader bio-psycho-social construct that includes physical, mental and social health. Well employees are physically and mentally able, willing to contribute in the workplace and likely to be more engaged at work. Other CIPD research shows employee engagement influences a range of variables, including employee turnover and absence.

The achievement of personal well-being involves a number of positive decisions regarding lifestyle. This is very different to stress avoidance with the negative connotation of being unable to cope and falling ill prior to any action being taken. In their ideal form, well-being initiatives are proactive and work to enable employees to achieve their full potential – physical, mental, social, intellectual and spiritual.

Well-being at work, therefore, is not merely about managing a physical and cultural environment with the limited aim of not causing harm to employees. It requires organisations to actively assist people to maximise their physical and mental health. The well-being approach also brings benefits for people at all levels inside and outside the workplace. It makes the workplace a more productive, attractive and corporately responsible place to work. Positive well-being can also benefit the local community and, more broadly, the country as a whole due to well people requiring less support from the health services. Today there are

a number of organisations working to promote and maximise well-being initiatives that also improve the well-being of their local communities.

In the past, well-being was something that was provided for employees by beneficent employers. Today employers and employees share that responsibility in partnership. Your organisation can create and support an environment where employees can be healthier through providing information and access to schemes to improve well-being. However, well-being is ultimately an individual's responsibility requiring education and a degree of self-awareness.

One of the reasons for the wide variety of ways of defining well-being is that the term has come to mean different things to different people. For some people the ability to do 50 press-ups may be a sign of well-being, while for others the intellectual challenge of handling a difficult meeting well may provide the positive experience of well-being. The nature and range of provisions therefore need to be tailored to meet the needs of the individual employees and their organisation.

Well-being is a subjective experience. It can involve practical measures such as introducing healthy food or a gym at work, or perhaps less tangible initiatives such as working to match the values and beliefs held by employees with those of their organisation. It could be argued that a change in the way employees are engaged in discussions about how their work is organised could have more of an impact on an individual's well-being than the introduction of a corporate gym.

Well-being will run the risk of being dismissed as a gimmick unless those involved in its introduction and promotion demonstrate the positive business benefits that it brings. To be effective, employee well-being needs to be part of a regular business dialogue and to be deeply embedded into an organisational culture. The well-being dialogue can be beneficial to employees'

health by making employees feel valued and by giving them an opportunity to use their experiences to improve their working environment.

Many organisations are trying to create a balance between maximising productivity and the risk that their employees may burn out, making costly errors or resigning. An understanding of a holistic approach that underlies well-being, and development of initiatives co-ordinated with other HR policies can offer an approach to achieve that balance.

Organisational well-being

Organisational well-being is about many things, but some of the most important include employees having meaningful and challenging work and having an opportunity to apply their skills and knowledge in effective working relationships with colleagues and managers in a safe and healthy environment. Well-being-orientated organisations provide the tools to get the job done and the opportunity to achieve personal aspirations while maintaining work–life balance.

Some of the essential factors leading to organisational and personal well-being are:

- values-based working environment and management style
- open communication and dialogue
- teamworking and co-operation
- clarity and unity of purpose
- flexibility, discretion and support for reasonable risk-taking
- a balance between work and personal life
- the ability to negotiate workload and work pace without fear of reprisals or punishment
- being fairly compensated in terms of salary and benefits

(Kraybill, 2003).

The employer also has a duty to ensure that its culture fosters a positive working environment. The need for social justice and human rights has been addressed in a CIPD statement on human rights (2007).

Employers should focus on creating a workplace culture in which everyone feels included, valued and respected. To foster personal responsibility and engagement, a balanced approach is needed to address diverse stakeholder and organisational interests and preferences. Creating a climate of mutual respect and dignity will foster improved working relationships and contribute to productivity and business performance.

Employee well-being

Perhaps the most important factor in employee well-being is the relationships employees have with their immediate manager. Where there are strong relationships between managers and staff, levels of well-being are enhanced. A good manager will recognise the strengths, likes and dislikes of their team members and will be able to recognise when the volume or complexity of the work is too much for a particular team member. The more capable that line managers are in identifying the personal interests and concerns of the individual, the more likely they will be able to create a team where employee well-being becomes an integral part of getting the job done.

Employee well-being involves:

- maintaining a healthy body by making healthy choices about diet, exercise and leisure
- developing an attitude of mind that enables the employee to have self-confidence, self-respect and to be emotionally resilient
- having a sense of purpose, feelings of fulfilment and meaning
- possessing an active mind that is alert, open to new experiences, curious and creative
- having a network of relationships that are supportive and nurturing

(Canadian Centre for Management Development, 2002).

Part 2: What does well-being involve?

Reviewing relevant research and in discussion with the CIPD advisory group we have identified five domains of well-being (Figure 1).

We have described and defined the domains with illustrative elements and examples of possible workplace initiatives (Table 1). While the list of elements and

activities is helpful in enabling organisations to think about what is required in creating a well-being-focused organisation, it also demonstrates that there are large overlaps between the domains and that there is a high level of interdependence between them. For example, consultation is important in all the domains, not just as a means of enhancing personal development.

Figure 1: Five domains of well-being

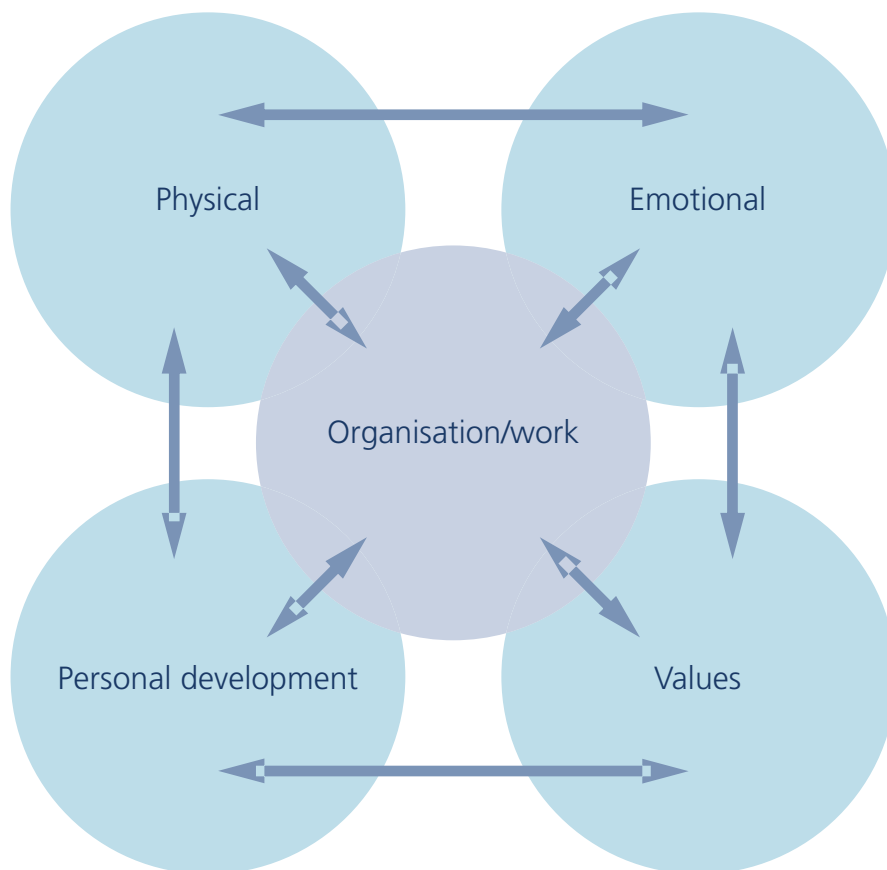


Table 1: Illustrations of the five domains of well-being

Domain	Elements	Examples of well-being activities/initiatives
Physical	Physical health	Exercise programmes, healthy menu options, health education and awareness, health checks
	Mental health	Work–life balance targets, conflict resolution training, relaxation techniques
	Working environment	Chill-out areas, ergonomically designed working areas, ecologically sound design
	Physical safety	Personal safety training, safe equipment, safe working practices
	Accommodation	Homeworking, health and safety
Values	Ethical standards	Values-based leadership, corporate governance, ethical investment, probity for example gifts/hospitality
	Diversity	Equal opportunities, valuing difference, cultural engagement
	Psychological contract	Job satisfaction, employee commitment, negotiating change
	Spiritual expression	Recognition of employees' religious and spiritual values and beliefs
Personal development	Autonomy	Team consultation and decision-making, management by targets
	Career development	Mentoring, guidance, self-awareness, mid-career audits, career breaks and sabbaticals, coaching
	Lifelong learning	Access to learning, technical and vocational learning, Investors in People, learning accounts
	Creativity	Innovation and creativity workshops and awards
Emotional	Positive relationships	Respect agenda, assertiveness, team-building
	Resilience	Resilience-building groups, self-awareness training, compassion/ mindfulness groups
	Emotional intelligence	Emotional intelligence assessment and training, anger management, emotional labour
	Social responsibility	Community activity, recycling, energy-saving, pollution prevention, public transport
Work/ organisation	Change management	Consultation, involvement, change-readiness training
	Work demands	Risk assessments, person/job fit
	Autonomy	Control, whistleblowing, risk-taking
	Job security	Working hours, shift-working, redundancy policy

The continuum of well-being at work

Where the aim of an employer well-being programme is to encourage the organisation and its employees to maximise their well-being, it is helpful to have words to describe the various states of well-being. Figure 2 was created based on discussions with employees and organisations involved in developing workplace well-being. The chart uses the words most commonly adopted to describe the states of positive and negative well-being within the five domains.

Understanding and facilitating positive well-being is central to the approaches taken in positive psychology and the achievement of an individual's full potential (Carr 2004). Unlike stress surveys, which normally focus

on negative aspects of well-being, we believe it is important to describe the full continuum, starting with the positive state.

Who's doing what in well-being?

The 2006 CIPD absence management survey found that just over a quarter of UK organisations surveyed have an employer well-being strategy or similar initiative to help improve the physical and mental health of their workforce.

Table 2 shows the initiatives used by organisations to support employee well-being.

Figure 2: The well-being continuum

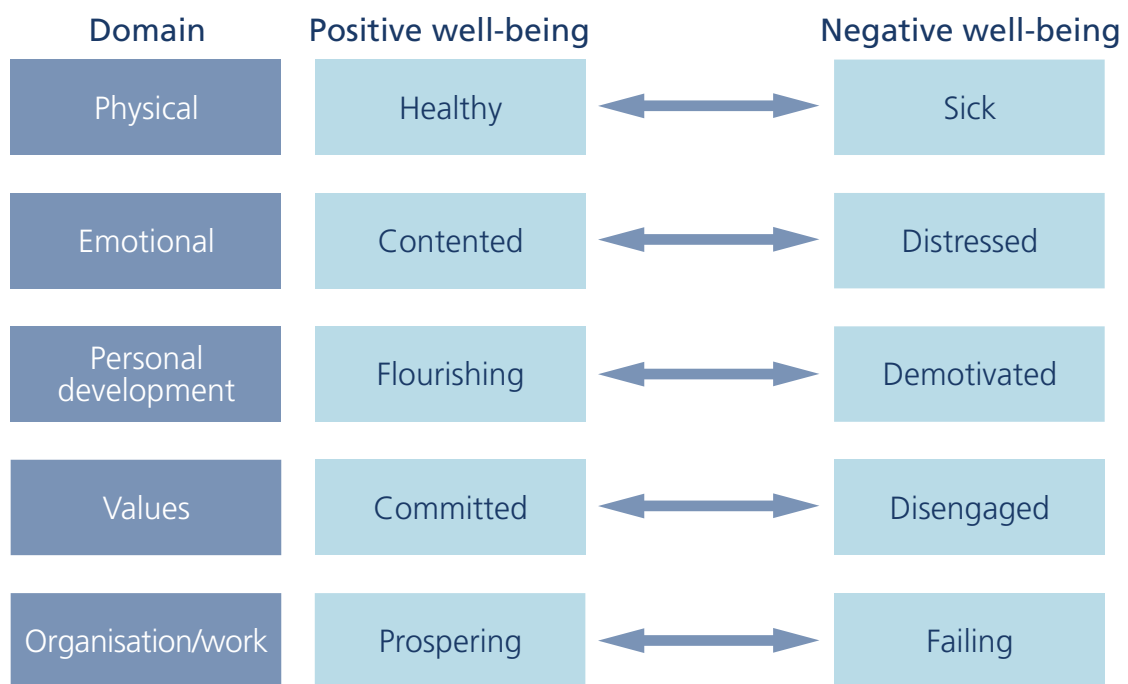


Table 2: Organisational well-being initiatives

		Organisations (%)				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Advice on healthy eating	25	29	18	15	40	43
Healthy menu in employee canteen	25	28	20	17	37	40
Healthy snacks in vending machines	13	21	10	1	11	22
In-house gym	12	7	9	8	27	9
Subsidised gym membership	28	21	30	25	43	28
Exercise classes provided on work premises	9	4	6	7	25	13
Support to stop smoking	34	40	21	31	57	34
Regular health checks	28	40	18	17	30	42
Private health insurance	60	71	77	31	12	76
Personalised healthy living programmes for employees	2	2	2	1	5	5
Employee assistance programme	32	25	32	47	40	42
Access to counselling service	55	49	46	62	87	52
Stress risk assessment	25	23	20	29	44	13
Access to physiotherapy	21	26	12	17	29	15
Massage	9	4	10	10	12	12

The results of the CIPD survey have shown a much greater interest in well-being than had previously been anticipated. However, the biggest obstacles to the development of workplace well-being initiatives were identified as being a lack of resources and failures in gaining senior manager buy-in.

Part 3: Getting commitment to well-being

The business case

At its most basic the argument can stem from pure economics. Around 28 million working days a year are lost due to absence from the workplace (Economic and Social Research Council, (ESRC 2006)).

The 2006 CIPD survey report, *How Engaged Are British Employees?* found that working conditions have important effects on levels of engagement, performance and intentions to quit. There is much that managers can do to create a more positive environment where employees can flourish and increase their feelings of well-being. Well-being does not have to be expensive and can be incorporated into and enhance existing HR policies, such as total reward, talent management and flexible working.

Much commentary points to the link between well-being and increased employee productivity, but there is little concrete research. However, a study by the Harvard Medical School and the Institute for Health and Productivity Management suggested that the healthiest 25% of the workforce is some 18% more productive than the least healthy quarter (ESRC 2006).

The Institute of Directors (IOD) asked small businesses why they should care about well-being at work. They reported the following (IOD 2006):

- satisfying client requirements – winning more and better-quality work
- controlling insurance premium costs
- improved productivity – through a reduction in absence rates
- being a good employer – attracting, motivating and retaining staff.

There is no 'one size fits all' well-being strategy and as a concept it can be a challenge to 'sell in an organisation'. Well-being policies need to be flexible, relevant and understood by the whole organisation and,

most importantly, communicated so that the benefits are translated for different audiences.

Measuring well-being at work

One of the difficulties in building the business case for introducing workplace well-being initiatives has been the failure to evaluate the initiatives in terms of improved productivity, reduced sickness absence or other organisational benefits.

Organisations commonly have used absence statistics as a way of gauging the health of their organisation. Most organisations can state their level of employee absence, its patterns over time and cost to their organisation.

These methods all have their place. Absence statistics are useful for organisations to understand the reasons and causes for absence and in some organisations they have used them proactively so they can take preventive measures. For example, Marks & Spencer identified that musculoskeletal reasons were one of the main causes of absence within the organisation. They trialled the redirection of their occupational health resources into providing a physiotherapy referral scheme to actively manage those individuals back into the workplace through concentrated and targeted support. See the Marks & Spencer case study opposite.

Marks & Spencer

Marks & Spencer is known nationally as an employer who values employees. Historically, well-being was delivered through a traditional benefits package, including flexible working and family-friendly policies. In addition, a good physical working environment was provided, including good catering facilities. Other ancillary benefits for some or all employees included hairdressing, chiropody, dentistry and holistic services. As the business moved through a change management programme it was realised that more focus was needed on the health and well-being areas that were directly affected by the workplace.

The Government strategy for health and well-being and vocational rehabilitation were considerations for the HR and occupational health teams within Marks & Spencer, with management referrals to occupational health being predominantly for guidance on the management of individuals with a musculoskeletal health issue.

The decision was taken to trial a fast referral for physical therapy for those employees who have their personal and work life affected by such health issues, recognising that the NHS process for assessment and treatment via the general practitioner was overburdened.

Fourteen stores were involved in a three-month trial. All employees who were in the workplace and experiencing musculoskeletal problems were eligible for referral for physical therapy. Employees who contacted the store to advise them of absence owing to musculoskeletal health issues were also referred for physical therapy. The employee was provided with an appointment within 72 hours from referral. Referral for assessment and treatment were not dependent on the cause being workplace-specific.

The total number of employees participating in the trial was 4,000. Of this number, 192 (4.8%) were referred from 13 of the stores.

During the trial, employees who received treatment were able to continue in the workplace alongside their team members, employees who had experienced delays in accessing NHS treatment were appreciative of the service, and employees absent were able to return to work to undertake restricted workplace duties.

The three-month trial demonstrated an 8% reduction in employee sickness absence for musculoskeletal health issues. Store management teams reported additional benefits:

- improved morale of the departmental team and the general store, all of which are difficult to estimate in financial terms
- improved customer service
- improved efficiencies.

However, a few organisations, as well as helping the sick back into the workplace, are now focusing on the prevention of absence through promoting healthier lifestyles. So rather than tackle the symptoms and reaching only those that fall ill, they are reaching all employees in a health programme. This is a positive way to promote well-being and attendance at work.

However, it is more challenging to measure. The CIPD 2006 absence survey showed that only 7% evaluated their well-being initiatives. Therefore the task for any organisation thinking of developing workplace well-being is to identify the key organisational targets or goals the programme is designed to achieve and then to monitor achievement against those targets.

Targets and goals can take many shapes. They can be organisational measures, or one more closely related to employee health and job satisfaction. Staff surveys can, over a period of time, gauge how individuals are feeling about initiatives and can measure a range of key indicators. Some of these are highlighted in Table 3.

The health measures described are objective measures that can be gathered by occupational health practitioners as part of a health surveillance programme. Occupational health data should always be kept confidential. However, it should be possible to identify trends and report on general health statistics in particular groups or teams. Employee satisfaction is most commonly measured in an employee survey. However, consideration could be given to undertake a survey related to a particular initiative. The organisational measures are objective measures that organisations would normally be tracking as part of their normal operation. The organisational measures are often viewed as the most persuasive by senior management, keen to see the value of the well-being initiatives in terms of organisational benefits.

How can employers introduce employee well-being?

Organisations are increasingly recognising the need to have an employee well-being strategy. As we have already seen in the 2006 CIPD absence management survey, just over a quarter of organisations had an employee well-being strategy or similar initiative to help improve the physical and mental health of their workforce. More than half the employers provided private health insurance and slightly fewer organisations provided access to counselling services. Support in stopping smoking and access to subsidised gyms was provided in around a third of organisations. While in many organisations employee well-being has remained within the remit of the occupational health and counselling services, increasingly organisations are taking a more holistic approach to well-being.

The case studies in the next section provide a glimpse of how some organisations have benefited from building well-being into the way they run their businesses.

Table 3: Key indicators

Health measures	Employee satisfaction measures	Organisational measures
Lowered body mass	Employee engagement	Productivity
Reduced cholesterol levels	Teamworking	Retention levels
Reduced blood pressure	Organisational commitment	Absence rates
Increased exercise	Job satisfaction	Customer satisfaction
Reduced substance abuse	Intention to stay in company	Safety standards
Reduced anxiety/depression	Positive working relationships	Ethical standards

Part 4: Case studies

The following case studies have been selected to show how organisations have benefited from building well-being into the way they do business. It was interesting to note how none of the initiatives fell neatly into one of the five domains of well-being (see Figure 1, p6) but rather their success was based on interventions that involved an interaction between two or more of the five domains.

Case study 1

The first case study provides a good example of a small organisation taking steps to improve the well-being of its workers. This study shows that size need not get in the way of introducing initiatives that improve the health and well-being of employees. The study also illustrates clearly the importance of a package of interventions, each individually having a relatively minor effect but when put together they create valuable enhancements in collective and personal well-being.

Scotia Chiropractic

Scotia Chiropractic Ltd was established in 1986 and currently employs 17 employees working across two sites. The growing public awareness of alternative and complementary therapies has been a major driver of business growth. The company works with the NHS and has recently branched out into sports therapy, rehabilitation and ergonomic-based health and safety interventions.

Approach

The organisation has increasingly concentrated on employee well-being for its own staff during the past five years. This has been part of a larger process of organisational change, and the well-being policies are being used as an important motivator for staff in changing their traditional values, which were getting in the way of the organisation's development. The aim, which has largely been assessed as successful, was to seek better communication, more openness, honesty and professionalism. These changes were central to the establishment of a no-blame culture in which employees were treated with respect, and the employees responded with a high level of engagement. The organisation believes that positive employee health in the workplace involves a number of small initiatives adding up to a powerful well-being package.

The following quotes from individuals within the organisation capture the essence of this organisation:

- 'Health and well-being underpins everything we do.'
- 'We don't do sickness absence here.'
- 'A lot of little things add up to one big thing.'
- 'Teamwork, goodwill, equity, no hierarchy, first names, no-blame culture.'

Scotia Chiropractic (continued)

Small individual initiatives

The Scotia approach has involved a package of small initiatives that are complementary and mutually supportive. This added up to an overall package with a big impact on employee well-being.

- Well-being information is displayed widely in the offices, including in the toilets!
- Regular one-to-one and group meetings are held where employee well-being is the sole topic of discussion.
- Employees have the time to attend external well-being courses free of charge.
- Employees have free access to all the organisation's services, for example the health services they provide to clients.
- Personal alarms are provided for female employees concerned about leaving the office in the dark.
- No smoking and healthy eating is strongly encouraged. A fresh water fountain, a juicer and full kitchen facilities are also available for customers and staff, and they are encouraged to use them as an alternative to snacking.
- Regular reminders and discussions occur on 'hot' topics, such as drugs, exercise, healthy eating, and stress. All of this culminated relatively recently in a comprehensive health audit.

The gain

'Profits are up, we have no retention problems, and we do not have to advertise to recruit new staff. We are well known and well respected in the area. It's all to do with our core values. We treat patients and staff the same, and carry out business in an open and honest manner.' (Business Development Manager)

While there are few concrete measures of the benefits for the organisation, this case study shows that the qualitative change in the attitudes and behaviours of the employees have brought about some real benefits to the organisation. These changes have been supported by feedback from focus groups.

Case study 2

Organisations wishing to introduce well-being initiatives need to be aware of the way the existing attitudes and cultures within the workforce can either enhance or act as a barrier to progress. In Rochdale there was

a need to improve services and to demonstrate caring for employees. The introduction of flexible working, together with engaging employees in a service enhancement initiative, brought about benefits for the organisation, the employees and their service users.

Rochdale Metropolitan Borough Council

Rochdale Council's approach to work-life balance is distinctive in meeting the needs of both employees and services and achieving a balance between work and home life for employees at all levels.

In October 2000 the Council gained funding to address the prevailing style and culture. Staff surveys showed:

- high staff job satisfaction but less satisfaction with the Council as an employer
- staff feeling undervalued and mistrusted
- policies often not monitored or evaluated
- managers seeking more autonomy in handling staff issues.

The challenge was to change ingrained attitudes within the Council.

The HR function wanted to use the project to ensure customers' needs were met by changing from a policing style to one of facilitation and support. Managers' support at all levels was vital, as was the engagement of employees.

A steering group was set up involving key stakeholders, including the strategy unit, trade unions, service heads and the training department.

The project involved three strands:

- 1 developing a set of competencies for the senior management group focusing on work-life balance
- 2 a practical training programme for middle and front-line managers
- 3 pilot studies on flexible working to assess the benefits.

The project delivered:

- senior manager competency in dealing with work-life balance issues
- tailored training for middle and front line managers to help in the introduction of the work-life balance initiative
- work-life balance schemes delivered at no cost to the organisation – the schemes were designed to be self-funding through increased productivity and improved flexibility
- a work-life balance information pack to support the introduction of the flexible working and well-being initiative

Evaluation Process

An employee relations panel met regularly to discuss progress, share ideas, deal with any problems and develop future strategy.

Rochdale Metropolitan Borough Council (continued)

Comments on the scheme

'All staff involved consider that the project has been of real benefit to them and... has contributed real benefits to the business'. (Manager, Benefit Control Team)

'Flexibility has helped me fit in my home commitments; I know that if I need to leave early or not come in until later then that is okay, there is less pressure. As a team, there is honestly nothing that has worked so well'. (Employee)

'We feel that the philosophy benefits the workforce, allowing more flexibility in balancing the needs of home life and working commitments.' (Unison)

Benefits

The project has developed a culture of sharing ideas and experiences across departmental boundaries and supported changes in service provision. Productivity has increased and sickness absence levels have fallen from 17 days per full-time employee in 2002–03 to 10 days for 2005–06, demonstrating the value for money of the scheme. Currently the Council is gathering information on other savings from flexible working, which in future could offset expenditure (for example equipment for homeworkers).

Case study 3

The next case study provides a good example of an organisation that has undertaken a total cultural change as a way of enhancing well-being and improving performance. The Grimsby case study shows that the

size and complexity of an organisation does not need to stand in the way of well-being. However, it is important to recognise that the success of the Grimsby well-being culture could not have been possible without the clear direction and values promoted by the chief executive.

Grimsby Institute of Further and Higher Education

Grimsby Institute's cultural change programme has achieved good results and has involved having a clear vision of the future. Employees are expected to embrace the culture of co-operation, performance, achievement and accountability. The energy and enthusiasm of the chief executive and the senior team has provided an example for the entire workforce.

Grimsby Institute employs 1,250 employees working in numerous sites throughout north-east Lincolnshire. The Institute delivers education and training to over 20,000 students each year, ranging from foundation level to degree courses.

The Institute has grown significantly in size and reputation over the past five years, funded by both public and private finance. The Institute prides itself on its culture of working hard at a fast pace, and in celebrating success. A culture of innovation and creativity, high expectations and robust management is blended with recognition and support. This robust and supportive culture is, they believe, the key to the health and well-being of their employees.

For employees, support has been developed through:

- a staff council, which shares views with staff, replacing the joint consultative committee with trade unions. This has given a more effective platform for dialogue with staff at all levels and types of contract
- long service is acknowledged after five years service
- training and development support for employees, including an option to study for a degree without paying fees
- regular celebrations of student, employee and organisational success
- a summer barbeque attended by 700 employees.

Well-being initiatives introduced include:

- an extensive staff well-being benefits package, which includes substantial private healthcare available to all, subsidised gym membership for the on-site gym and free access to on-site physiotherapy. Individuals choose their favourites, but all staff use at least one benefit
- a doubling of the size of the healthy food counter in the refectory to meet demand
- absence management: working days lost to sickness halved between May 2001 and August 2004 and then reduced further to four working days lost per employee a year in the last two years
- a 100% attendance at work recognition scheme. Over 300 employees were given awards in 2004–05.

Grimsby Institute of Further and Higher Education (continued)

The approach to leadership and management and the way of operating and developing the Institute at a high pace has altered the type and mix of people they employ. Some successful programmes developed by the employees include the following – which culminated in five Centre of Vocational Excellence Awards – among the most held by any college.

- a live TV studio and facility in which students film, interview and produce live news that is delivered to over 60,000 homes via the local cable network
- a Sky TV channel to showcase student work.

The Institute has created a culture of growth, innovation and high expectation that is supplemented with support for individuals. No one person made the change: the whole workforce did.

Case study 4

Well-being is not just a case of improving eating habits and getting employees to use the gym. To make a difference there needs to be a high level of employee consultation and engagement. The Prudential approach is flexible and can be tailored to

meet the needs of individual employees rather than being a one size fits all. While it is essential to have the support of senior managers, the use of internal champions to communicate the well-being message is very effective in helping to embed well-being into the workplace.

Prudential

Simply providing healthy lifestyle opportunities for employees may not bring about the necessary changes in employee behaviours. In the Prudential a lot of effort has gone into keeping the communication simple and attractive. The Prudential's focus on workplace well-being has been delivered through a phased implementation of their health and wellness strategy, and the whole process has been a key element of improving employee engagement.

Of major importance was having a clear vision to communicate that employees could understand and feel engaged. Packaged under a 'feeling good' banner, the main objective of this strategy was to give employees the tools and time to review their health for a more productive life at work and home.

The 'feeling good' approach was launched at the end of 2004 and the comprehensive strategy involved taking realistic everyday steps for better health. The approach involved steps that all employees could take regardless of position, workload, background and family commitments. It was also important that the well-being steps were appropriate to their personal circumstances and their health profile. This approach went far beyond the usual framework of health insurance or gym membership benefits. It involved, among many other areas, nutrition, stress management and sickness prevention.

'Feeling good' reflected the Prudential's beliefs that the health of the workforce is potentially the biggest untapped source of performance and competitive advantage. A guiding principle was to keep it simple and use existing processes wherever possible. One example was the decision to turn the absence committee into an effective campaigning group of employee health champions who were able to sell the benefits of healthy lifestyles.

The champions were trained so they were clear as to the aims of the programme and able to cascade information at team meetings, engage employees and rally support.

The engagement strategy used innovative poster campaigns, and everyone who registered and took a health assessment was entered into a prize draw for a healthy prize such as a spa day. Links were also made to fundraising for their charity of the year, with Prudential donating money for every health questionnaire completed.

An incredible 80% of targeted employees registered for the health programme, and by the end of the programme more employees were in better health. Short-term absence was reduced by 11%; productivity was up by 1.77 days and turnover down by 3%. Other measures of success can be found in anecdotal feedback from senior managers. Typical of such feedback was the comment that their building 'was a better place to work as a result of implementing the health strategy and employees are more engaged'.

Case study 5

There is growing concern around the world about the destruction of the earth's resources and the increased risk of global warming. Many people now want to work for an organisation that can demonstrate its willingness to act on these issues, particularly on aspects they encounter on a daily basis, such as waste production and energy use. There are many reasons for undertaking environmental initiatives within an organisation, ranging from cost efficiency to brand

enhancement, but it can also improve the environment people are working in and increase employee morale. While the benefits of energy saving have a direct impact on the organisation's bottom line, it is important to recognise the importance of the initiative in linking individual employees' aspirations for supporting a more sustainable world. The case study from Royal & SunAlliance shows how taking a single issue such as the environment can engage and motivate employees, increasing their feeling of well-being.

Royal & SunAlliance

R&SA is one of the world's leading insurance groups. Focusing on general insurance, it has around 24,000 employees around the world. With an almost 300-year heritage, Royal & SunAlliance is the oldest insurance company in the world still trading under its original name. Concern with climate issues comes naturally to insurers and it is no surprise that R&SA has been actively involved in areas such as weather forecasting and flood management. Furthermore, it has been measuring and publicly reporting on its environmental impacts dating back to 2000.

Previously, an environmental policy had been developed at R&SA and there was some interest in issues such as waste and energy use, but the link with staff interests wasn't necessarily emphasised. Instead, the focus for staff involvement was outward looking, with competitions to win places on important environmental projects worldwide. This approach was certainly well received by those staff who were directly involved, but feedback from other employees around the company showed a desire for more activity locally.

This led to a review of the R&SA environmental programme to encourage greater employee engagement in activities, such as recycling and waste management. The upgrading of the recycling programme has now been going for the last two years. This has involved building on earlier experience to achieve greater separation of waste streams for paper, toner, cups, mobile phones, cardboard, fluorescent tubes and aluminium cans. In addition, the company works closely with its business partner IBM to maximise the reuse and recycling of IT equipment. Over this period, R&SA have seen a steady increase in the amount of waste it recycles.

During the past 18 months, the company has also increased its efforts on energy and water use. It has undertaken energy-saving initiatives ranging from encouraging people to switch off lights, to larger energy-saving projects that required the application of new technology. As part of this ongoing programme, R&SA will continue purchasing green energy under a national contract with Scottish and Southern. Displaying certificates for green energy raises awareness of R&SA's commitment to responsible purchasing of electricity internally. Most recently, internal energy experts have been undertaking detailed site-specific surveys looking at all options for energy use reduction, building on earlier work undertaken with the Carbon Trust.

Royal & SunAlliance (continued)

There is a project team at R&SA committed to supporting the roll-out of further initiatives to improve the ecological well-being of the company. Feedback received from employees through the intranet and the internal customer satisfaction survey has been overwhelmingly positive. Many employees are in fact asking for more action. This is consistent with feedback to the corporate responsibility function, which indicated that staff wanted R&SA to undertake positive environmental action.

Although the response from employees was overwhelmingly positive, some issues generated healthy debates, for example on the merits of R&SA buying hybrid cars for the company fleet. An online think tank, on the R&SA intranet, about the green issue was very popular and generated numerous suggestions from new products, to better ways of locally managing recycling. In 2006 R&SA took the logical next step: having reduced its own impact and implemented an ongoing set of improvement targets, it then bought carbon offsets to become the first UK insurer to achieve carbon neutrality.

Looking forward, it's clear that more and more staff want their employers to act on these issues and indeed support them in reducing their own environmental impacts outside the workplace. A recent survey by the Carbon Trust revealed that 67% of employees are keen to help their organisation cut carbon emissions and want more direction to show them how.

Summary

Organisations engaging with the well-being agenda, highlighted through our case studies, have all discovered a number of simple truths about well-being and how it needs to be central to the way that organisations do their business. These are categorised below.

Vision

There is a need for a shared vision that excites and encourages employees to take a holistic approach to their health and well-being. This must engage the organisation at all levels, with examples being set from the top and translated into behaviours and actions that are valued and rewarded.

Flexibility and individuality

Rigid benefits and ways of working do not lend themselves to a well-being culture. If existing policies get in the way of empowering employees to maximise their performance and well-being, then it is the policy and procedure that must change, not the employees.

All of the case studies found that to be successful the situation and needs of the individual employee needed to be considered. People have personal preferences, aspirations and interests. What is good for one employee may not be so for another. Allow for differences.

Shared benefits

While it would be relatively easy to find well-being initiatives that would benefit one side of the organisation–employee relationship, the real skill is to help managers and employees to work together to find win-win solutions where everyone gains. A one-sided advantage will not endure.

Accountability

The well-being agenda is not a soft option and requires employees and organisations to be accountable for their health, performance and behaviour.

Values driven

Honesty, trust, openness and justice are central to the well-being approach. The engagement of employees at the level of values taps into a reservoir of commitment that would otherwise lay untapped.

Engagement

Positive, open, two-way communication and consultation is vital to gaining the commitment of employees. This requires the well-being message being made relevant to every level of the organisation, with champions and supporters openly encouraging their colleagues to greater achievements.

Fun and excitement

Without some fun and excitement, the well-being approach will never get off the ground.

Small steps

Well-being does not need to involve the big gesture or major programme, but is found to be most successful when it involves small steps that together build to outstanding achievements.

Conclusion

Never before has there been such a clear need to recognise that the health and well-being of organisations, employees and wider society are interconnected.

Organisations are under pressure from three sides to address the well-being agenda:

- 1 from themselves as they increasingly face the costs and risks of long-term sickness and absence damaging their productivity, growth, retention and brand
- 2 employees starting to demand that their employers help them achieve individual well-being
- 3 the law and government policy driving employers to recognise their impact on employee health to help in their aims to get more of the working population back and active in the workplace.

Although not providing the answers, this Change Agenda, has sought to examine the nature of well-being, explore what it involves, identify the impact it can have on an organisation and its employees, and finally bring the concept to life through a series of case studies.

So does adopting a more strategic approach to people's physical and mental health at work bring benefits to the employer as well as the employee?

It is early days, but from this and other CIPD research it is becoming more and more evident that organisations are starting to manage employee health rather than employee sickness, not as a standalone well-being strategy but as an integral part of an overall employee well-being programme. Such strategies seem to be giving real benefits to these organisations in reducing turnover and increasing the productivity and engagement of their employees.

These solid business reasons combined with an increasingly loud public policy agenda to get 80% of our working population into the workplace (with a clear role now set out for the private and public sector to contribute to this aim) make this well-being concept more and more relevant to how you manage your workforce today.

The CIPD would welcome comments on any of the issues discussed in this Change Agenda. Comments should be addressed to Sally Humpage, Employee Relations and Diversity Adviser, s.humpage@cipd.co.uk

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All Change Agendas available at <http://www.cipd.co.uk/research/rsrchplcypubs/changeagendas.htm>

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