

Business in the

Community

Business Action on Health

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25
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Health and wellbeing: the business opportunity for UK plc

Health is vital to every society. But the UK is fast approaching a healthcare crisis as life expectancy increases and the cost of treating physical and mental illnesses and age-related deterioration escalates. Businesses are recognising that it is increasingly likely that they will be expected to shoulder a growing proportion of society's healthcare costs as the NHS struggles to cope.

For Business in the Community and its members, this crisis represents a tremendous business opportunity. Companies are constantly seeking new ways to differentiate their organisations from competitors to attract and retain the best people to their workforce. Investment in employee health and wellbeing represents a new frontier in this effort as companies increasingly recognise that a healthy, committed workforce is the foundation for business success.

People are at the heart of every company. By promoting the physical and mental health and wellbeing of their employees, businesses can shape healthy workplace communities in which staff are productively engaged with their work and with the people around them; where absenteeism is low and retention levels are high; where people are proud to work for the company and encourage others to join, diversify and enrich the company; where people in the wider community feel good about the business, so buy its products and services and help sustain and develop the company as a profitable enterprise.

So a healthy workforce is crucial. To better understand how UK plc is managing health and wellbeing issues, we commissioned interviews with Finance Directors of our 2006 and 2007 Healthy Workplaces Award Big Tick Winners to learn how they perceive the business case for promoting health and wellbeing in their companies. We also undertook desk research into how and what FTSE 100 companies are reporting on the health of their workforce.

The juxtaposition of the findings from these two research exercises is striking. While Finance Directors have clearly acknowledged the importance of workforce health as a boardroom issue - corroborating the results of our 2005 *Spend Now, Save Now* survey of senior directors on this topic - public reporting by FTSE 100 companies in this area is limited. This reflects the urgent need for resources to help companies develop and manage effective workplace health programmes and communicate these initiatives to employees and other stakeholder audiences.

Guided by a committed, energetic Leadership Team of BITC member companies, our Business Action on Health campaign is developing resources to meet that need.

This publication sets out an action model developed collectively by the Business Action on Health Leadership Team, featuring questions to help employers get started, along with related facts and examples of best corporate practice. Additional resources, including the perspectives of our Leadership Team companies and our expert partners as well as more detailed case studies, are available on our website at www.bitc.org.uk/healthyworkplaces.

To complement these resources, Towers Perrin have created a Healthy Workplaces Action Pack, a step-by-step guide to help companies develop and maintain a health and wellbeing programme, supported by Business Action on Health.

To encourage companies to report on how they are managing health and wellbeing issues in their companies, we are expanding our Corporate Responsibility Index to encompass health and wellbeing, as well as safety issues for the first time in 2007.

To enable company practitioners, particularly in the human resources and occupational fields, to learn more about best practices promoting health and wellbeing, we are staging a series of Regional Forums and Opening Door events around the country.

We are also working closely with the Government in its review of UK workforce health, expected to be published in early 2008.

Finally, we are calling on companies around the UK to join Business in the Community's Business Action on Health campaign, committing to report on health and wellbeing in their workplaces by 2011. By working together to achieve this goal, we can help ensure the long-term vitality - as well as the profitability - of UK plc.

Stephen Howard
Managing Director
Business in the Community

Business wealth depends on workforce health

Business leaders recognise that a healthy, committed workforce is vital to business success. Many companies declare in annual reports and other corporate publications that 'our people are our greatest asset'. Yet 70% of chief executives, finance directors and human resource directors surveyed in 2005 by Business in the Community, *vielfe* and HR Magazine admitted that they were not effectively promoting health and wellbeing at work, despite rating a healthy workforce as a 'top five' boardroom issue.

Mental ill-health costs British businesses an estimated £9 billion in paid-out salaries alone, with uncalculated additional costs in turnover, productivity and other absence-related costs. Yet a Shaw Trust survey of employers found that 45% believed none of their employees suffered from any form of mental ill-health, despite an average of 3 out of 10 employees being affected.

Widespread failure to invest in workplace health and wellbeing can have dramatic consequences for companies. In the UK, 175 million days were lost to sickness absence in 2006, costing the economy £13.4bn.

But even physical presence at work is no guarantee of optimal performance. The 2005 Towers Perrin Global Workforce Study found that only 12% of UK employees are highly engaged on the job and willing to go the extra mile for their companies, compared with Europe (11%) and the US (21%).

Why is there such a difference between corporate rhetoric and behaviour? Employers are confused about what constitutes health and wellbeing at work; how to build the business case for investment in workplace wellness programmes; and how to implement programmes which create measurable return on investment. As a result, they are missing out on the business benefits that promoting a healthy workplace can create for their organisations.

Some of these benefits have been documented by companies recognised as Big Tick winners in the Healthy Workplaces Award category of Business in the Community's Awards for Excellence. Measured health and financial outcomes include:

Improving	Reducing
Staff health and wellbeing	Stress
Staff engagement and satisfaction	Sickness absence rates
Staff recruitment and retention	Staff turnover
Productivity	Recruitment costs
Product and service quality	Agency cover costs
Brand image	Health-related employee benefits
Customer satisfaction and loyalty	Liability cover and litigation costs

PERCENTAGE OF UK EMPLOYEES THAT ARE WILLING TO GO THE EXTRA MILE FOR THEIR COMPANY

12%

NUMBER OF WORKING DAYS LOST TO SICKNESS ABSENCE IN THE UK IN 2006

175m

BUSINESS ACTION ON HEALTH CAMPAIGN

Business Action on Health is a new business-led campaign which has been developed by Business in the Community to help companies better understand how to promote health and wellbeing in their organisations for the benefit of their people as well as their bottom line. The campaign's

work - which supports the Government's Health, Work and Wellbeing Strategy - is guided by a Leadership Team which is chaired by Boots and includes Abbey, Danone Dairies, National Grid, Parcellforce Worldwide, RWE npower, Unum, Standard Life Healthcare, Mother, Aramark and Prof Dame Carol Black, National Director for the Government's Health Work and Wellbeing Strategy.

WHAT'S IN THIS REPORT?

What leading companies are measuring

Business Action on Health's Leadership Team has identified four generic key performance indicators (KPI's) which are crucial in assessing the impact of health and wellbeing programmes in the workplace. These include:

Wellness: this encompasses the physical health of the workforce as reflected in levels of absenteeism, smoking, alcohol and drug use/misuse, musculo-skeletal disorders as well as nutrition, weight and physical activity.

Engagement: this encompasses general employee mental health and wellbeing as reflected in levels of happiness, stress, sleep and presenteeism (under-performance by workers who are present at work but ill).

Retention and turnover: this reflects the degree to which the workplace community adapts to accommodate the health and wellbeing needs of a diverse workforce, including men, women, ethnic minorities, older people and those with disabilities. Adaptations include the design of the physical workplace environment as well as organisational practices such as flexible working.

Brand image: this encompasses attributes such as corporate and product reputation as well as customer satisfaction, which can be positively influenced by employee health and wellbeing programmes.

For each of these indicators we have gathered the views of Leadership Team "thought leaders" and external topic experts from the public, academic and voluntary sectors as well as related facts and

examples of organisational best practice. This information is presented in this publication and on the Healthy Workplaces website, www.bitc.org.uk/healthyworkplaces

FTSE 100 reporting on health and wellbeing

In addition, this report also presents an analysis of current reporting by FTSE 100 companies on health and wellbeing issues, highlights the best corporate reporting examples and also identifies the barriers to implementing a healthy workplace programme. This research will serve as a benchmark for the Business Action on Health campaign and will be repeated next year.

Profile: Parcellforce

We highlight how Parcellforce Worldwide, facing high absence and accident rates as well as low employee satisfaction, implemented a workplace health and safety programme which reduced sickness absence, accident rates and compensation claims as well as improving productivity and customer service.

THE HEALTHY WORKPLACE COMMITMENT

Our research has revealed that companies with effective programmes have not adopted a "tick-box" style of reporting but have taken a holistic approach which integrates workplace health reporting into the overall strategy of the business.

We are therefore calling on companies to commit to reporting on workplace health in their businesses, by using indicators which are relevant to their operations. Our goal is to ensure that 75% of FTSE 100 companies are reporting on workforce health and wellbeing by 2011.

Help us achieve this goal by committing your company to reporting on workplace health. You can learn more about the Healthy Workplace Commitment and how you can achieve it from Business in the Community's Business Action on Health campaign. In addition, a separate Action Pack to provide support for companies has been produced by Towers Perrin and accompanies this report.

To build momentum for the campaign employers will be invited to sign up as Gold Partners. The role of the Gold Partner is to contribute to building capacity nationally, regionally and locally by playing a crucial part in helping to develop key messages and resources supported by initiatives which work for the mutual benefit of employers, employees and government.

Join us now to promote the health and wellbeing of your workforce as well as the profitability of your company and that of UK plc.



Alex Gourlay
Managing Director, Boots
Chairman, Business Action
on Health Campaign

Business Action on Health leadership team members



Alex Gourlay
Managing Director
Boots The Chemist



Mike Hall
Chief Executive
Standard Life Healthcare



Susan Ring
Chairman and Managing Director
Unum



Gareth Llewellyn
Group Corporate Responsibility
Director, National Grid



Alison Cole
Director of Corporate
Communications, RWE npower



Marnix Eikenboom
Managing Director, Danone Dairies



Peter MacDonald
People & Organisational
Development Director
Parcelforce Worldwide



Mark Adams
HR Director, Abbey



Val Carter
Corporate Responsibility Director,
Aramark



Prof Dame Carol Black
National Director
Health, Work and Wellbeing



Stef Calcraft
Mother



Business leaders: Companies profit from health and wellbeing

To better understand the business case for investment in workforce health and wellbeing, Business in the Community commissioned one-to-one interviews with the Finance Directors and Chief Executives of companies managing successful workplace health programmes. These included 2006 and 2007 Big Tick winners from Businesses in the Community's Healthy Workplaces Award. A key priority was to understand the financial drivers and outcomes of investment in health and wellbeing programmes.

KEY DRIVERS: REDUCTION OF COSTS, REINFORCEMENT OF CORPORATE VALUES

The primary drivers of investment in health and wellbeing identified by Finance Directors and Chief Executives included opportunities to reduce the costs of sickness, absence and accident management, and private medical insurance (PMI), along with turnover and recruitment costs. However, the case for investment was also perceived as an obvious, intuitive one, based on the relevance of health and wellbeing to the organisation's culture and espoused values, transcending purely financial calculations.

These drivers were comparable to the key performance indicators of Wellness, Engagement, Retention, Turnover and Brand Image identified by the Business Action on Health Leadership Team.

Business in the Community commissioned one-to-one interviews with the Finance Directors and Chief Executives of companies managing successful workplace health programmes.

Quotes

"Health and wellbeing is more than a programme, it's the spirit of who we are."

Pascal Preudhomme Finance Director, Danone

"This is the DNA of our business."

John Kelly Chairman, Gala Coral

"A healthy and fulfilled workforce is at the heart of building a good business environment."

Ian Duncan Group Finance Director, Royal Mail Group plc

Quotes

"Turnover is low which gives rise to the benefit of both an effective and efficient time spent on recruitment."

Mike Page UK Chief Financial Officer, AstraZeneca

"Established indicators of accidents, sickness & absence show positive trends and demonstrate the value to the business as well as the staff."

"Like all good investments, the return is greater than the investment"

Dave Smith Managing Director, Parcellforce Worldwide

KEY SUCCESS FACTORS: LEADERSHIP, COMMUNICATION, PERFORMANCE MANAGEMENT, TRAINING

Several factors were identified as vital to the success of corporate health and wellbeing programmes.

- Board and senior executives needed to be seen to take leadership roles, articulating a clear health and wellbeing strategy for the organisation. A passionate, charismatic leader who could serve as an advocate for health and wellbeing was seen as a valuable asset.
- The improvement of health and wellbeing was seen as a shared responsibility - described as "a partnership between the organisation and our people". Staff engagement was therefore seen as critical to success. Regular reporting and promotion of initiatives was essential for

overcoming cynicism and engaging the workforce with programmes such as smoking cessation, weight management, manual handling and healthy eating catering options.

- Employee health and wellbeing was perceived by all interviewees as integral to the business. Workforce health planning, investment and performance management processes were all integrated into the strategic and operational planning cycle.
- Strong performance management, with target setting and monitoring, were advocated as essential for achieving return on investment.
- Absence management training, policies and performance management, supported by line managers, were all seen as essential to improving the health and wellbeing outcomes for the workforce.

RETURNS ON INVESTMENT: IMPROVED PERFORMANCE, TEAM WORKING, REDUCED COSTS

All interviewees reported that investment in health and wellbeing programmes resulted in enhanced motivation and improved performance ("the impact was tangible, you can feel the positiveness"). The associated skills which were acquired as a result were transferable to other contexts, enhancing activities such as facilitated team working. In addition, interviewees reported reductions in accidents, sickness, absence, recruitment and turnover costs.

All interviewees acknowledged that while the impact of health and wellbeing programmes transcended simple cause-and-effect relationships, better understanding was needed of the circumstances in which specific interventions could be most cost-effective.

THANKYOU

A special thanks to the following Business leaders who took part in our research:

Mike Page
UK Chief Financial Officer,
AstraZeneca

Pascal Preudhomme
Finance Director, Danone Diaries

Julian Heslop
Chief Financial Officer
GlaxoSmithKline

Dave Smith
Chief Executive
Parcellforce Worldwide

Ian Duncan
Group Finance Director, Royal Mail

Tim Bailey
Finance Director
Standard Life Healthcare

John Kelly
Chairman, Gala Coral

Jonathan Plumtree
Finance Director, Unum

Paul Fussey
Finance Director
Boots the Chemist

FTSE analysis

In June 2007, Business in the Community undertook a specific research project to better understand the extent of corporate reporting on health and wellbeing among FTSE 100 companies, and set an annual benchmark to track reporting progress.

This research reviewed the annual reports, corporate responsibility reports and corporate websites of all of the FTSE 100 companies in order to assess whether health & wellbeing is mentioned and what is reported.

Overall, two in three FTSE 100 companies mention health and wellbeing in their corporate website or reports.

WHERE?

Half of all reporting is in corporate annual reports, with 32 FTSE 100 companies mentioning health and wellbeing there. 52 companies reported on wellbeing in their corporate responsibility report, while - perhaps surprisingly - only a quarter of companies mention addressing the wellbeing of their employees on their corporate website.

Where companies do report activity, there is little consistency in media used. Only half of those who mention wellbeing in their annual reports, also report activity on either their corporate website or in their corporate responsibility report. Only 11 companies report across all three media measured.

WHAT IS REPORTED?

Three in five FTSE 100 companies state their overall commitment to the health & wellbeing of their employees in their reporting. While ten companies go no further, three in four of those who do report, detail what they are doing to improve the wellbeing of staff and reduce sickness absence. In the main, these highlight one or two key programmes run at specific sites or tailored programmes designed to tackle key causes of sickness absence.

However, there is certainly room for progress on reporting the impact or progress of these programmes. While eleven report on any progress or change over time, and only seven FTSE 100 companies record any quantitative measures demonstrating the impact of their programme or focus on staff or on sickness absence.

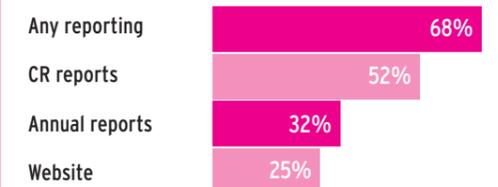
% FTSE 100 reporting on health & wellbeing

Base: FTSE 100 Companies



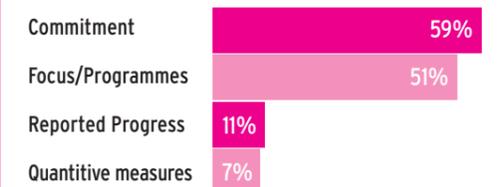
Where cited?

Base: FTSE 100 Companies



What is being reported?

Base: FTSE 100 Companies



Parcelforce Case Study

BEFORE

Parcelforce Worldwide is a leading provider of time-guaranteed express parcels, reaching all 27 million UK addresses and 99.6% of the global population. In 2002 Parcelforce launched its turnaround strategy to maintain its position in an increasingly competitive marketplace. Whilst the project achieved financial success it resulted in increasing high absence and accident rates and low employee satisfaction. In response to this Parcelforce Worldwide committed themselves to creating a safer workplace and a healthier workforce.

AFTER

Key successes include reduced sick absence by one third, saving 55,000 days and £5 million, 45% fewer accidents and increased employee satisfaction by one third.

Parcelforce Worldwide have measured the impact of their programme at two levels, against the three programme objectives and the contribution towards cultural and behavioural change. Their key successes over the two years are:

- Reduced sick absence by 1/3, saving 55,000 days and £5 million.
- 45% fewer accidents including 40% fewer absence accidents saving 5,200 days and £440,000.
- Increased employee satisfaction by 1/3.
- Reduced the number and values of compensation claims by 2/3 (£1 million) with 50% fewer new claims/month.
- Saved £6 million in direct costs through an investment of £2.25million.
- Contributed towards 12.5% productivity increase and 50% customer service improvement.

DURING

Parcelforce Worldwide identified a strong business case from which they set three key objectives, which formed part of the business plan:

- Better understanding of ill health to prevent absence and support absent employees.
- Fewer injuries and absences resulting from accidents
- Helping employees to improve their own, and their families', health

They achieved this by firstly influencing management behaviour. This included raising the awareness of health and wellbeing and providing new management information. By doing this they aimed to move the focus from absence to attendance. Parcelforce Worldwide recognised that the best people decisions could be made locally and enabled local managers to make decisions on how to take forward the programme with the Head Office providing the appropriate incentives and support. These included:

- On-site Health Screening clinics - Physical/lifestyle assessment and advice.

- Health risk assessments and control of high-risk activities.
- Better absence management: face-to-face home contacts; get-well-soon guidance cards; return to work place; muscular-skeletal-disorder rehabilitation; stress counselling.
- Wellbeing resource promotion: gyms; bicycle loans; mutual healthcare; sports grants.
- 2 days annual health and wellbeing training for every manager.
- 24/7 health and wellbeing contact centre.
- Health education programme including stress, smoking and nutrition guides delivered personally by the managers.

Parcelforce set three key objectives; better understanding of ill health, fewer injuries and absences, and improved employee health.

What defines a healthy workplace?

KEY PERFORMANCE INDICATORS TO SHAPE A BETTER BOTTOM LINE

Business in the Community's Business Action on Health Campaign is committed to increasing UK business competitiveness through the improvement of employee health. To support this effort, the campaign's Leadership Team have collectively developed a model, based on the experiences of their respective organisations, which identifies key performance indicators and sets out related questions for any employer wishing to develop a health and wellbeing programme that creates a measurable return on investment and enhances the competitiveness of their business.

This unique model is set out in more detail in the accompanying booklet, *Wealth from Health, Action + Results = Change*.

In this section you will find a range of facts and statistics related to the four KPIs of Wellness, Engagement, Retention and Turnover and Brand Image as well as examples of health and wellbeing programmes which have demonstrated a significant return on investment. These examples are drawn from Business in the Community's 2006 and 2007 Health and Wellbeing Award Big Tick Winners and re-accredited companies.

While these generic KPIs help define a healthy workplace, it is important to note that there is no "one size fits all" health and wellbeing programme which works for all organisations. Each company must develop their own initiatives based on an analysis of their organisational needs. Towers Perrin have developed a Healthy Workplace Action Pack, supported by Business Action on Health, to help companies develop their own bespoke programmes.

"Wellbeing describes both our capacity to flourish and to enjoy life, and the resilience that enables us to cope and survive in adversity"

The most successful programmes are those which take a strategic, integrated approach to health and wellbeing and are developed to meet the needs of the workforce. The process of dialogue is therefore crucial. Programmes need to be developed in partnership with the workforce and cannot be imposed in paternalistic fashion by managers, however well-meaning. A key objective of such programmes is to provide employees with access to healthy choices, whether it is nutrition, exercise, smoking cessation, flexible working or other lifestyle options.

Additional resources, including the perspectives of our Leadership Team companies and our expert partners on specific health issues, are available on the Business in the Community website at www.bitc.org.uk/health.

WHY DOES WELLBEING MATTER TO BUSINESS?

"Wellbeing" describes both our capacity to flourish and to enjoy life, and the resilience that enables us to cope and survive in adversity. It is about thinking (cognition), feeling (emotion) and social function (relating). It encompasses skills and attributes which include resilience, coping, self-esteem, self-efficacy, optimism, hopefulness and social integration. These skills and attributes matter because they are associated with improved outcomes in a range of domains, including reduced sickness absence, greater productivity, higher levels of creative thinking and problem solving.

Dr. Lynne Friedli
Mental Health Promotion Specialist
Editor, Journal of Public Mental Health

Wellness

"Wellness" encompasses the physical health of the workforce as reflected in levels of absenteeism, smoking, alcohol and drug use/misuse, musculo-skeletal disorders as well as nutrition, weight and physical activity.

QUESTIONS FOR EMPLOYERS

- How do you identify the wellness needs of your workforce?
- How do you measure and manage absenteeism?
- How much is absenteeism costing your organisation?
- How do you monitor stress and mental health as causes of absence?
- How do you assist and support employees?
- How do you provide services to prevent musculoskeletal injuries?
- How do you support smoking cessation?
- How do you minimise alcohol misuse to ensure a safe working environment?
- How do you minimise drug misuse to ensure a safe working environment?
- How does your organisation provide access to fitness programmes?
- How do your employees access healthy food at work?
- How can employees access a weight loss programme?

CHRONIC DISEASES

Three risk factors. Four chronic diseases. Over 50 percent of deaths worldwide.

Three risk factors - tobacco use, poor diet and lack of physical activity - contribute to the four major chronic diseases - heart disease, type 2 diabetes, chronic lung disease and many cancers - which are responsible for more than 50 percent of deaths in the world. The Business Action on Health Campaign is working in partnership with the Oxford Health Alliance (OxHA) and its 3FOUR50 campaign to raise awareness among employers of these risk factors - described in this Wellness section - and support positive action to promote the health of employees and their families.

ABSENTEEISM

Absenteeism: the facts

Sickness absence accounts for 3.7% of working time (up from 3.5% in 2006) - equivalent to 8.4 working days for each employee each year. The average cost of sickness absence is £659 per employee per year (up from £598 in 2006), although fewer than half of organisations monitor the costs of absence.

(Source: Absence management 2006: a survey of policy and practice. Chartered Institute of Personnel and Development, 2007)

While absenteeism increased in 2006 - with 175 million lost working days costing the economy £13.4bn - companies offering rehabilitation programmes and flexible working helped employees back to work and lost less time to absence.

(Source: Attending to absence: absence and labour turnover survey. CBI/AXI, 2007)

Mental health problems account for the loss of over 91 million working days each year, costing the UK economy nearly £1bn annually.

(Source: Stress and mental health in the workplace report, Mind, May 2005)

Mental disorders affect as many as 450 million people worldwide and employees with a mental health problem are absent from work 7.5 times longer than those with a physical illness.

(Source: The business of health - the health of business. World Business Council for Sustainable Development/International Business Leaders Forum. February 2006)

NUMBER OF WORKING DAYS LOST EACH YEAR DUE TO MENTAL HEALTH PROBLEMS

91m

Wellness continued

Within Europe, the UK has the fastest-growing obesity problem, with 24% of adults classified as obese.

NUTRITION/WEIGHT LOSS

Obesity: the facts

According to government figures, premature deaths among obese employees cost companies £1.1 billion a year and a further £1.45 billion due largely to 18 million days of sickness leave. Food poisoning costs £350 million and cardiovascular diseases cost £8.4 billion in lost productivity.

Obesity plus overweight costs the UK £7.4 billion a year, being linked to heart disease, diabetes, cancer and renal failure to name only some of the biggest killers.

Within Europe, the UK has the fastest-growing obesity problem, with 24% of adults classified as obese. A further 35% of women and 46% of men are classified as overweight, meaning that well over half of all women and two-thirds of all men in England are currently either overweight or obese.

(Source: Health Survey for England 2004)

Nearly a third of men will be obese by 2010, along with more than 12 million adults overall and one million children.

(Source: Forecasting Obesity to 2010, Department of Health report, 2006)

Best practice examples

Danone Active Programme offered staff nutrition and diet training, free health checks and life management service. The entire company attended at least one of the workshops offered, with 90% attendance at those covering flexible benefits, work-life balance and values. Results from staff surveys - completed by 100% of the workforce - included a 22% increase in business alignment and employee engagement since 2003/4; recognition from the BBC as London's Healthiest workplace; and a high (91%) percentage of employees who would recommend the company as a good place to work.

FITNESS

Fitness and physical activity: the facts

The average Briton gives up exercise at the age of 34, with men giving up their regular exercise regime five years earlier than their female counterparts at the age of 32 while women carry on until at least 37. However, there are plenty of people who carry on well into retirement, with around 3.6 million people over the age of 65 continuing to exercise more than three times a week.

(Source: Benenden Healthcare Survey, 2007)

The proportion of the population of England who are inactive has been increasing: the proportion of inactive women (activity less than once a week) increased from 35% in 1994 to 41% in 1998, and the proportion of inactive men increased from 30% to 35%.

Compared with people who do not reach the recommended levels of physical activity, active people have almost half the risk of dying from coronary heart disease, a 33-50% lower risk of developing type 2 diabetes, a 40-50% lower risk of colon cancer and reduced risk of other cancers, e.g. breast cancer plus, benefits for musculoskeletal health and mental health.

(Source: 'At least five a week: A report from the Chief Medical Officer of England and Wales, 2004)

Best practice examples

Boots successful *Change One Thing* programme for customers extended to include staff. Nearly 2000 employees have signed up to *Commit to Get Fit* or *Commit to Quit* and 5,000 involved in healthy workplace activities in last year.

AstraZeneca launched an integrated programme of health promotion activities, home-work balance initiatives, ergonomically-designed physical working environments; fitness opportunities, healthy eating menu options, medical assessments, Employee Assistance Programmes, fast-track healthcare insurance, rehabilitation/return to work programmes. The scheme increased productivity, reduced occupational illness and absence; increased employee pride and advocacy and gained national recognition.

NUMBER OF DAYS A YEAR LOST THROUGH SICKNESS ABSENCE RESULTING FROM SMOKING RELATED ILLNESS

34m

PERCENTAGE OF ACCIDENTS AT WORK THAT ARE REPORTED AS BEING ALCOHOL RELATED

25%

SMOKING

Smoking: the facts

Smokers take on average half an hour from their working day to enjoy a cigarette, resulting in a loss of 290,000 working days to the UK economy each year.

(Source: Benenden Healthcare Society survey, March 2007)

An estimated 34 million days a year costing £328 million are lost in England and Wales through sickness absence resulting from smoking related illness. If 40% of smokers gave up the habit, 150,000 jobs would be created because most ex-smokers would spend the money saved on leisure.

(Source: Godfrey C, Professor of Health Economics at the University of York, quoted in The Times 26/11/99)

Helping employees stop smoking makes clear business sense, promotes their health and benefits society. 70% of smokers would like to give up smoking altogether; it often takes several attempts to permanently stop smoking, so the more encouragement, support and congratulations the better.

(Source: Boots and NHS (Statistical Press Release, 2003))

The new law for a smoke free workplace banning smoking in public places in England which came into effect from 1st July, 2007, to protect everyone from the harmful effects of second hand smoke is an ideal opportunity and further evidence of the importance of stopping smoking.

(Source: Boots and The Oxford Health Alliance)

ALCOHOL

Alcohol misuse: the facts

The overall annual cost of productivity lost as a result of alcohol misuse is £6.4 billion per annum. Up to 17m working days are lost each year through alcohol-related absence (hangovers and drink-related illnesses).

(Source: British Medical Association, Alcohol Misuse, June 2007)

A member of staff under the influence of drink or drugs will only achieve 67% (two thirds) of their work potential. An estimated 30% of those seeking help for drug problems are in employment.

(Source: Drug and Alcohol Training Services)

75% of alcohol dependents are also employees.

(Source: CBI, 2003 - cited on Addaction website)

25% of accidents at work are reported as being alcohol related.

(Source: Alcohol Concern, 2003)

The International Labour Organisation estimates that, globally, 3-5% of the average workforce are alcohol dependent, and up to 25% drink heavily enough to be at risk of dependence.

(Source: Alcohol and the Workplace, Institute of Alcohol Studies)

Alcohol is estimated to cause 3-5% of all absences from work and about 8 to 14 million lost working days in the UK each year.

(Source: Don't mix it: A guide for employers on alcohol at work, Health & Safety Executive, 2007)

Wellness continued

40% OF THE WORKFORCE UNDER THE AGE OF 40 HAVE EXPERIMENTED WITH ILLICIT DRUGS

ABSENTEEISM IS 60% HIGHER AMONG DRUG USERS

MUSCULO-SKELETAL DISORDERS ACCOUNT FOR HALF OF ALL WORKPLACE ILL-HEALTH, AFFECTING OVER 1 MILLION UK WORKERS AND COSTING UK PLC ABOUT £5.7BILLION PER YEAR

BACK CARE WORKSHOPS FOR STAFF RESULTED IN A REDUCTION IN BACK PAIN-RELATED ABSENCE OF 43%

The Health and Safety at Work Act 1974 requires both employers and employees to maintain a safe working environment and the employer, the employee or both could be liable if an alcohol-related accident occurs at work. However, a significant proportion of employers have no policies on either alcohol or drug misuse at work. Even where employers do have policies in place, many don't communicate them effectively to managers and staff.

(Source: Managing drug and alcohol misuse at work: A guide for people management professionals. Chartered Institute for Personnel and Development, 2007)

Four out of ten employers have identified the consumption of alcohol as a significant or very significant cause of employee absence and lost productivity. A third of organisations has reported that drug misuse has a similarly negative effect in the workplace.

(Source: Managing drug and alcohol misuse at work: A guide for people management professionals. Chartered Institute for Personnel and Development, 2007)

DRUGS

Drug misuse: the facts

36% of 16 to 59 year-olds have used one or more illicit drugs in their lifetime, with 12% having used an illicit drug at least once in the last year. Among 16 to 24 year-olds, 28% have used an illicit drug in the previous 12 months.

40% of the workforce under the age of 40 have experimented with illicit drugs

Drug misusers are three and a half times more likely to injure themselves or someone else at work and are three times more likely to require sick leave or benefits. Absenteeism is 60% higher among drug users.

(Source: Drug and Alcohol Training Services)

MUSCULO-SKELETAL HEALTH

Musculo-skeletal health: the facts

One third (33%) of all workplace absenteeism is caused by illnesses resulting from poor posture, improper sitting habits, and a lack of knowledge of sitting correctly.

(Source: Healthy & Safety Executive Backs! 2005 initiative: Final Report, 2006)

Musculo-skeletal disorders are the most common kind of occupational ill-health, accounting for half of all workplace ill-health, affecting over 1 million UK workers and costing UK plc about £5.7billion per year.

(Source: Health & Safety Executive press release, 2006)

British business loses an estimated 4.9 million days to employee absenteeism through work-related back conditions, costing the NHS, business and the economy £5 billion per year. The average period of absenteeism was 19 days per worker amounting to 1 day in every 6 lost.

(Source: 2003/2004 Labour Force Survey/Health & Safety Executive, 2005)

Best practice examples

The Barclays Group Reasonable Adjustment scheme has helped 1400 staff experiencing illness and those returning to work, reducing musculo-skeletal sickness referrals and improving support for those with visual impairments, hearing impairments and dyslexia.

British Gas/Centrica Back Care Workshops for staff resulted in a reduction in back pain-related absence of 43%, creating a business benefit of £1660 per participating employee and a return on investment of 31:1.

Engagement

“Engagement” encompasses general employee mental health and wellbeing as reflected in levels of happiness, stress, sleep and presenteeism (under-performance by workers who are present at work but ill)

QUESTIONS FOR EMPLOYERS

- How do you empower staff to make informed and accessible healthy choices?
- How do you help combat employee stress and promote resilience and happiness?
- How do you train line managers on mental health and stress issues?
- How have you considered the specific health and wellbeing needs of all employees including men, women, ethnic minorities, disabled and ageing employees?
- How have you implemented a successful work-life balance policy?

HAPPINESS

Happiness: the facts

As a nation, Britain is less happy than in the 1950s, despite being three times richer in material terms. The proportion of people saying they are "very happy" has fallen from 52% in 1957 to just 36% in 2006.

(Source: Opinion poll by GfK NOP for The Happiness Formula series on BBC Two, May 2006)

One in 20 healthy young people develop depression or anxiety disorder as a result of work-related stress each year. Stressful working conditions early in workers' careers, including long commutes and increasing hours, makes them vulnerable to chronic depression in later life.

(Source: Maria Melchior et al., Work stress precipitates depression and anxiety in young, working women and men. Psychological Medicine, 2007)

Nearly three in every ten employees will have a mental health problem in any one year, the great majority of which will be anxiety and depressive disorders.

(Source: Stress and mental health in the workplace report, Mind, May 2005)

It has been estimated that nearly 10 per cent of the UK's gross national product (GNP) is lost each year due to job generated stress.

(Source: Stress and mental health in the workplace report, Mind, May 2005)

In the UK, an estimated one in six people will experience depression, costing the country more than £9bn annually in treatment, benefits and lost revenue. Meanwhile, between 1991 and 2001, antidepressant prescriptions rose from 9m to 24m a year. 45% of employers believe that none of their employees suffer from any form of mental ill-health.

(Source: Observer Magazine, 13 May 2007)

Mental illness accounts for a quarter of all disease - including disability and premature death, yet only 13% of health expenditure in Britain (and only 7% in the US) targets mental illness.

(Source: Happiness by Richard Layard, 2005)

37.9 percent of US workers experience fatigue leading to \$136 billion of lost productivity. Fatigue is also a major contributor to breakdowns in occupational health and safety, with effects comparable to those of alcohol.

(Source: Fatigued workers costly to employers. Study by Journal of Occupational and Environmental Medicine cited in Industrial Safety & Hygiene News; Apr2007)

PERCENTAGE OF HEALTH EXPENDITURE IN BRITAIN WHICH TARGETS MENTAL ILLNESS

13%

Engagement continued

Programmes promoting individual and team resilience resulted in 60% global reduction in work-related mental ill-health and; 29% reduction in working days lost.

Best practice examples

GlaxoSmithKline's leaders champion a culture of wellbeing and resilience which is seen as key to the organisation's success in a highly competitive environment. Health enhancement and support initiatives are part of a company-wide personal and team resilience programme which aims to help employees remain physically energised, mentally focused, emotionally connected and spiritually aligned to their mission. Programmes promoting individual and team resilience resulted in 60% global reduction in work-related mental ill-health and ; 29% reduction in working days lost. Staff surveys revealed; an increase in staff satisfaction of 21%, while 50% of employees were committed or highly committed and 75% never or only occasionally considered leaving. These attitudinal changes were accompanied by; performance and productivity increases of 7% - 13%.

Standard Life Healthcare

developed a web-based health management system with interventions targeting nutrition, activity, sleep and stress. Results included almost £1 million cost savings with 13% reduction in staff turnover and 26% improvement in productivity.

Northbrook Technology (NTNI)

say the health and wellbeing of employees is one of the five main pillars of success of its corporate social responsibility strategy. It has established a Health and Safety Committee that drives their Workplace Health programme. NTNI reports on measures which include attendance at various health promotion initiatives e.g. cholesterol tests, absence rates for reason of illness, number of employees cycling to work, uptake in gym membership, membership of company sports clubs, food preferences from in-house catering franchise. No cases of work related stress and only 9 cases of personal stress have been reported as reasons for absence since 2003.

London Underground's Stress Plan comprises a number of interventions including a Stress Reduction Programme and a Manager's Toolkit. The toolkit includes stress guides for managers and employees, and advice cards on conducting back to work interviews. They have also developed a CD, which is made available to staff with information and several relaxation exercises. London Underground's stress plan has resulted in savings of £455,000, a return on investment of 8:1; managers who are better able to manage stress related absence, offer a solution for getting employees back to work, enable managers and employees to build resilience to protect against future absence; qualitative evidence that the skills and knowledge employees acquired from their stress programme and interventions, include time management, regular exercise, good nutrition, work-life balance, relaxation, being a supportive manager/colleague, personal responsibility and decision making; quantitative data supporting an increase in employee satisfaction worth an estimated £3.5 million in customer benefit.

Retention & Turnover

"Retention and turnover" reflects the degree to which the workplace community adapts to accommodate the health and wellbeing needs of a diverse workforce, including men, women, ethnic minorities, older people and those with disabilities. Adaptations include the design of the physical workplace environment as well as organisational practices such as flexible working.

Around 4.4 million people (almost 1 in 5 employees) left their jobs in 2006, of whom 80% (over 3 million people) left on a voluntary basis. It will cost on average £7750 to replace each of these employees, around £34bn in total.

(Source: CIPD Recruitment, Retention and Turnover survey, 2007)

Best practice examples

Standard Life Healthcare

developed a web-based health management system with interventions targeting nutrition, activity, sleep and stress. Results included almost £1 million cost savings with 13% reduction in staff turnover and 26% improvement in productivity.

RWE npower's *Get Health, Stay Healthy* Programme (GSH)

offers workforce screening for cancer, heart disease, alcohol and smoking risks, while exercise champions lead local fitness promotion initiatives. A team-based stress risk assessment tool is used by trained managers to plan interventions. GSH assessments have found that overall workforce health status compares very favourably with that in the general population. Among teams which have used the Stress Risk Assessment tool correctly, there has been a 23% reduction in sickness absence.

QUESTIONS FOR EMPLOYERS

- How have you designed your workplace as a healthy environment?
- How have you considered the specific health and wellbeing needs of all employees including men, women, ethnic minorities, disabled and ageing employees?
- How have you implemented a successful work-life balance policy?

RETENTION AND TURNOVER

Retention and turnover: the facts

The number of employers experiencing retention difficulties climbed from 69% in 2005 to 78% in 2006. Private sector businesses claim to be struggling more to hold on to employees than any of the other sectors (83%). The average recruitment cost of filling a vacancy per employee is £4,333, increasing to £7,750 when organisations are also calculating the associated labour turnover costs. Job stress accounts for 14% of employee turnover with other ill health accounting for 13%.

(Source: CIPD Recruitment, Retention and Turnover survey, 2007)

WORK-LIFE BALANCE

Work-life balance: the facts

While only 7.9% of workers are contracted to work 40 hours or more a week, more than half actually do so. Almost 60% take work home and almost 1 in 5 take no lunch breaks. 24% say excessive hours spent in the office are the reason for rising stress levels.

(Source: 24/7 Work-Life Balance Survey 2006)

Almost a quarter of workers (24%) say excessive hours spent in the office are the reason for rising stress levels. 40% report finding it hard to maintain a good work-life balance. Health, fitness and personal relationships seem to bear the brunt of our highly stressful, office centric lives. 49% of those surveyed felt the number of hours they worked had a negative impact on their personal relationships, whilst 61% felt their working hours had a negative impact on their health and fitness.

Research by Abbey Current Accounts finds that workers would need to be paid an average of £19.21 per hour - twice the UK average wage - to work on their day off. Yet 38 per cent of the workforce - over 9.5 million Britons - have worked on their day off within the last year without extra pay.

(Source: ICM research commissioned by Abbey Current Accounts, published August 2007)

Almost a quarter of workers (24%) say excessive hours spent in the office are the reason for rising stress levels.

Retention & Turnover continued

INCLUSIVITY

Inclusivity: the facts

Nearly 1 in 5 working-age people (6.9 million, or 19% of population) in Great Britain are disabled. While only about half of this group are in work, nearly one third of disabled people who are economically inactive say they would like to work (28%), compared with less than one quarter (24%) of their non-disabled counterparts. There has been an increase in the number of working age people reporting a disability from 6.2 million in Spring 1998 to 7 million in Spring 2005.

(Source: UK Office for National Statistics' Labour Force Survey, Spring 2005, cited by Shaw Trust)

As the number of young workers falls by 60,000 each year, between 2010 and 2020 the UK will need 2.1 million new entrants to the adult workforce, a demand which can only be met through a combination of most adults working longer and a huge increase in the number of adults re-entering the labour market.

(Source: City and Guilds 2006, cited by Employers Forum on Age, 2007)

The DTI estimates that 1.5 million people aged over 50 and 500,000 16-25s face discrimination.

(Source: DTI 2006, cited by Employers Forum on Age, 2007)

27% of those aged 16-24 felt age works against them getting a job, compared with just 15% of 35-44 year olds. 19% of 25-34 year olds have seen ageist behaviour in the workplace, three times higher than 55-64 year olds.

(Source: Employers Forum on Age, 2007)

Younger employees are more likely to take sickness absence than older employees, with 3.2 per cent of 16 to 24-year-olds and 3.0 per cent of 25 to 34-year-olds taking at least one day off sick a week. The rate for 35 to 49-year-olds and those between 50 and the State Pension Age is 2.8 %. Among men, those aged 16 to 24 were the most likely to be off sick (2.9 %).

(Source: Sickness absence from work in the UK, Labour Market Trends, April 2005)

WORKPLACE ENVIRONMENT

Workplace environment: the facts

While 76% of staff satisfaction is linked to salary, technology, management and work-life balance, 24% is influenced by comfort, air quality, temperature, noise, lighting or office layout. The office environment can affect productivity by 5% for individuals and 11% for teams.

(Source: The impact of office design on business performance, Commission for Architecture and the Built Environment, 2005)

Poorly designed offices could be cutting UK productivity by a fifth, costing British business up to £135 billion every year. 79% of professionals consider the quality of their working environment very important to job satisfaction and more than one third cite the working environment as a factor in accepting or rejecting a job offer.

(Source: These Four Walls: The Real British Office, report by Gensler, 2005)

Best practice example

Standard Life Healthcare call centre employees, exposed over a 12-week period to broader-spectrum, high colour temperature office lighting, developed by Philips, showed a 37% improvement in self-assessed concentration and 19% improvement in self-assessed performance, compared to improvements of 1.7% and 4.4%, respectively, among control group employees, as well as a reduction in the proportion of unanswered calls.

(Source: vielife/Philips Lighting & Wellness Study, 2007)

PERCENTAGE OF DISABLED PEOPLE WHO ARE ECONOMICALLY INACTIVE WHO SAY THEY WOULD LIKE TO WORK

28%

PERCENTAGE OF PROFESSIONALS WHO CONSIDER THE QUALITY OF THEIR WORKING ENVIRONMENT VERY IMPORTANT TO JOB SATISFACTION

79%

Brand Image

“Brand image” encompasses attributes such as corporate and product reputation as well as customer satisfaction, which can be positively influenced by employee health and wellbeing programmes.

QUESTIONS FOR EMPLOYERS

- How do you consider your health and wellbeing programme as a factor contributing to successful recruitment?
- How do you consider your health and wellbeing programme an important contribution to increased customer satisfaction?

BRAND IMAGE

Brand image: the facts

7 in 10 organisations have developed an employer brand which is seen as important for attracting new employees (80%), improving external perceptions of the organisation (57%) and differentiating themselves from the competition (41%).

(Source: CIPD Recruitment, Retention and Turnover survey, 2007)

PERCENTAGE OF ORGANISATIONS WHO HAVE DEVELOPED AN EMPLOYER BRAND WHICH IS SEEN AS IMPORTANT FOR ATTRACTING NEW EMPLOYEES

70%

Best practice examples

Royal Mail Group (RMG) Feeling First Class comprehensive health service delivered performance improvements including improved customer service ratings, communication, and management information; reduced absence management costs as well as making Royal Mail a better place to work.

Nationwide's Health and Lifestyle

programme promoted employee wellbeing and addressed underlying causes of illness. Nationwide has also undertaken ground breaking data modelling research with Bath University demonstrating that improvements in customer satisfaction and business performance result from improving employee satisfaction with higher staff retention levels, for example, leading to lower recruitment costs. Impact assessments of Nationwide's Health and Lifestyle programme revealed employee favourability ratings of over 80%, greater customer advocacy and better business performance, along with substantial cost savings from reduced absence and improved retention rates.

HEALTH AND WELLBEING INITIATIVES HAVE BEEN DESIGNED TO PROMOTE PHYSICAL AND PSYCHOLOGICAL WELFARE THROUGH HEALTH PROMOTION ACTIVITIES

AstraZeneca's health and wellbeing initiatives have been designed to promote physical and psychological welfare through health promotion activities, home-work balance initiatives, ergonomically-designed physical working environments. Also on offer are fitness opportunities through sports and leisure facilities; healthy eating options in staff restaurants; 'well-screen' medical assessments; a Counselling And Life Management (CALM) programme; fast-track healthcare insurance; rehabilitation/return to work programmes; and integrated occupational health/human resources interventions. As a result, 84% of employees proud to work for AstraZeneca (versus 75% norm in other companies) and 82% would recommend the company as a good place to work (vs. 67% norm).

Contact Us

Get the facts. Join the Business Action on Health Campaign.

Learn more about how you can raise awareness of health issues at work and take effective action with support from Business in the Community's Business Action on Health campaign.

Website: www.bitc.org.uk/healthyworkplaces

Email: grace.mehanna@bitc.org.uk

Telephone: 020 7566 8699

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Business in the Community 137 Shepherdess Walk London N1 7RQ
T +44 (0) 870 600 2482 F +44 (0) 20 7253 1877

www.bitc.org.uk/healthyworkplaces
Email: information@bitc.org.uk

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