

The University of Manchester Manchester Business School

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The 50<sup>th</sup> Anniversary Professor of Organizational Psychology and Health Manchester Business School



#### Causes of Long-Term Absence for Non-Manual Workers 2015

	All	Manufacturing & production	Private services	Public services	Non- Profit
Stress	58	50	46	79	60
Acute medical conditions	51	49	44	64	49
Mental ill-health	49	37	45	61	52
Musculoskeletal injuries	38	35	29	49	44
Back pain	32	32	33	36	26
Recurring medical conditions	25	24	23	31	22
Injuries not related to work	25	35	19	25	25
Minor illness	17	18	19	9	21
Pregnancy-related absence	16	13	17	17	15
Percentage of respondents citing this reason as leading cause (base 394) Source: CIPD Absence Management Survey					

#### Estimated Annual Costs to UK Employers of Mental III-Health (Sainsbury Centre for Mental Health, 2007)

	Cost per average employee (£)	Total cost to UK employers (£ billion)	Per cent of total
Absenteeism	335	8.4	32.4
Presenteeism	605	15.1	58.4
Turnover	95	2.4	9.2
Total	1035	25.9	100

# Presenteeism

	Health "Good"	Health "Not good"
No absences	Healthy & present	Unhealthy and present "Sickness Presentees"
Some absences	Healthy and not always present	Unhealthy and not always present

# How common is sickness presenteeism?

	Health "Good"	Health "Not good"
No absences	35%	28%
Some absences	13%	24%

N=39,000 employees from general working population (UK)



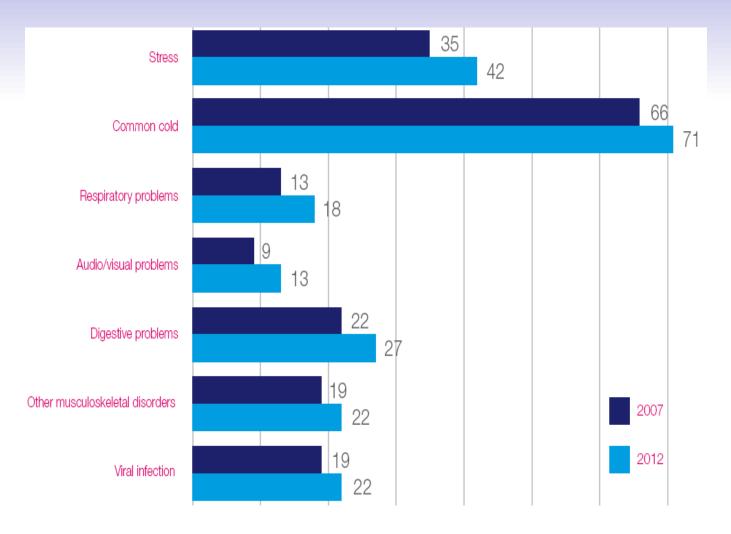
## A Critical Business Issue

- Mental health costs the UK £70bn per year, equivalent to
  4.5% of GDP OECD (
- Mental ill-health costs each employer £1,035 per employee, per year
- 15.2m sick days per year due to stress, anxiety or depression Office for National Statistics
- Failure to unlock discretionary effort costs UK business £6bn
- Only 2 in 5 employees working at peak performance



### Managers' Experience of III-health

(Source: CMI Quality of Working Life 2012)



#### Managers' Experience of Physical and Psychological Symptoms

Percentage who Experienced	Sometimes or often 2012 %	Sometimes or often 2007 %	Change
Loss of sense of humour	36	31	5
Avoiding contact with other people	33	25	8
Mood swings	31	27	4
Feeling unable to cope	30	25	5
Difficulty in making decisions	27	23	4
people	25 urce: CMI Quality of e 2012	21 <b>Working</b>	4

#### Managers' Views About Their Organisation as a Place to Work

	Agree 2012 %	Agree 2007 %
My organisation is a good employer	64	69
I feel fairly treated by my organisation	54	60
I feel empowered to make decisions within my organisation	56	60
Senior managers in my organisation are committed to promoting employee wellbeing	39	55
I think senior management manage change well in my organisation	30	45
Overall, I am satisfied with my job	55	62
Source: CMI Quality of Life 2012	Workin	g

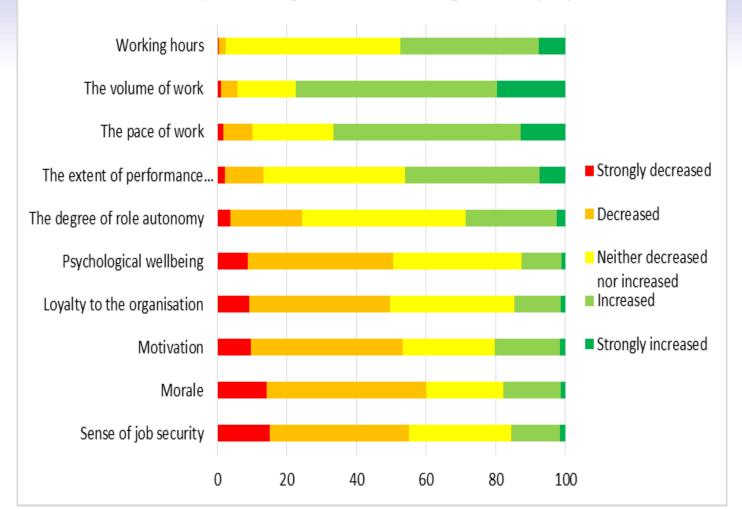
#### Perceived Effects of Organisational Change on Employees

(Source: CMI Quality of Working Life 2012)



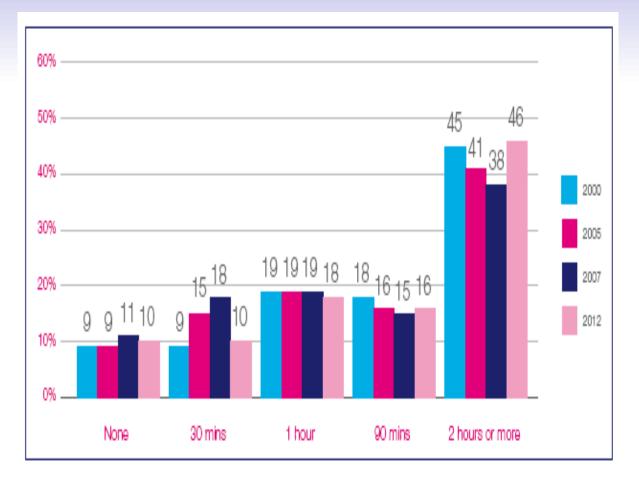
# Organisational change and its effects

The impact of organisational change on employees



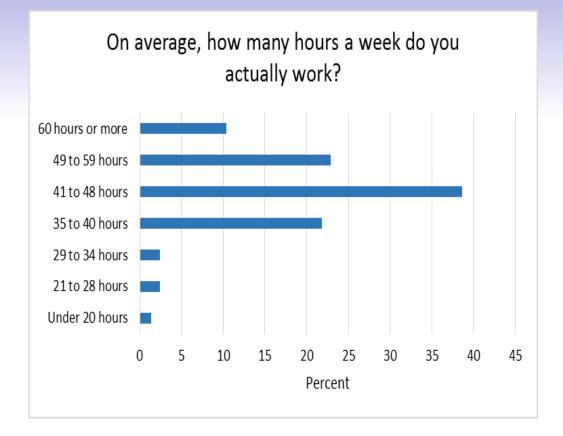
### Percentage of Managers Working Over their Contract Hours per Day

(Source: CMI Quality of Working Life 2012)



#### Figure 11 Percentage of managers working over their contract hours per day – 2000 to 2012

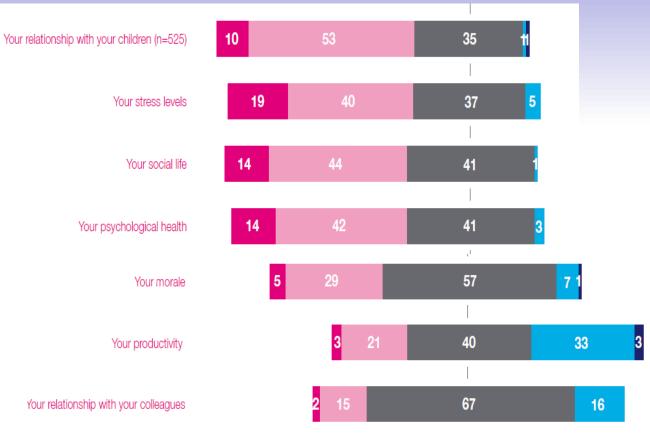
# Your working hours



Average contracted hours were 38.18 (36.89 in 2012)

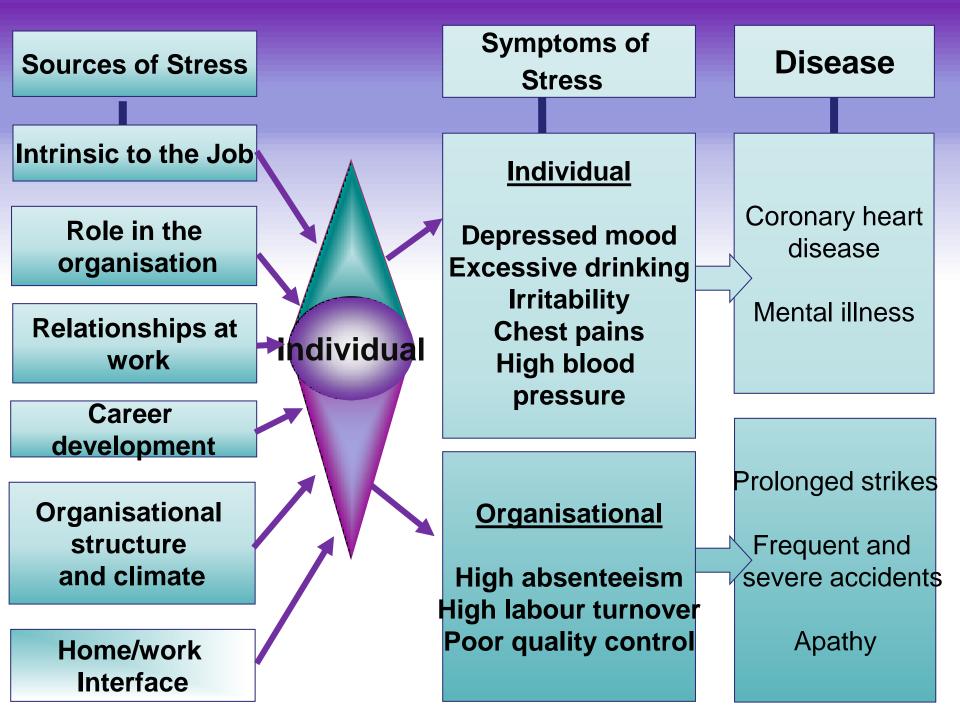
(Source: CMI 2015)

# Impact of Working over Contract Hours



Negative % | Positive %

(Source: CMI 2012)



# Intrinsic to the Job

- Too much work quantitative
  - qualitative
- Too little work
- Time pressures and deadlines
- Poor physical working conditions
- Mistakes
- Too many decisions

Variable Workload

High Workload

Poor Procedures by Pilots

**Responsibility for Lives** 

**Shiftwork Hours** 

Training Others

Stressed Air Traffic Controller

Increased Risk of Coronary Artery Disease

# Role in the Organisation

- Role ambiguity
  - Role conflict
- Too little responsibility
- Responsibility for People
- Responsibility for things
- Lack of managerial support
- Organisational boundaries

Patients perceive as inflictor of pain

Job interfering with family life

> DENTIST Anxious Personality

Coping with difficult patients

Trying to manage a practice

**Administrative duties** 

# Relationships

- Relationships with boss
- Relationships with colleagues
- Relationships with subordinates
  - Difficulties in delegating
    - Personality conflicts

# **Career Development**

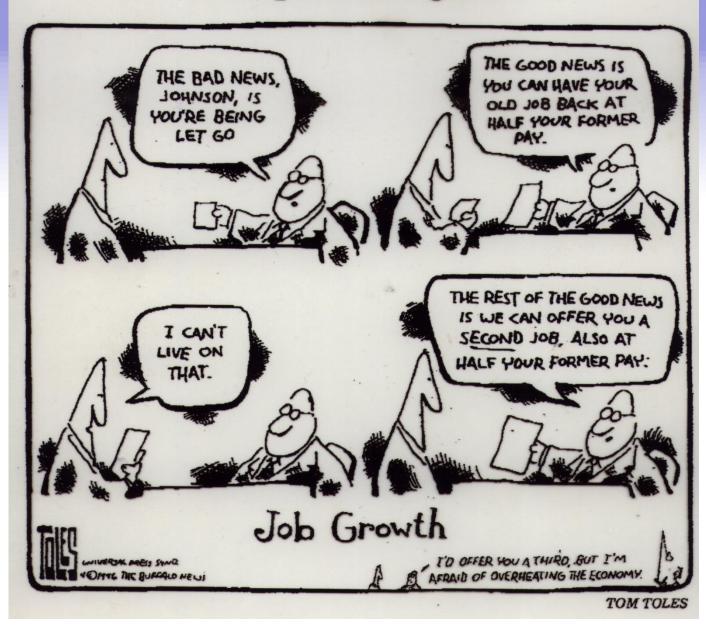
- Over promotion
- Under promotion
- Lack of job security
- Fear of redundancy or early retirement

## Respondents Perceived Security in Current Job



(Source: CMI Economic Outlook April 2010)

#### Workplace at a glance



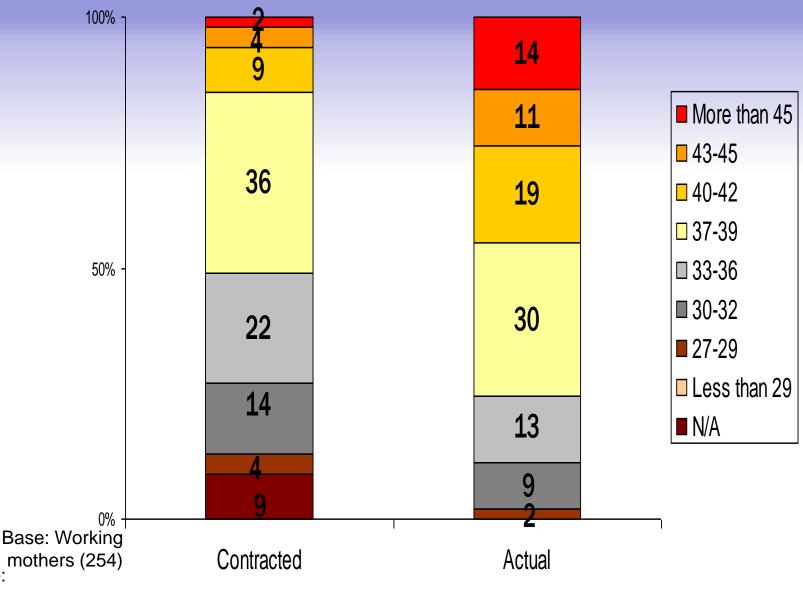
# Organisational Structure and Climate

- Restrictions on behaviour
- No effective consultation or communication
  - Uncertainty
  - Loss of identity
  - Lack of participation

# Organisation's Interface with Outside

 Divided loyalties Conflict of work with family demands Intrusion of problems outside work-economic, life crisis

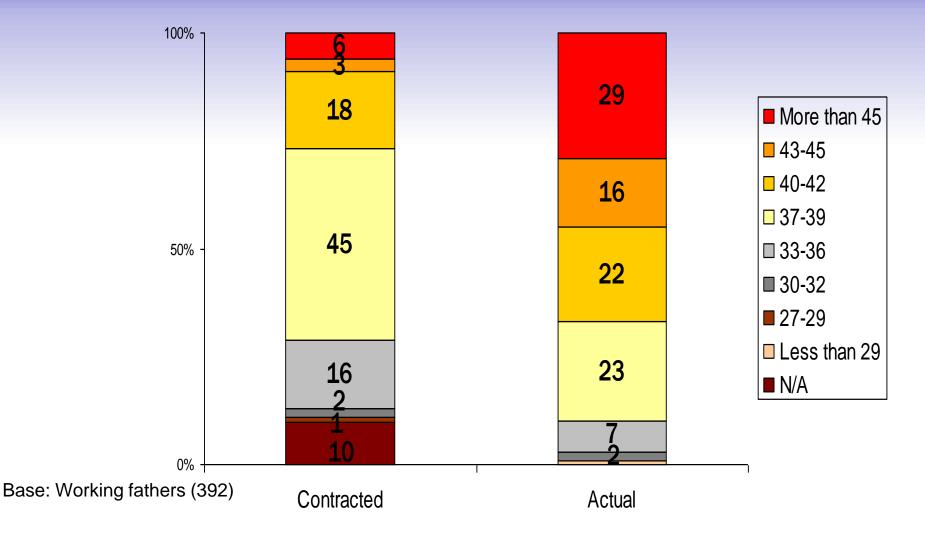
#### Women: hours contracted vs hours actually worked



Amv<sup>i</sup>

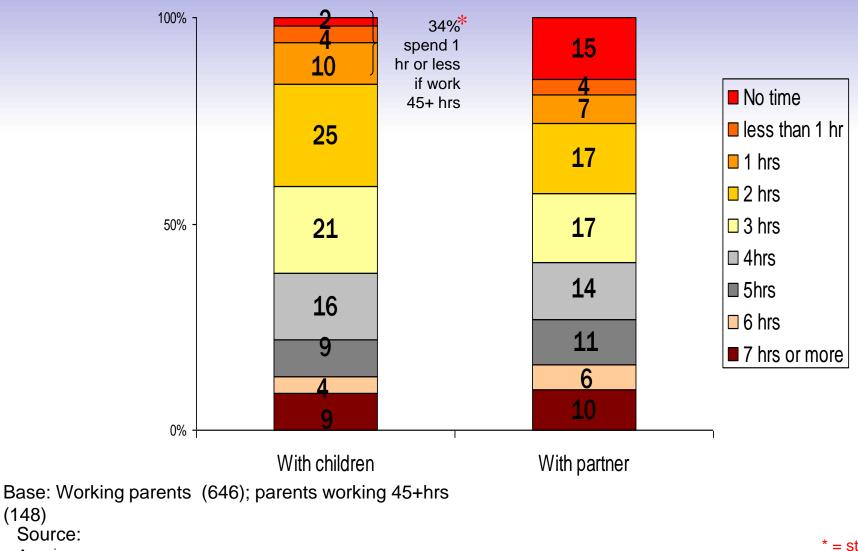
Source:

#### Men: hours contracted vs hours actually worked



#### Source:

#### Time spent with children and partner on weekdays



(148)

Source:

Amv<sup>i</sup>

## **Comprehensive Programme**

#### Interventions

#### Primary – Dealing with the stressors

- Selection policies & induction
- Workflow planning (task allocation, matching resource to work flow demand, etc)
- Work Life Balance initiatives
- Management Development Programmes

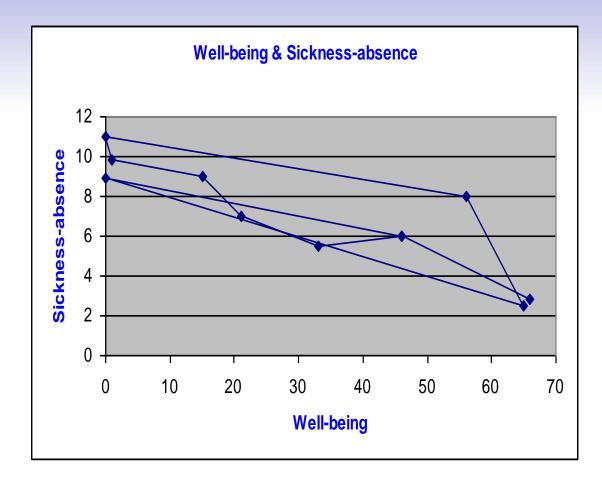
#### □ Secondary – Helping people to cope

- **Resilience training**
- Annual reviews & appraisals and personal development plans
- Healthy Lifestyle & Well-being programmes

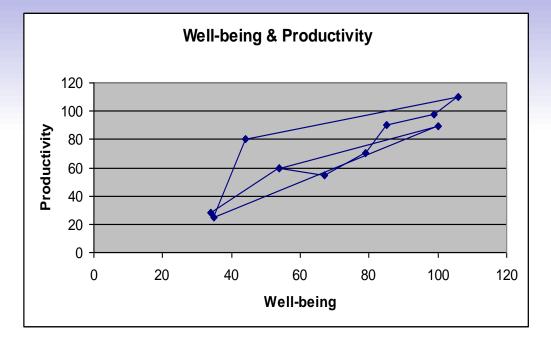
#### □ Tertiary – Picking people back up

Employee Assistance Programmes

### Well-being and Sickness-absence



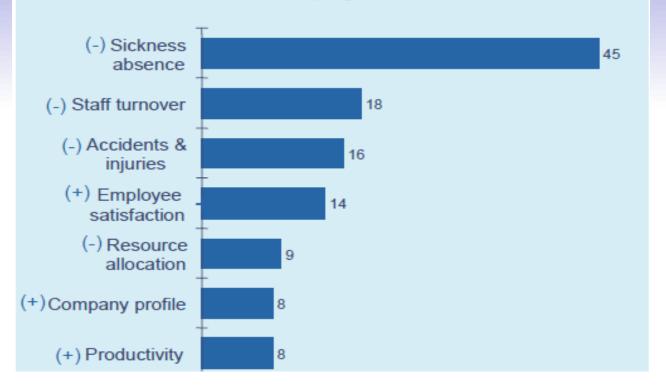
# Wellbeing and Productivity



There is a positive correlation between wellbeing and performance (about 0.3) (Cropanzano & Wright, 1999; Wang, 2000; Donald et al., 2005)

# There is a business case for wellness programmes

Benefits attributed to wellness programmes in the UK\*



Price Waterhouse Cooper Research based on 55 companies

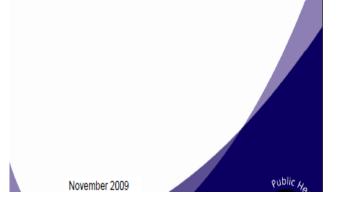
# Making the business case

NHS National Institute for Health and Clinical Excellence

Promoting mental wellbeing at work

#### **Business case**

Implementing NICE guidance



- If mental illness costs employers £28.3 billion per annum in 2009
- Prevention and early identification of problems, should save employers at least 30% £8 billion per annum

www.nice.org.uk/nicemedia/pdf/PH22G uidance.pdf

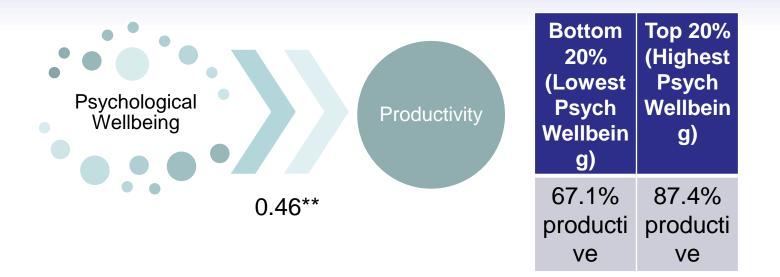
#### Best practice reporting group outperforms rest of FTSE 100 on average TSR for 2009

Average Total Shareholder Return (TSR) for 2009



BITC Ipsos MORI FTSE 100 Reporting Trends, May 2010

### Why Does Psychological Wellbeing Matter for Businesses? A worked example



Data collected from 2600 individuals in 2014 from a large public sector organisation

# Impact on the Bottom-Line

# Using the equation from Robertson, 2011:

X

Correlation between psychological wellbeing (r) and productivity

X

r = .462 (the correlation in this data set between psychological wellbeing and productivity) The expected improvement in psychological wellbeing with intervention, expressed as a Standard Deviation (Zwb)

Zwb = .25 ( a conservative estimate that appropriate support intervention would increase psychological wellbeing by a quarter of a Standard Deviation. This is in line with Robertson, 2011) The value of a standard deviation increase in productivity / performance (£P)

Financial Benefit

£P = £14,400 (using the commonly applied rule that a Standard Deviation increase in performance is worth 40% of average salary)

#### Impact on the Bottom-Line The figures:

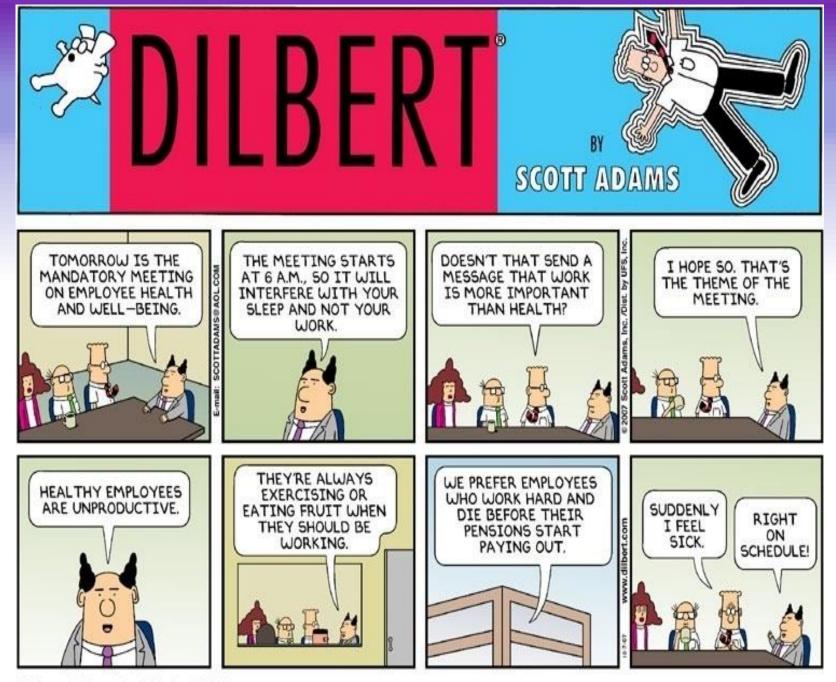
- For one individual the estimated financial benefit of improving psychological wellbeing by a <u>conservative amount</u> is **£1,201**
- Making these improvements for just 15% of those in the sample equates to a productivity increase worth **£468,390**
- Making these improvements for 15% of those in the company's workforce of 34,000 people equates to a productivity increase worth £6.1million
- Making these improvements for 15% of the UK working population equates to a productivity increase worth **£5.6billion**

# That's enough to:



Pay the wages of 243,000 nurses

#### Buy 21,500 Lamborghini Aventadors



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