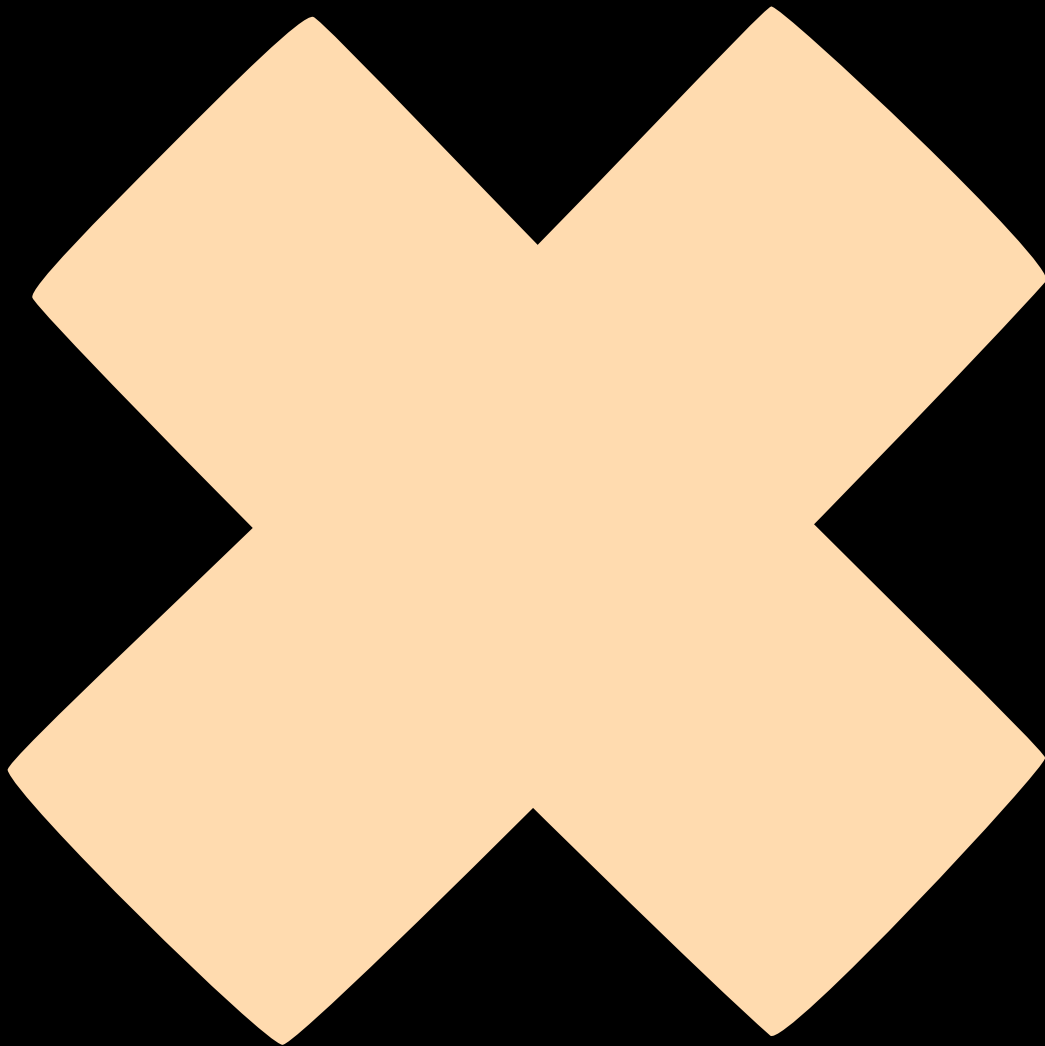


March 2022

Why employee wellbeing isn't working.

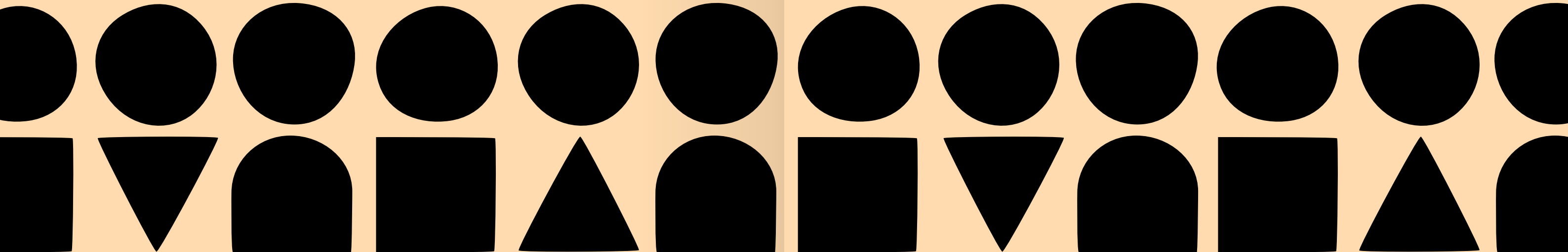


**And what you need
to do about it.**

**GOOD
SHAPE**

**Ten key insights from
our major new Ipsos
research report
that will help you to
improve the health
of your employees
and your business.**

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Introducing GoodShape.

We're on a mission to keep your employees and your organisation in good shape.

For over 15 years we've partnered with over 200 major public and private sector organisations to help them transform the way they manage employee wellbeing so that they can increase their operational efficiency and ultimately create higher performing companies.

We go beyond traditional absence management to provide a much richer and proactive approach to employee health and wellbeing. And if we can, prevent absence before it even happens.

We want to help organisations transform the way they manage their employee health and wellbeing so that they can radically improve their productivity and performance.

Some of our clients include:

Heathrow
Making every journey better

 **Heathrow**
Express

PHILIPS

WarnerMedia


London Luton Airport

NHS

BAE SYSTEMS

IAG INTERNATIONALS
AIRLINES
GROUP

 **mitie**

AON

 **BOUYGUES**
ENERGIES & SERVICES

 **Bidvest**
NOONAN

A message from our CEO.



“Employee wellbeing should be seen as an opportunity and a board priority.”

Some elements of this report into the state of employee wellbeing in the UK don't make for great reading. It reveals some of the common blockers to successfully implementing an employee wellbeing programme.

For me there are three important things to take away from this report:

1. The health and wellbeing of your people is critical to success.

Even if you set aside the effects of COVID-19 on managing and maintaining the productivity of an organisation, conditions such as poor mental health and musculoskeletal injuries are the cause of millions of lost working days in the UK. Conservative estimates of the direct financial cost of absence and illness run into billions of pounds per annum.

2. Employee wellbeing is not a boardroom priority at the moment.

Many senior people in mid to large size organisations do not have a clear and coherent view of what employee wellbeing should be for their company. In many cases it is deemed to be an 'HR issue' or lacks ownership and is not seen as a powerful tool that can offer a competitive advantage.

3. Many employee wellbeing programmes are simply not effective.

Through a combination of lack of strategy, programme ownership and specialist expertise, many of the companies we spoke to who are investing in employee wellbeing programmes are not getting the results they deserve. Above all, due to a lack of reliable data, leadership teams can't understand underlying causes, make informed decisions or measure the efficacy of the solutions they might implement.

It's not all bad news though. We also believe the report serves as a catalyst for change and a call to arms for organisations to up their game and unlock the transformative power of employee wellbeing in their organisations.

Alun Baker
CEO, GoodShape

Our research methodology.

A comprehensive review of over 750 people from HR professionals to C-suite executives.



As part of our desire to understand how successful organisations in the UK are at managing their employee wellbeing, we commissioned the leading independent market research company, Ipsos, to conduct a major review across a range of sectors, industries and regions.

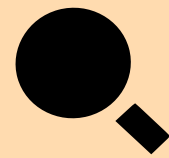
The research was conducted during the turmoil of the global pandemic and against the backdrop of the major shifts we have seen in working practices over the last two years.

The results included in this document highlight just some of the key findings and provide a clear overview of the major challenges employers are facing as well as a potential blueprint for a better way forward.

Ipsos surveyed 397 Middle Managers and 311 HR professionals via an online survey and conducted qualitative interviews with 60 C-suite executives. Our goal was to understand their views on employee wellbeing, what's working at the moment and more importantly what's not.

Respondents were surveyed between August and November 2021, with the initial results released in March 2022





10 Key insights.

Taken from our major new Ipsos research report that will help you to improve the health of your employees and your business.

- 1. Senior leaders recognise the importance and value of employee wellbeing.**
- 2. Lack of training means managers aren't often equipped to help employees.**
- 3. Employee wellbeing is supported but not defined at board level.**
- 4. Middle Managers and HR professionals believe employee wellbeing is more important than productivity.**
- 5. Employee wellbeing should be for the long term, not just for the pandemic.**

- 6. Employee wellbeing needs to be owned by the leadership team in every organisation.**
- 7. A strong employee wellbeing programme can attract and keep the best talent.**
- 8. Mental health is a top priority for employee wellbeing initiatives.**
- 9. Measurement of employee wellbeing and the impact of initiatives is often lacking.**
- 10. There's no 'one size fits all' employee wellbeing solution.**

1.

Senior leaders recognise the importance and value of employee wellbeing.

Rather than seeing employee wellbeing as a nice to have, there's a definite understanding of the benefits of investing in this aspect of management.

From improving the company's performance and reducing unnecessary employee absences to creating a more attractive place to work and ultimately happier and more productive employees.

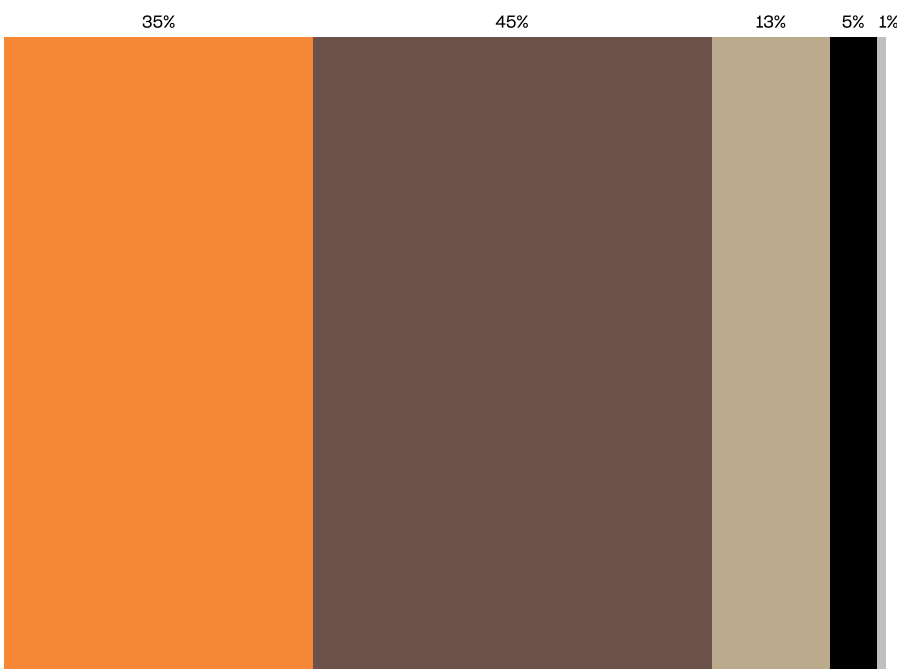
When interviewed, 80% of Managers and HR professionals felt that their senior staff took the issue of employee wellbeing seriously. But, as we'll come on to see, there is an understanding gap amongst senior teams about how to define what employee wellbeing is and the best strategic approach for their organisation.

80%

of managers and HR professionals felt senior staff took wellbeing seriously.



Thinking about the wellbeing of you and your staff, how seriously do you feel that senior staff take the wellbeing of employees?

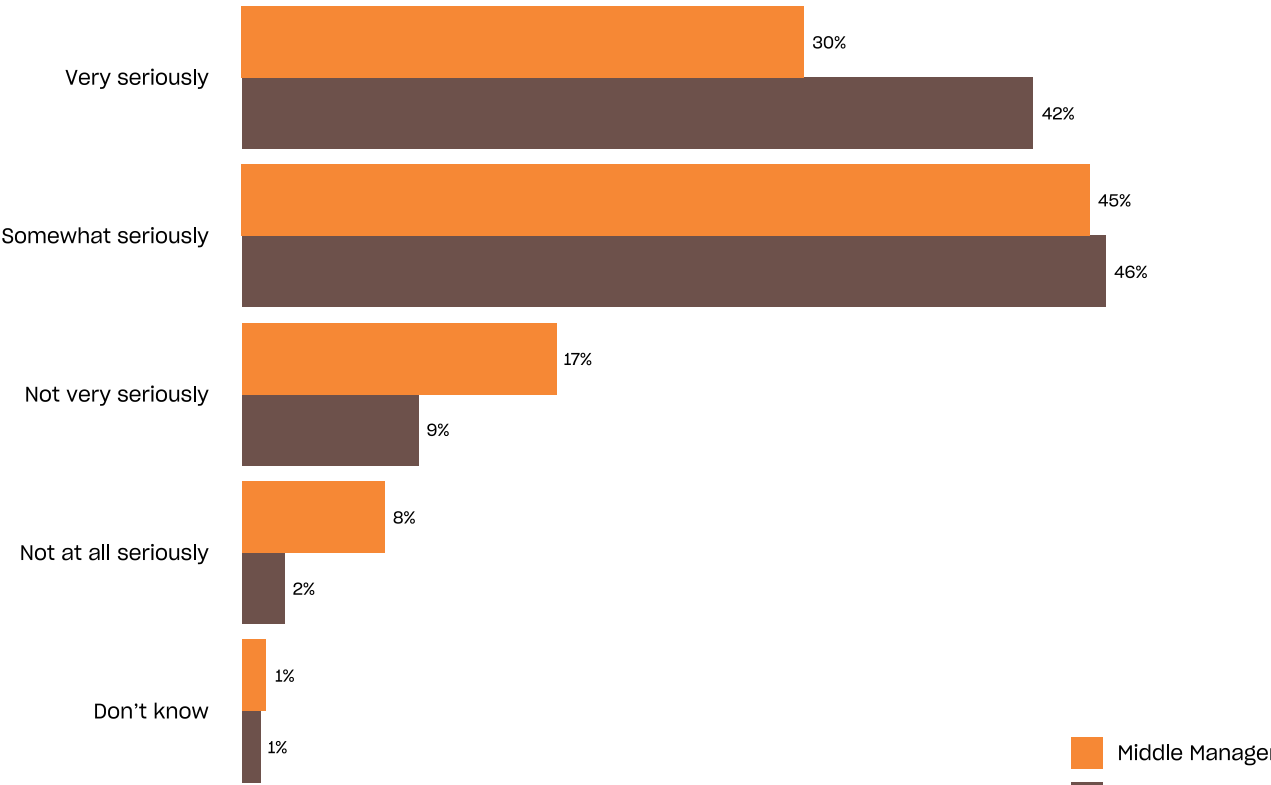


Very seriously
Somewhat seriously
Not very seriously
Not at all seriously
Don't know

Total: 708

“If we start with staff being our most important asset, unless we look after them then the performance is not going to happen anyway.”

Chief Operating Officer



Middle Manager
HR

Total: 708
HR: 311
MM: 397

“Ironically, it [wellbeing as a term] is used but it tends to be used by HR. Our HR function seems to feel that wellbeing has a definition that they work to. I doubt whether people on the ground or the management team see it the same way.”

Chairman

2.

Lack of training means managers aren't often equipped to help employees.

A lack of training, expertise and experience is one of the biggest barriers to Managers and HR professionals effectively supporting employees' wellbeing issues.

While initiatives are seen as important at a board level, those delivering support on the ground need to be properly equipped and knowledgeable enough to know how to deal effectively with wellbeing issues as they occur.

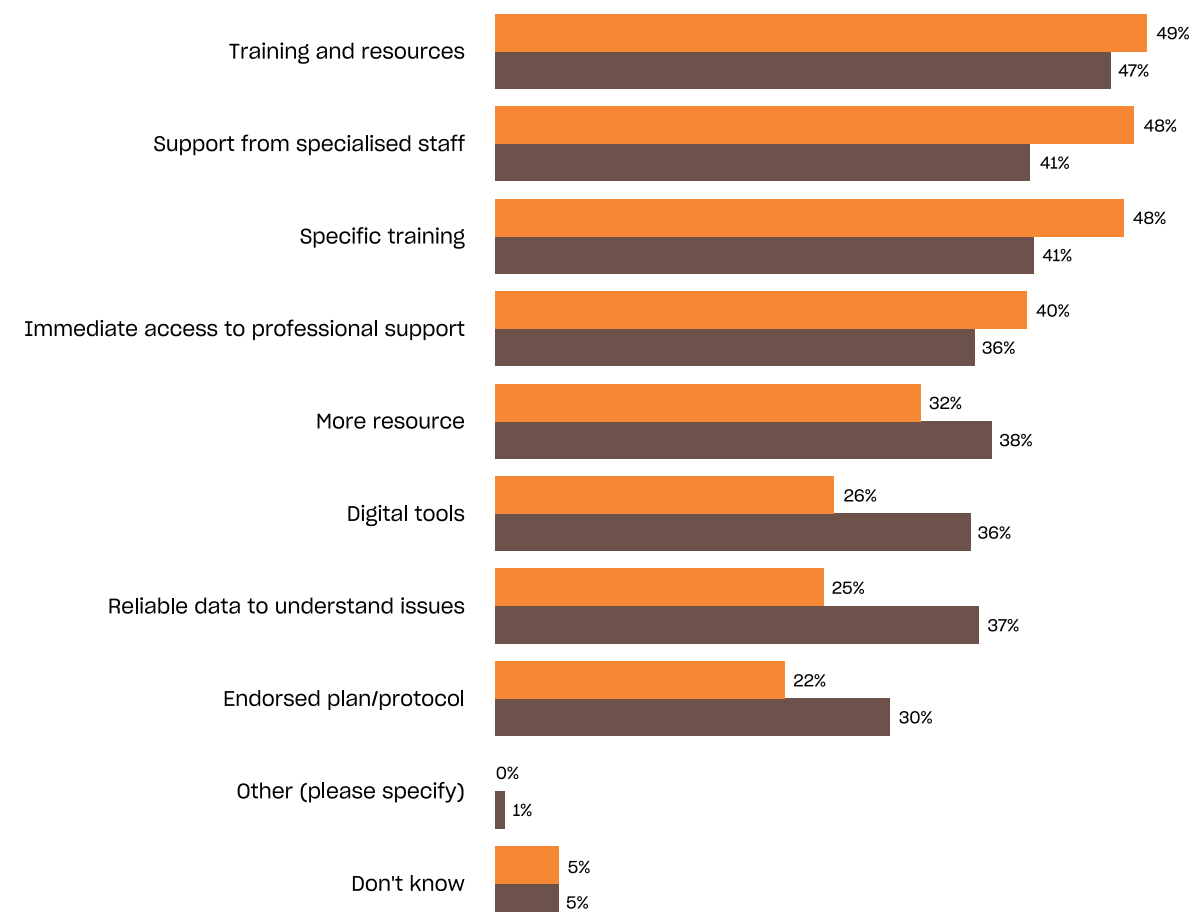
45% of Middle Managers, the 'first line of defence' in many organisations, said they hadn't received any training to support their employees' wellbeing. Nearly a quarter of all HR professionals said they hadn't received any training either (23%). Mental health issues were the UK's main cause of lost working time in 2021, yet only around a third of Managers (34%) have been offered mental health first aid training.

In order to help Managers and HR professionals to more confidently deal with wellbeing issues, nearly half (48%) would like to see more training or information to ensure they're better prepared, and a similar proportion want more support from specialised staff and specific training (45%).

45%

of Middle Managers, the 'first line of defence' in many organisations, said they hadn't received any training to support their employees' wellbeing.

Which of the following would you like to see more of to confidently deal with wellbeing issues?



■ Middle Manager
■ HR

Total: 708
 HR: 311
 MM: 397

“We have mental health first aiders for example, but managers do not become first aiders, they have a broader kind of understanding of preventing the actions occurring in the first place, and I think what is missing is that kind of education programme for managers and directors in managing wellbeing.”

Chief Operating Officer

3.

Employee wellbeing is supported but not defined at board level.

The starting point for developing any strategy is to clearly define what we mean by employee wellbeing and what success looks like.

A holistic definition that covers both physical and mental health is really important and gives employees a clear view of what they can expect in terms of support from their organisation.

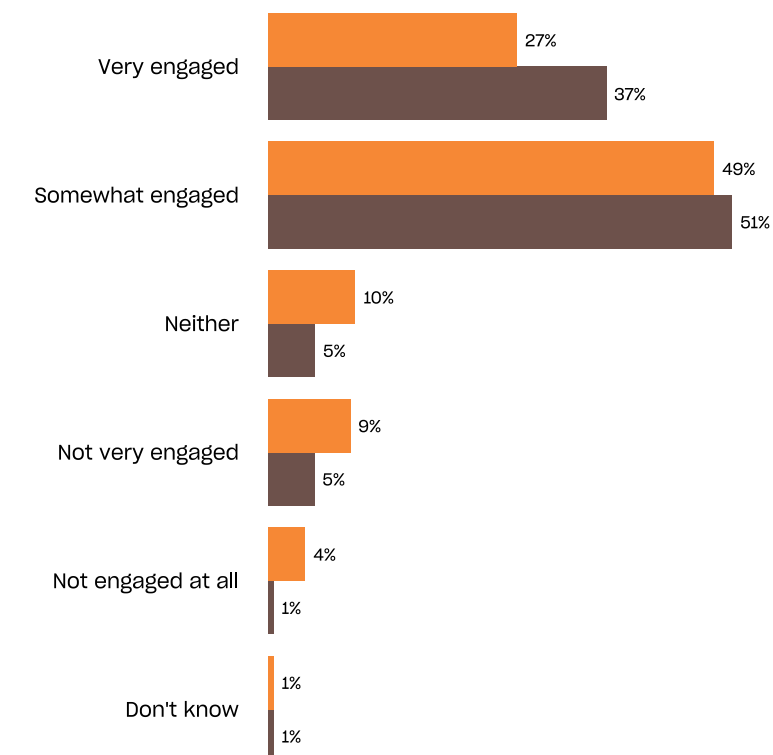
Without a precise definition and measured goals, all you have is good intentions. It's impossible to formulate plans or allocate responsibilities.

This lack of clarity plays out when considering that Middle Managers see their role as offering advice or solutions (22%), while HR professionals see theirs as offering training and improving awareness (18%).

Despite this, 82% of Managers and HR professionals characterise their organisation's approach to wellbeing as engaged, compared to just 10% who say it is not engaged.

82%
of Managers and HR professionals characterise their organisation's approach to wellbeing as engaged.

How would you characterise your organisation's approach to employee wellbeing?



■ Middle Manager
■ HR

Total: 708
 HR: 311
 MM: 397

“We have a lot of focus on wellbeing with policies and programmes, but I don’t think we have a specific definition of wellbeing.”

Chief Executive Officer

4.

Middle Managers and HR believe employee wellbeing is more important than productivity.

Employee wellbeing is increasingly being seen as a key ingredient in a company's performance.

50% of Managers and HR Professionals believed it to be more important than productivity (31%). Indeed, it would stand to reason that looking after the wellbeing of your employees will lead to a happier and therefore more productive workforce.

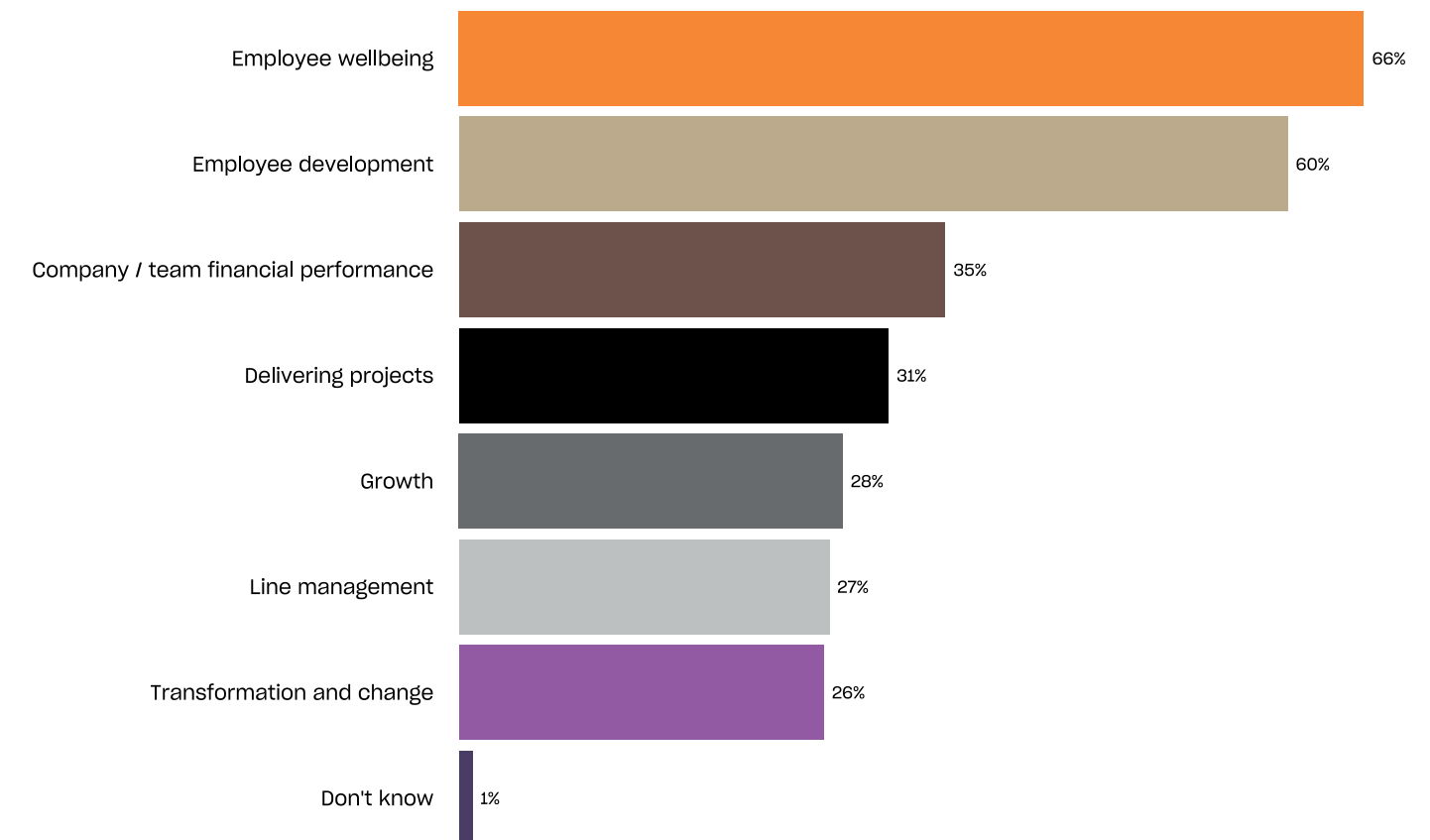
Alongside this, two thirds (66%) of Managers and HR professionals selected employee wellbeing as one of the most important aspects of their work, marginally ahead of employee development (60%) but significantly ahead of company/team financial performance (35%).

Furthermore, Managers and HR Professionals feel that employee wellbeing is at least very important, if not critical, to attracting and retaining talent (75%) – along with being important to increasing operational efficiency (74%), strengthening engagement with the leadership team (70%), building a company's reputation (69%), reducing company risks (69%) and informing company strategy (63%).

50%

of Managers and HR Professionals believed wellbeing to be more important than productivity.

Thinking about your work, which three of the following would you consider to be the most important?



Total: 708

5.

Employee wellbeing should be for the long term, not just for the pandemic.

The majority of Managers and HR professionals do not expect their current employee wellbeing initiatives to continue once the pandemic is over.

Our research shows they believe a lot of current services were in reaction to COVID-19 and will recede once 'normality' resumes, as opposed to a true investment in the future wellbeing of their employees.

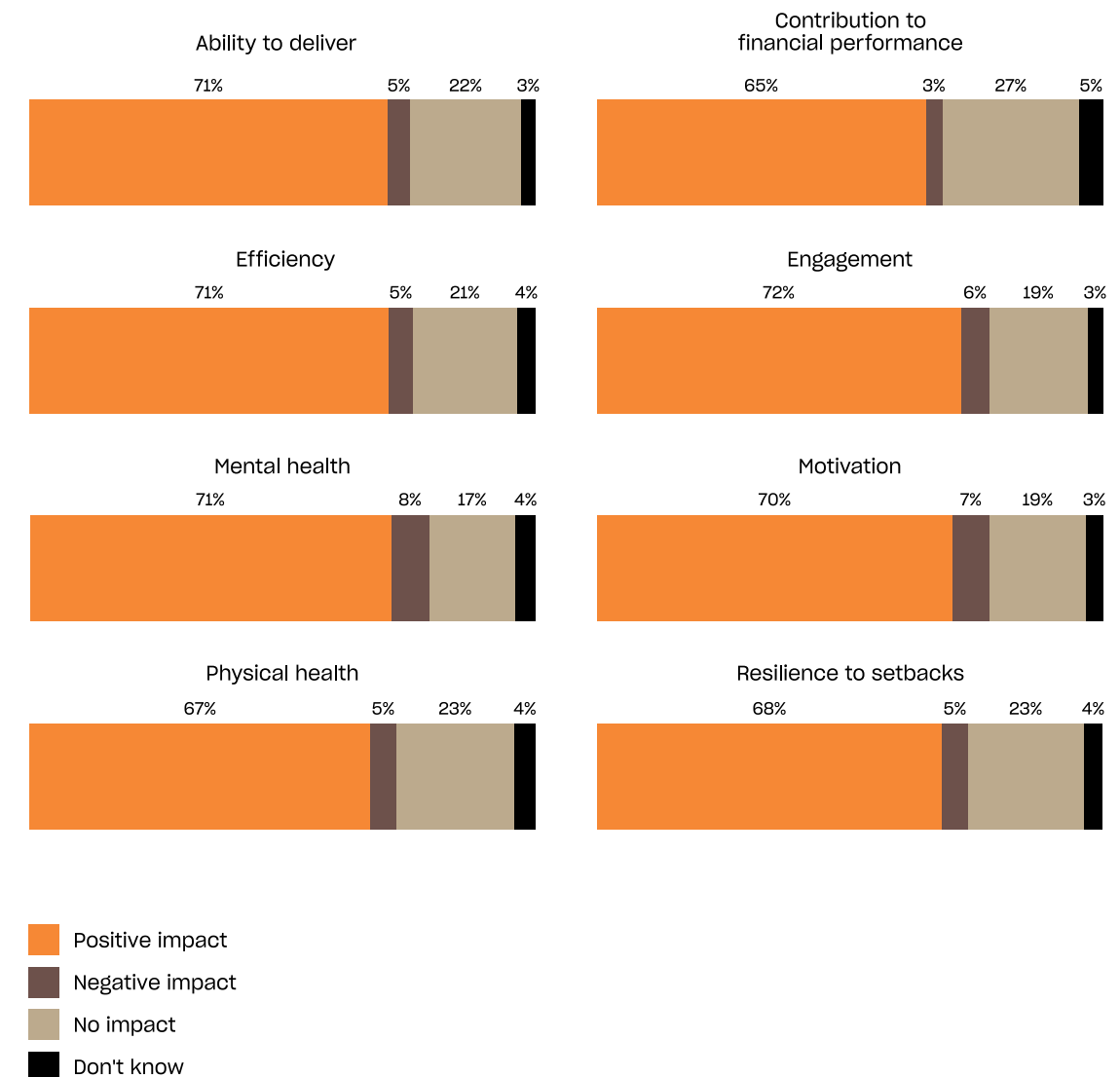
Many of the wellbeing initiatives that companies currently have in place are 'much needed' according to Managers and HR Professionals: mental health initiatives (71%), vaccinations/ testing services (70%), remote working initiatives (66%), flexible working hours (65%), EAP (64%), Occupational Health Services (64%), absence support programmes (58%), hardware (54%) and company doctor/ nurse (53%).

And this need becomes even clearer when considering that Managers and HR professionals see their company's initiatives around employee wellbeing having a positive effect on employee engagement (72%), efficiency (71%), ability to deliver (71%) and mental health (71%).

Despite this clear view that there is a continued need for wellbeing initiatives, most Managers and HR professionals believe the initiatives currently in place will be withdrawn after the pandemic. For example, less than half (44%) say that mental health initiatives will be kept, the highest proportion of any initiative measured. Just 43% say the same of flexible working hours and 37% of occupational health services.

Less than
44%
say that mental health initiatives will be kept.

Thinking about your company's initiatives or programmes around employee wellbeing, what impact have they had on employees?



Total: 708

6.

Employee wellbeing needs to be owned by the leadership team in every organisation.

Interviews with C-suite executives indicate that HR is responsible for creating and delivering their company's employee wellbeing strategy.

Many HR professionals see their responsibilities relating to wellbeing as being limited to the provision of training. Day-to-day responsibility for execution, they believe, sits with individual line managers.

This must inevitably cause some confusion about who's responsible for setting the long-term strategy and who's in charge of delivery.

Most Managers and HR Professionals say that the current responsibility for administering wellbeing programmes rests with HR (54%). That is followed by individual line managers (19%), a specific internal wellbeing function (13%), board level (7%) and outsourced function (3%).

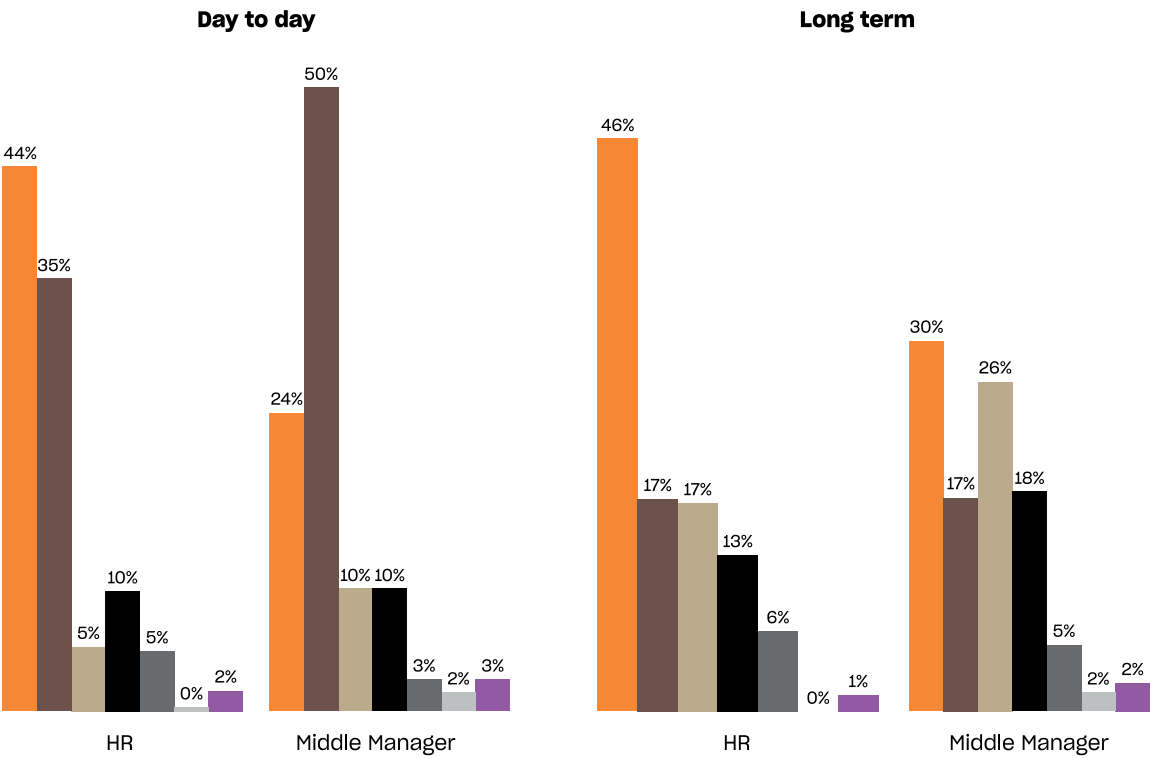
However, Managers and HR professionals are divided over where they believe the day to day responsibility for wellbeing lies, with Middle Managers more likely to say themselves (50%) and HR professionals more likely to say themselves as well (44%).

44%

of HR professionals are likely to say the responsibility lies with themselves.

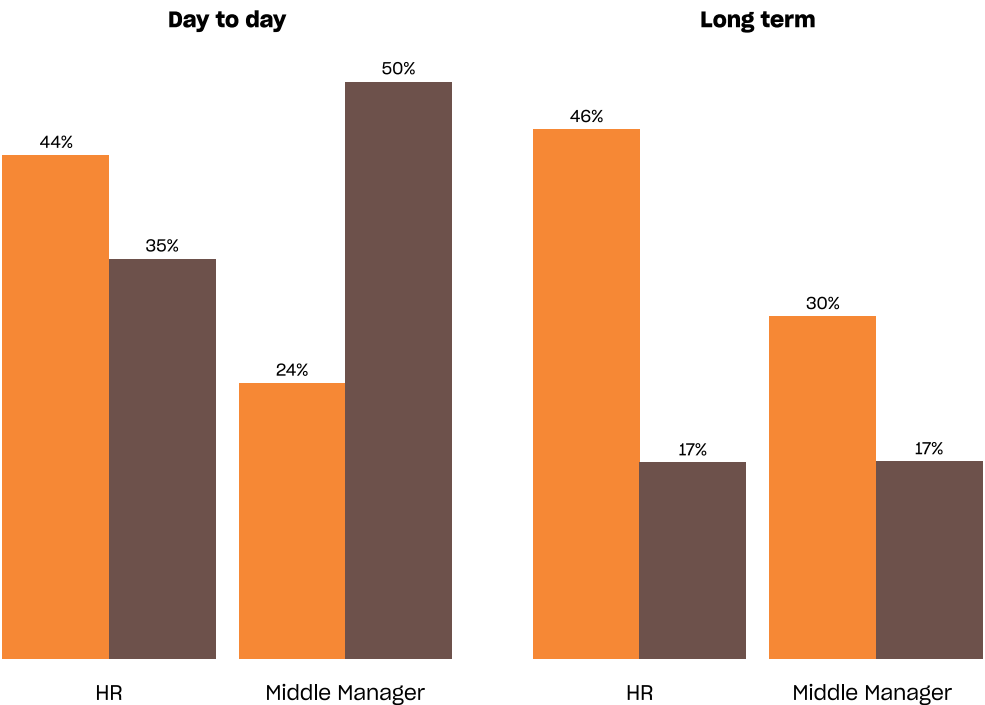


Ultimately, where do you believe responsibility for employee wellbeing lies within your company?



- HR
- Individual line managers
- Board level
- Specific internal wellbeing function
- Outsourced function
- Other
- Don't know

Total: 708
HR: 311
MM: 397



- HR
- Individual line managers

Total: 708
HR: 311
MM: 397

“At senior board level, where you are setting the culture and values of the organisation... wellbeing is part of that and that is where the overall responsibility lies. But then in regard to local managers and the individuals there is also responsibility to participate in the programme, to...feedback and report with a level of honesty.”

Chief Executive Officer

7.

A strong employee wellbeing programme can attract and keep the best talent.

More and more employees are expecting better support from their employers when it comes to wellbeing.

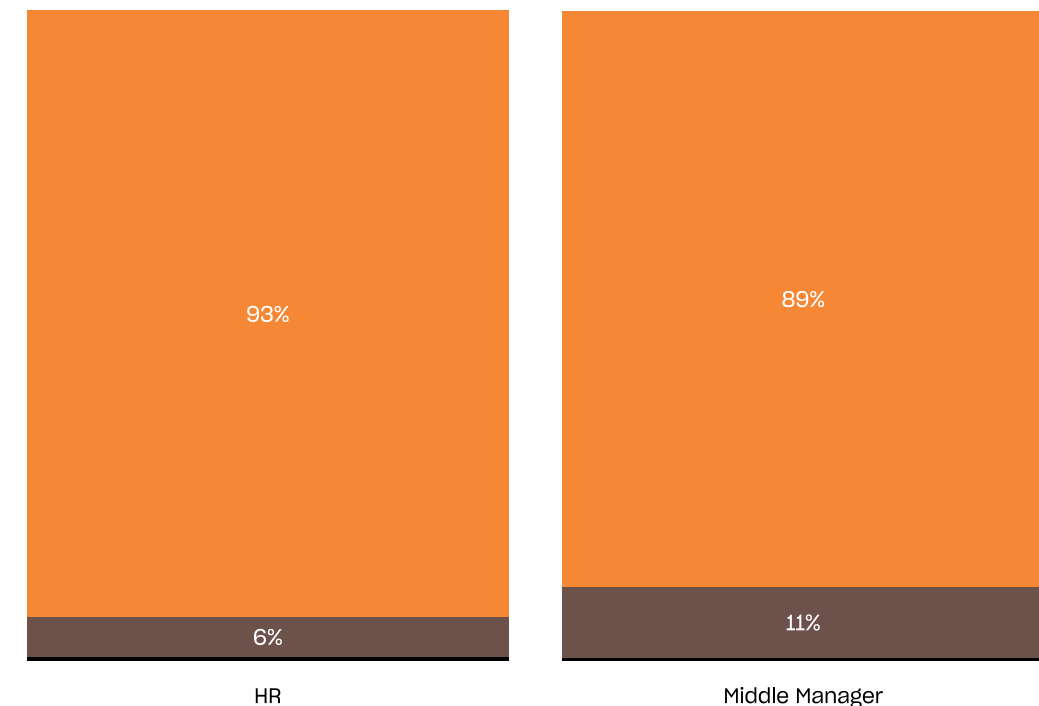
Organisations that treat employee wellbeing as an add-on rather than something integral to their company ethos and culture may struggle to attract and retain talent. Employees expect employers to 'compete' for them, with demonstrable commitments to providing a safe, supportive working environment. This trait is particularly prevalent amongst the younger generations.

Nine in ten (91%) Managers and HR Professionals say that wellbeing programmes in the workplace are important in attracting and retaining talent.

Likewise, HR professionals and Middle Managers report that both current (62%) and prospective employees (49%) are asking more of them and their company to support their wellbeing.



Please say how important you believe 'wellbeing programmes in the workplace' are to attract and retain talent?



Note: anything unlabelled is below 2%



Total: 708
HR: 311
MM: 397

“I think there is a great expectation around wellbeing now and rightly so. Potential new employees have greater expectations.”

Chief Operating Officer

8.

Mental health is increasingly a top priority for employee wellbeing initiatives.

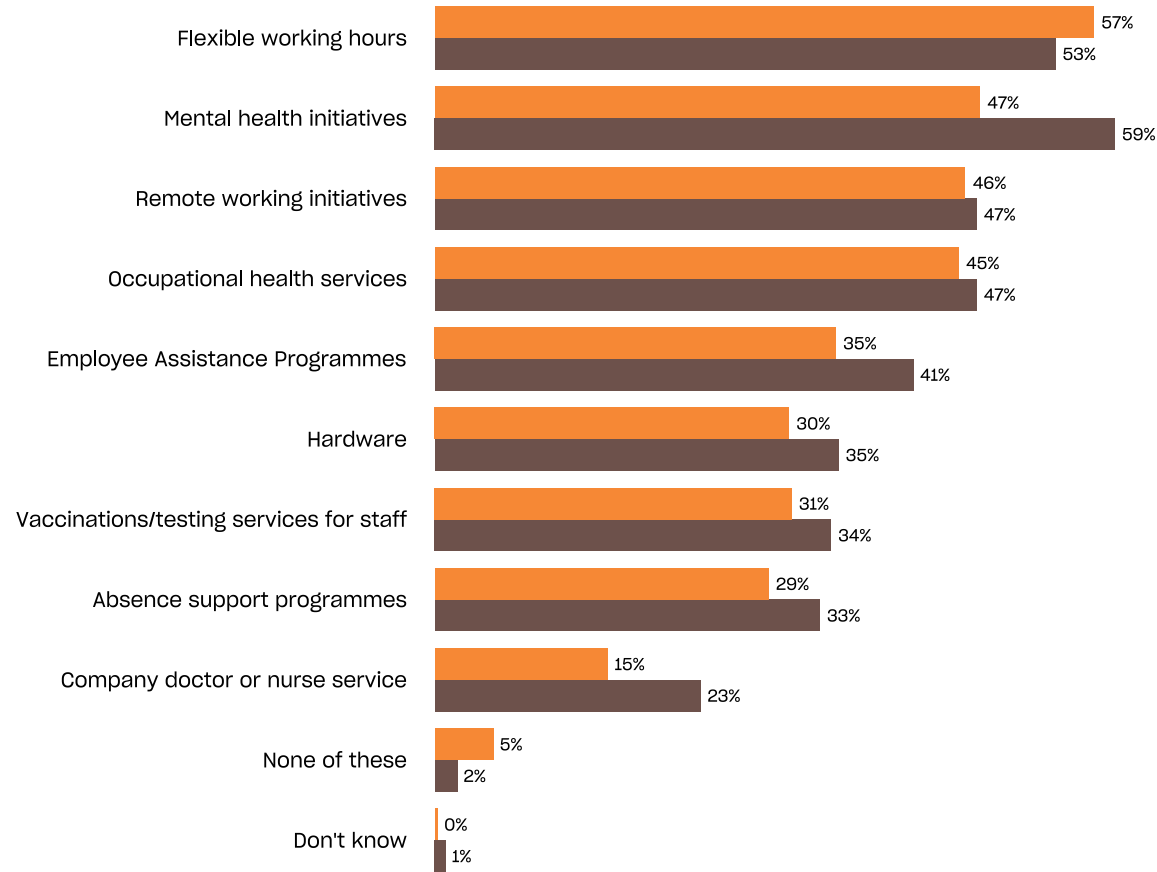
More than nine in ten (96%) Managers and HR Professionals say their companies have implemented wellbeing initiatives.

These results suggest that the vast majority of organisations have wellbeing initiatives in place, with over half (52%) reporting that they have implemented mental health programmes. The ranking of the various initiatives gives an indication of the priorities for leadership teams. But what has informed these decisions and how is efficacy being measured?

Across the majority of these initiatives, affirmative responses were higher among HR Professionals than Managers, raising the question of whether the wellbeing support available is effectively communicated throughout organisations.



Which of the following wellbeing initiatives have your company implemented in the workplace?



Middle Manager
HR

Total: 708
HR: 311
MM: 397

9.

Measurement of employee wellbeing and the impact of initiatives is often lacking.

While mental and physical illness can have a significant human and financial cost to an organisation, few senior leaders have reliable data to measure this impact.

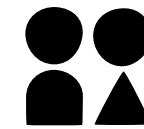
Indeed 27% of Managers and HR professionals surveyed believe that employee wellbeing initiatives had no effect on financial performance. Calculations are often complex and can include factors such as the negative effect on reputation or share price of a company.

Managers and HR professionals also noted that digital tools to make people management processes quicker or easier and reliable data to help them understand the nature and scale of issues (30% for both) would help them more confidently deal with wellbeing issues.

27%

of Managers and HR professionals surveyed believe that employee wellbeing initiatives had no effect on financial performance.

Measuring the following three indicators is an effective way to benchmark what sort of shape your organisation is in today.



Absence

The direct cost of lost working time due to people being off work for illness, injury or other unplanned reasons. We estimate the annual cost in the UK to be at least £56Bn, and that is without indirect costs such as overtime, cover, admin and agency fees.



Staff churn

In the UK, employee turnover costs around £45Bn* per annum, largely incurred during the recruitment and onboarding of new people.

Insurance claims

A growing number of UK employees now have income protection policies and annually claims exceed £0.6Bn*. We anticipate claims will exceed £1Bn per annum by 2023.

*Source: Candesic, May 2021

“We have lots of information about financial performance, but we can’t link that back directly to wellbeing.”

Chief Operating Officer

10.

There's no 'one size fits all' employee wellbeing solution.

Every organisation is unique and needs its own specific strategy.

The needs and priorities of employees can differ greatly across different organisations. Our results suggest employers' responses vary significantly across different sectors. For example, there's a huge gap between Retail and Professional Services. The size of workforce also seems to have a bearing on employers' responses to wellbeing.

For instance, Managers and HR professionals at medium-sized companies are more likely than those at large companies to agree they have the knowledge they need to make effective decisions about employees' wellbeing (82% vs 72%). This suggests that medium sized companies are more likely to have better information about the needs of

their employees than large companies. Therefore, they are more likely to take the efforts needed to support employees in their wellbeing because they have the insight they need to effectively address issues.

In different regions, wellbeing is seen as more or less important; Managers & HR professionals in the Northwest are more likely than those in London to agree that employee wellbeing is an important issue for their company (88% vs. 77% respectively).

Similarly, there is a variation across sectors. Managers and HR professionals in Professional Services are more likely than those in Retail to say their organisation is engaged with employee wellbeing (90% vs 75% respectively).

Knowledge needed to make effective decisions regarding wellness:

82%

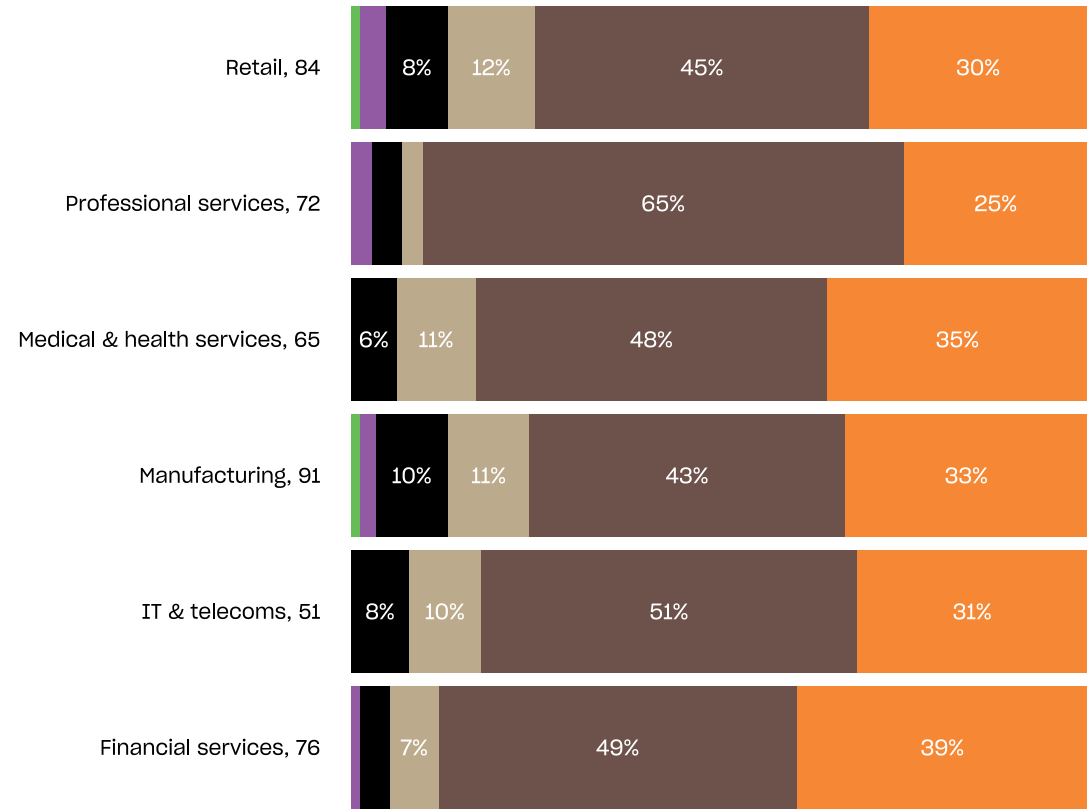
vs

72%

Medium companies

Large companies

How would you characterise your organisation's approach to employee wellbeing?



Note: unlabelled responses are below 5%

- Very engaged
- Somewhat engaged
- Neither
- Not very engaged
- Not engaged at all
- Don't know

Total: 708

Why invest in employee wellbeing?

We believe promoting employee wellbeing is not just the right thing to do, it also offers your organisation a powerful competitive advantage.

6 reasons to invest in our wellbeing and performance service.

1.

Reduce employee absence.

At the heart of what we do, taking care of the health and wellbeing of your employees to reduce the amount of time people take off due to ill health. We see an average 20% reduction in workforce absence in the organisations we partner with.

2.

Increase operational efficiency.

Our service supports managers with the systems and processes they need to anticipate, understand and respond to the root causes and effects of absence.

3.

Inform smarter workforce strategies.

With the UK's largest database of insights into work, illness and health with over 1 billion data points, we can help you create the plans you need to prepare for and respond to changes in your workforce and marketplace.

4.

Reduce risks to employer and employees.

We can help you identify and address emerging trends or underlying issues relating to things like training and health and safety.

5.

Improve leadership decision-making.

We ensure your leadership team has the real-time insights they need to make better decisions about their teams, divisions and sites across the organisation.

6.

Build employee VP and employer brand.

Organisations with a strong focus on employee wellbeing can attract, engage and retain the best talent. It also signals that you are maintaining the highest standards of corporate governance and leadership.

Why choose GoodShape?

We're trusted by major organisations to deliver a more progressive approach to employee wellbeing.

Our service is driven by three key pillars:



Expert care.

Our in house NMC Registered clinical team are on hand 24/7, to provide compassionate, confidential guidance for your employees whenever it's needed. From Day 1 of an absence through to a safe, timely return to work, we ensure processes are compliant and properly documented.



Seamless service.

On average, our service will engage with 70% of your workforce without additional workload for line managers. We provide a reliable hub for new wellbeing initiatives, integrating with HR systems and supercharging your current programmes. GoodShape identifies emerging issues and refers employees to the most appropriate services quickly and simply.



Bigger insights.

We have the UK's largest database of insights into work, illness and health with over 1 billion data points. It means we can help you manage your teams and resource planning in a much more sophisticated way, helping your leadership team to be better informed and make smarter decisions with real-time and relevant insights.

The way forward.

Following the key insights from our report, we've developed a five-point framework to help mid-size and large-scale organisations deliver highly effective employee wellbeing programmes.



The GoodShape 5-point plan

1.

Define wellbeing.

As a cornerstone of any impactful programme, we work with you and your leadership team to define what wellbeing means for your organisation. What are the current priorities for your people? What are the major limiting factors of your current structures and processes? How do you know what good looks like in terms of services, training and delivery? What balance of personal health, motivation and engagement is right for your people and your sector?

2.

Own wellbeing.

It's key for any successful employee wellbeing programme to be owned and directed from the leadership of the organisation. We help you and your teams set out the clear roles and responsibilities as well as the employee insight and feedback loops that are needed for board level thinking and vision to turn into day-to-day activities.

3.

Create an impact strategy.

There's no such thing as a 'one size fits all' employee wellbeing strategy. Every organisation has its own challenges, opportunities and priorities. That's why so many off the shelf solutions aren't that effective. Our team of experts work with your leaders to develop a clear roadmap for employee wellbeing success. A plan that addresses the needs of your organisation specifically.

4.

Invest in people.

Once the impact strategy has been created, training and resourcing of your HR teams and line managers is essential. Guidance, education and direction are vital for success, but don't expect managers to take on tasks that should be undertaken by experienced experts. Without specialist support, day-to-day delivery of employee wellbeing can hit the buffers.

5.

Measure and improve.

Finally, and most importantly is the ability for your strategy and implementation plan to be measured for effectiveness. We help you set the objectives and goals to improve the wellbeing of your employees over time, as well as providing the tools and expertise to know what to measure and how to measure it.

What sort of shape is your organisation in?

**To find out more about how
GoodShape can help your
organisation, visit our website
or get in touch today.**

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questions@goodshape.com

The employee wellbeing
and performance experts
goodshape.com

**GOOD
SHAPE**