



# Employee wellbeing in a changing working world

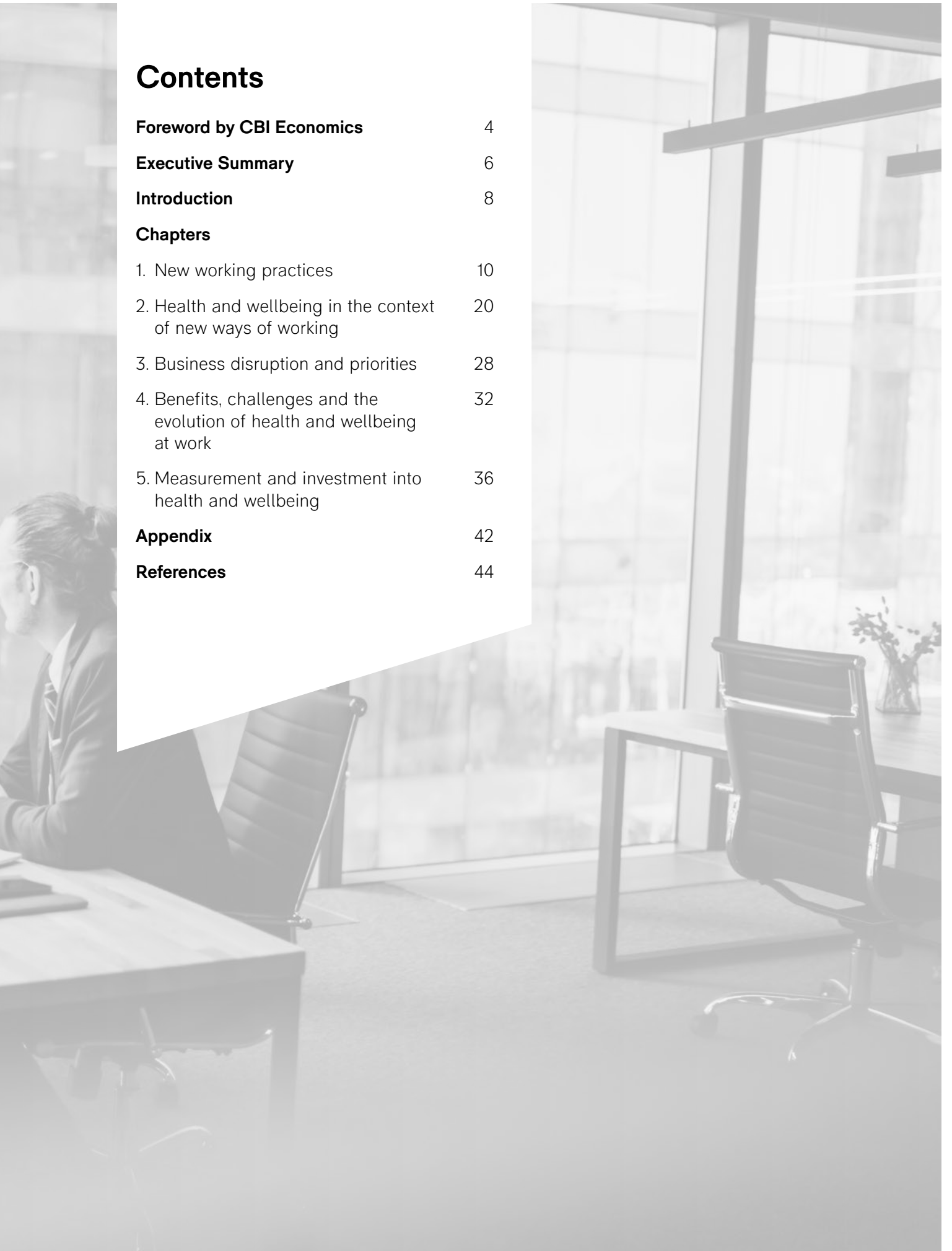
Commissioned by





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# Foreword CBI Economics

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The Covid-19 pandemic put a spotlight on physical and mental health and wellbeing in our daily lives and employers have stepped up and made it a priority in the workplace. This survey shows how business leaders intend to evolve future ways of working to support employee health and wellbeing and the impact of these changes on their workforce.

It makes sense that businesses have pushed health and wellbeing up the agenda in the current climate. With business performance cited as the main concern for businesses over the next year, the return on caring for employee health and wellbeing is both financially beneficial but also the right thing to do. Research shows that for every £1 invested in mental health by employers, businesses get £5 back, raising employee productivity by around 12%.<sup>1</sup>

ONS research shows that the number of adults suffering from depression has doubled since before the pandemic, increasing from 1 in 10 to 1 in 5.<sup>2</sup> Investing in mental health is all the more important in a hybrid environment with remote working increasing the possibility for staff to feel isolated, further impacting their mental health and wellbeing. Healthier employees are also likely to have higher job satisfaction, with the top five metrics that influence job satisfaction being mental health metrics,<sup>3</sup> which in turn, has been shown to result in improved business performance.<sup>4</sup>

This survey highlights strong employer intentions towards improving employee health and wellbeing and the understanding that firms need to take greater responsibility going forward. Although many firms are changing their working practices to account for this, many business sectors are unable to adopt remote or hybrid working due to the nature of their work. However, this survey clearly shows strong intentions to support employee health and wellbeing no matter what their business sector is, either through flexibility in working practices or tailoring their health and wellbeing benefits to their individual workplace. While the pandemic caused a great amount of business disruption, it has also been a turning point in prompting business to think more carefully about their responsibilities in supporting employee physical and mental health and wellbeing as working practices evolve.



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# Executive Summary

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It is clear that working practices changed for a majority of firms during the Covid-19 pandemic, in particular through a shift to remote working for a prolonged period of time. This report reveals the findings of a survey of UK businesses carried out by CBI Economics, the consultancy arm of the CBI (Confederation of British Industry), and commissioned by the health insurer Vitality. The survey was designed to examine how working practices have changed since the pandemic, whether hybrid working has become a dominant working pattern and, consequently, how this has impacted employee physical and mental health and wellbeing.

Overall, the survey uncovered that a clear majority of firms believe that the importance of health and wellbeing in the workplace has increased since the pandemic. The survey also observed that hybrid working policies have been adopted by around 4 in 10 businesses since the pandemic, with those that have changed their working practices believing that it has some clear benefits for health and wellbeing.

Regarding health and wellbeing, the survey found that:

- A majority of respondents (65%) agreed that companies have a greater responsibility to support employee mental health and wellbeing since the pandemic, with 72% making this a greater priority since the pandemic. 6 in 10 businesses have increased funding of employee health and wellbeing, with 4 in 10 keeping it the same.
- Almost 7 in 10 respondents have seen increased productivity as a main benefit of introducing or evolving health and wellbeing policies since the pandemic. The most common such policy was improved access to mental health resources (57%), followed by introducing new ways for employees to feedback on their physical and mental wellbeing (44%) and/or improving training for managers to better support staff's wellbeing (39%).
- Around half of respondents were motivated to introduce or evolve health and wellbeing policies by staff recruitment and attrition difficulties (52%). Indeed, 'labour or skills shortages' was the primary issue causing disruption to respondents, while staff retention was selected by a majority of firms as a top priority for the year ahead.

- A majority of respondents felt that the main challenge in introducing or evolving health and wellbeing policies was tailoring these to ensure they meet the needs of different people in the organisation (59%). Over a third did not have the time or resources to dedicate to supporting health and wellbeing (36%).
- Half of businesses currently measure employee health and wellbeing through employee surveys or feedback forms, with most of those that do measure health and wellbeing, doing so to understand the needs of the workforce to inform strategy now or in the future.

Regarding new ways of working, the survey found that:

- 4 in 10 businesses surveyed have implemented a hybrid working policy since the start of the pandemic, and 4 in 10 businesses require their staff to be on site full time.
- Since the pandemic, firms have seen an increase in demand for flexible working from employees, with around 70% of firms giving employees more flexibility to work in a way that supports health and wellbeing.
- Of those that have implemented a hybrid work plan, the majority believe it has allowed employees to better manage their mental health, with the lion's share of businesses stating that employees monitor their own mental health and wellbeing in a hybrid environment.
- The greatest proportion of firms continue to monitor their approach to hybrid working and evolve it to meet business and workforce needs.
- Firms surveyed believe that hybrid working best supports their ability to attract talent and for employee mental and physical wellbeing.
- Firms surveyed believe that on site or office working best supports the ability for employees to build and maintain relationships and engage in company culture.

# Introduction

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Following the Covid-19 pandemic and the consequent changes to businesses' working practices, there is an interest in how business leaders are navigating the shift to new ways of working in the context of health and wellbeing.

As a result, Vitality commissioned CBI Economics to survey business leaders to understand if firms have permanently shifted their working patterns over the past couple of years and the role of employee physical and mental health and wellbeing within that.

This report looks at findings from the survey, focusing on challenges and opportunities business leaders are grappling with, how different working patterns are affecting corporate wellbeing and the working patterns business leaders think best support employee wellbeing.

The report is divided into the following sections:

- New working practices
- Health and wellbeing in the context of new ways of working
- Business disruption and priorities
- Benefits, challenges and the evolution of health and wellbeing at work
- Measurement and investment into health and wellbeing

The survey findings give us a greater understanding of the importance of health and wellbeing for businesses since the pandemic and how changing ways of working have caused businesses to rethink the ways in which they support employees.





# New working practices

The survey findings provide an insight into new ways of working and employer preferences towards working environments. The pandemic forced many employers to change their ways of working and for a large number, this meant adopting home working for prolonged periods of time. Consequently, firms had to transform their working practices, from facilitating meetings to changing communication channels, in a remote world. During the first lockdown in May 2020, CBI survey data found that a weighted 52% of firms were impacted by a majority of staff working remotely, with a further 36% impacted by a minority of staff working remotely due to the pandemic.

## Nearly half of firms surveyed now have hybrid or flexible working policies

### Key finding:

Four in ten businesses have introduced a new hybrid working policy since the start of the pandemic, while four in ten respondents require staff to be on site full time (see **Exhibit 1**).

The survey was responded to by firms from all sectors across the UK economy (see **Appendix 1**), with those firms requiring employees to be on site full time mainly operating within sectors where it is not feasible to fully work offsite such as manufacturing, wholesale, retail and consumer services sectors. Two-thirds (66%) of manufacturing firms and half (50%) of distribution (retail and wholesale, including motor trades) companies stated that their company requires employees to be on site full time.

This is unsurprising given the nature of their work and relates to the different need for different types of workers described by Kristi Woolsey at the Boston Consulting Group.<sup>5</sup> These workers are described as anchored operators (0-20% of remote work) as they need to be physically present to do their jobs. The 0-20% margin of remote work is reflected in our survey findings as within the section of companies that required staff to be on site, the largest proportion still nonetheless offer flexibility in terms of working arrangements showing some ability to work remotely or flexibly despite being an "anchored worker".

The other three categories have larger proportions of remote work possible, from creative collaborators that develop new initiatives (20-50% remote work) to focused contributors (50-80% remote work) whose work requires individual focus. The final set of workers are pattern specialists (80-100% remote work) as their work follows a regular process and a defined pattern – our survey findings show that those that have a fully remote working policy sit primarily in the information and communication and professional services sectors.

SMEs had a larger percentage that required employees to be on site (45% vs 18% for larger firms), while large firms (businesses with more than 500 employees) had a greater proportion of hybrid working policies (59% vs 37% for SMEs).

Out of those who selected ‘other’, a number of firms mentioned “agile” working starting prior to the pandemic, while others stated that it was a mixture of some of the options due to some staff needing to work on site full time, while other employees have the ability to be hybrid.

### Exhibit 1 Company working policies

*Which option best describes your company’s working policy?*



## The evolution of hybrid working

### Key finding:

Business performance remains a key priority for nearly half of surveyed businesses in assessing whether hybrid working practices work for their business

A majority of firms continue to monitor their approach to hybrid working and evolve it to meet business and workforce needs (see **Exhibit 2**). Business performance remains a key indicator of success with 47% citing that they would change their hybrid working practices if it was found to negatively impact business performance and 45% stating that their company's priority is about ensuring working practices are set up in a way that ultimately best supports business performance. 44% of firms said that they have already adapted their approach to hybrid working during the pandemic to better suit the needs of their business and workforce.

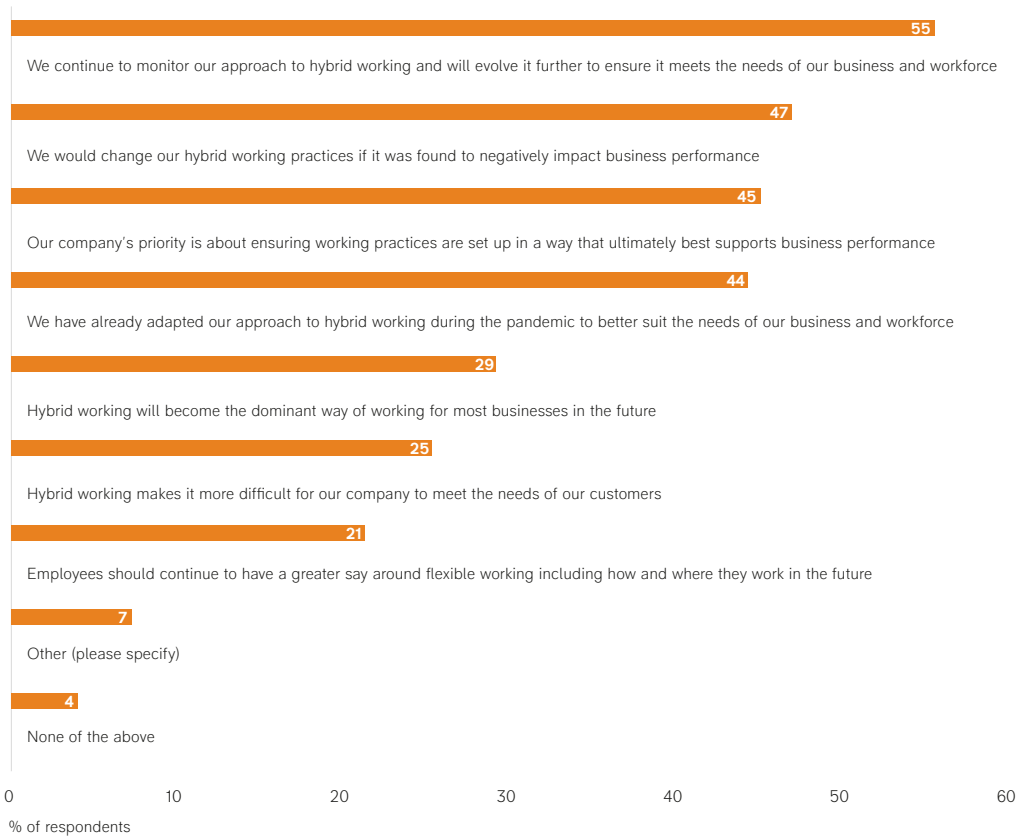
A greater proportion of larger firms are found to have adopted hybrid working practices than SMEs. 61% have already adapted (compared to 40% for SMEs), 70% continue to monitor their approach (compared to 52% for SMEs) and 53% believe that hybrid will become the dominant way of working (compared to 23% for SMEs).





**Exhibit 2** Supporting employee health and wellbeing in different working practices

*When thinking about hybrid working and whether it meets the needs of your business and workforce, please select the statements you agree with (Select all that apply):*



## Different working environments offer different benefits

### Key finding:

Businesses agree that remote working spurs longer hours but believe that employees are able to better show value from the workplace

Firms surveyed believe that on site or office working best supports the ability for employees to build and maintain relationships, engage in company culture, as well as being better for diversity and inclusion and for career progression (see **Exhibit 3**). In contrast, respondents believe that hybrid working best supports the ability to attract talent, manage employee costs and best supports employee mental wellbeing and physical health and productivity.

Once again, there were more positive responses from larger firms regarding the potential for hybrid working to be better for delivering certain benefits compared to SMEs, who were more likely to state that on site working delivered the best benefits.

Firms surveyed believe that remote working is not the best environment for supporting most of the benefits mentioned. The exceptions were costs and expenses associated with work, where over a quarter cited remote as the best for enabling employees to manage costs. However, hybrid working was cited as the best for managing costs overall.

Half of business leaders in this survey believe that hybrid working is the most supportive environment for employee productivity while 45% believe on site working was the most supportive, with only a small percentage citing remote working as the best environment. This contrasts to the revolution of work survey<sup>6</sup> conducted by CBI Economics during the pandemic in 2021 which found that 50% of businesses reported a positive impact of remote working on productivity, with only 21% citing a negative impact. It is possible that, at that stage of the pandemic, the benefits to working remotely on productivity were more apparent as they were felt more immediately (a CIPD literature review found that home working increased productivity through work intensification and providing a more productive environment).<sup>7</sup>

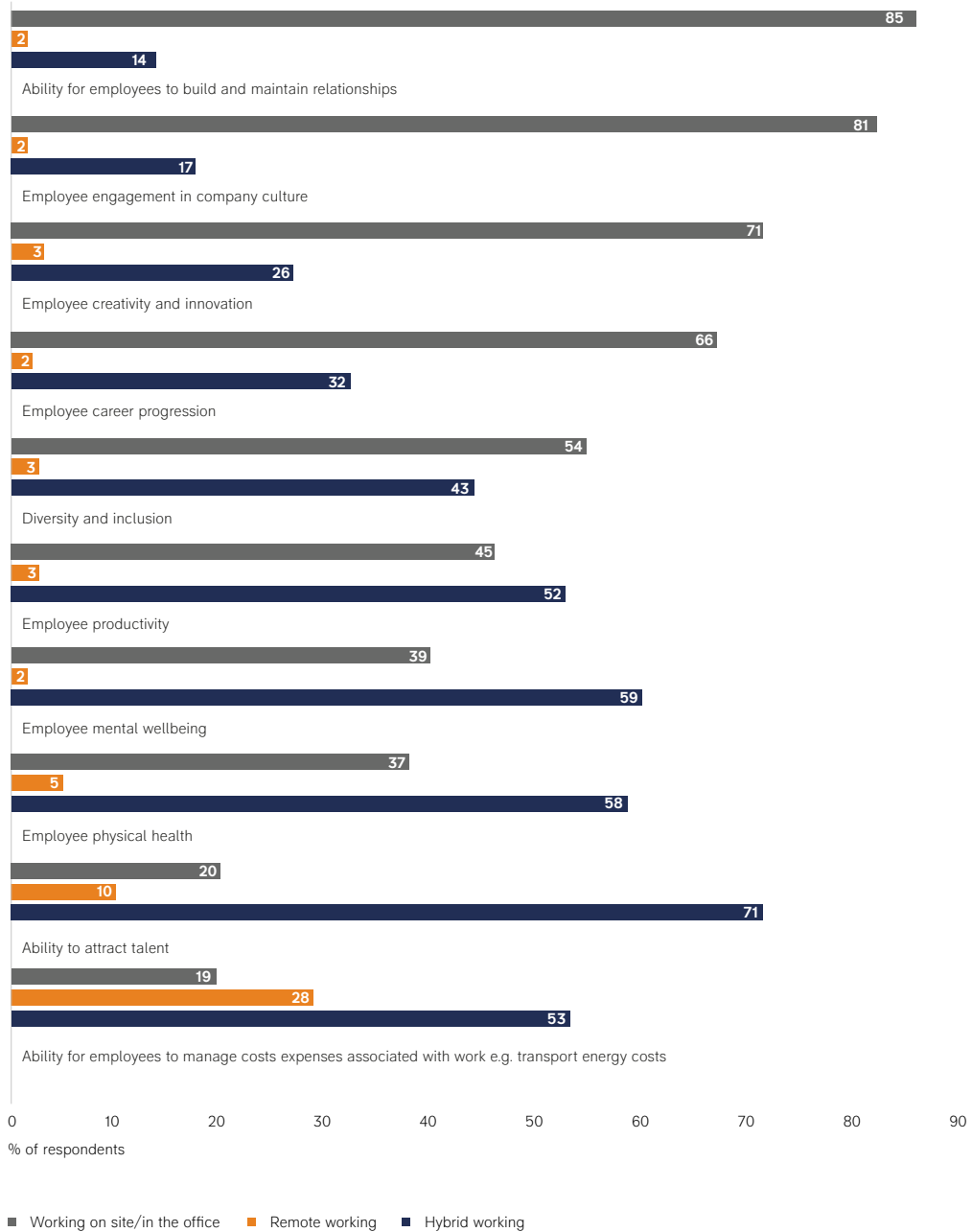
However, some of the potential drawbacks which are picked up by **Exhibit 3**; less innovation, less engagement in company culture and less ability to build and maintain relationships – may only become apparent as the effects on productivity build up over time. It is also likely that these impacts become more pertinent to business leaders now when evaluating a longer term working pattern compared to the temporary working situation many found themselves in last year. This clearly highlights why hybrid working could be seen by many as being the most productive pattern. It allows a balance to be struck between highly productive working from home days, and onsite activities which can benefit productivity in the long run.

Opinions on what is the better environment for various work factors unsurprisingly differs between those who work on site and those who work in a hybrid pattern. This is particularly stark when looking at employee productivity. Firms who have introduced a hybrid working policy since the pandemic were over three times more likely to say that hybrid working best supported productivity than on site working, while on site workers were over three times more likely to say on site working best supported productivity than hybrid working. Firms working on site were also much more likely to say on site working best supports creativity and innovation, as well as career progression; hybrid firms, however, were more split on what work pattern supported these two factors. Of course, it is not known if differences in perception are driving company decisions around working practices, or if the experience of going hybrid is driving more pro-hybrid perceptions.



### Exhibit 3 Best environment for supporting various work factors

*For your business, which work environment do you believe best supports the following:*







Employees are largely trusted to get their work done, whether they work remotely (a net balance of 61% of respondents agree\*) or work in the office (83%). While surveyed firms believe that employees take more breaks when working remotely, respondents also believe that employees were more likely to “power through” when ill and work longer hours remotely (see **Exhibit 4**).

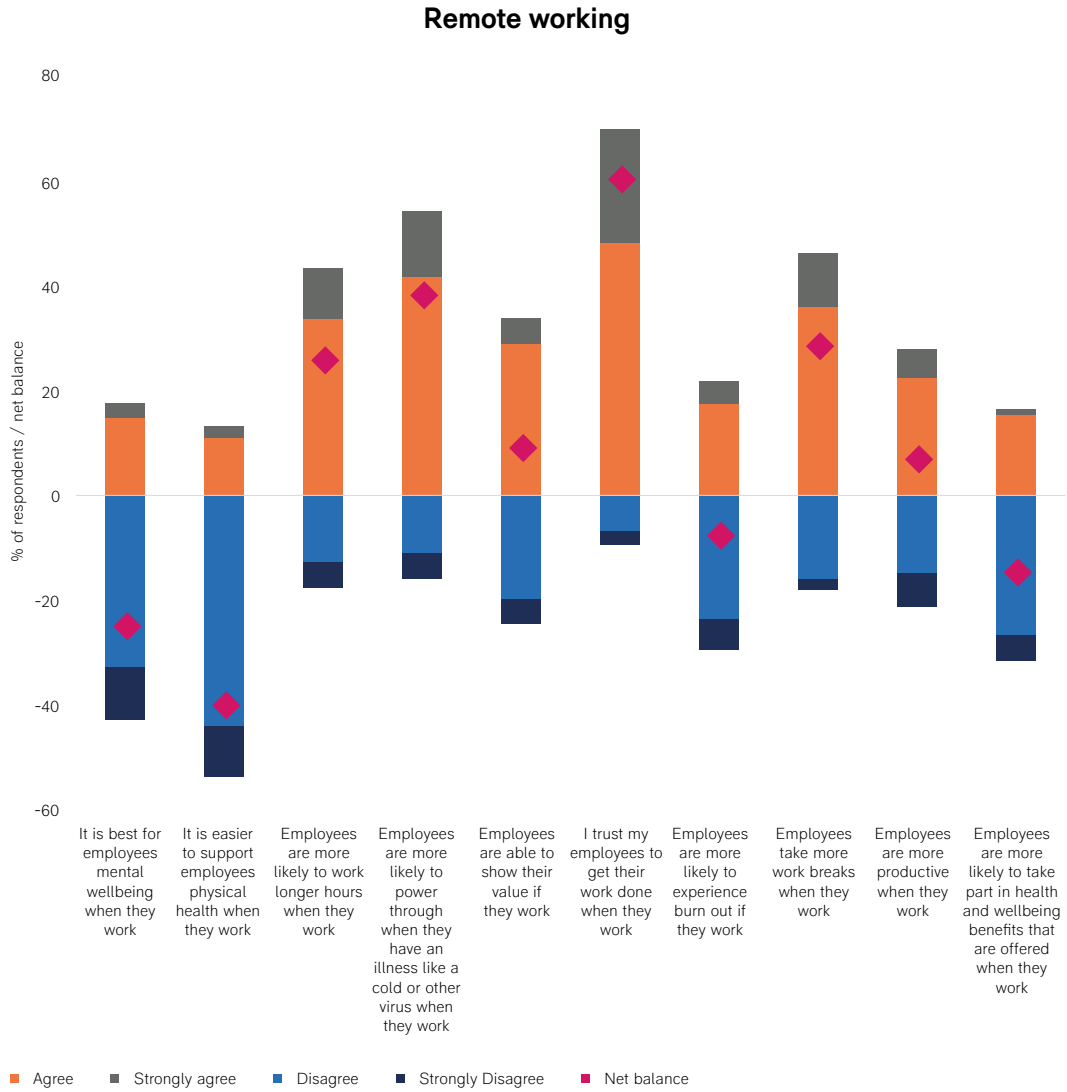
Respondents believe that it is easier to support employees’ mental and physical health and wellbeing from the workplace than remotely, although **Exhibit 3** shows that surveyed firms believe that hybrid working provides the best environment to support employee mental health and wellbeing. Again, this could demonstrate the ability of hybrid to act as a ‘best of both worlds’ approach, by combining greater leisure time gained by working from home<sup>8</sup> with the higher likelihood that employees access employer-provided health and wellbeing benefits when working from a workplace (as shown by **Exhibit 4**), combined with the lower likelihood that employees face loneliness from remote working.<sup>9</sup>

Surveyed firms believe that employees are able to show their value better if they work from a workplace (net balance of 69% agree with this) compared to remote working (10%). This may partly drive the finding of **Exhibit 3** that working on site best supports career progression, although it is likely that the greater degree of innovation, networking and engagement with company culture also play a role in this. The suggestion that home working may inhibit progression is supported by academic literature,<sup>7</sup> creating one obstacle for firms to overcome in adopting long-term hybrid or remote working models.

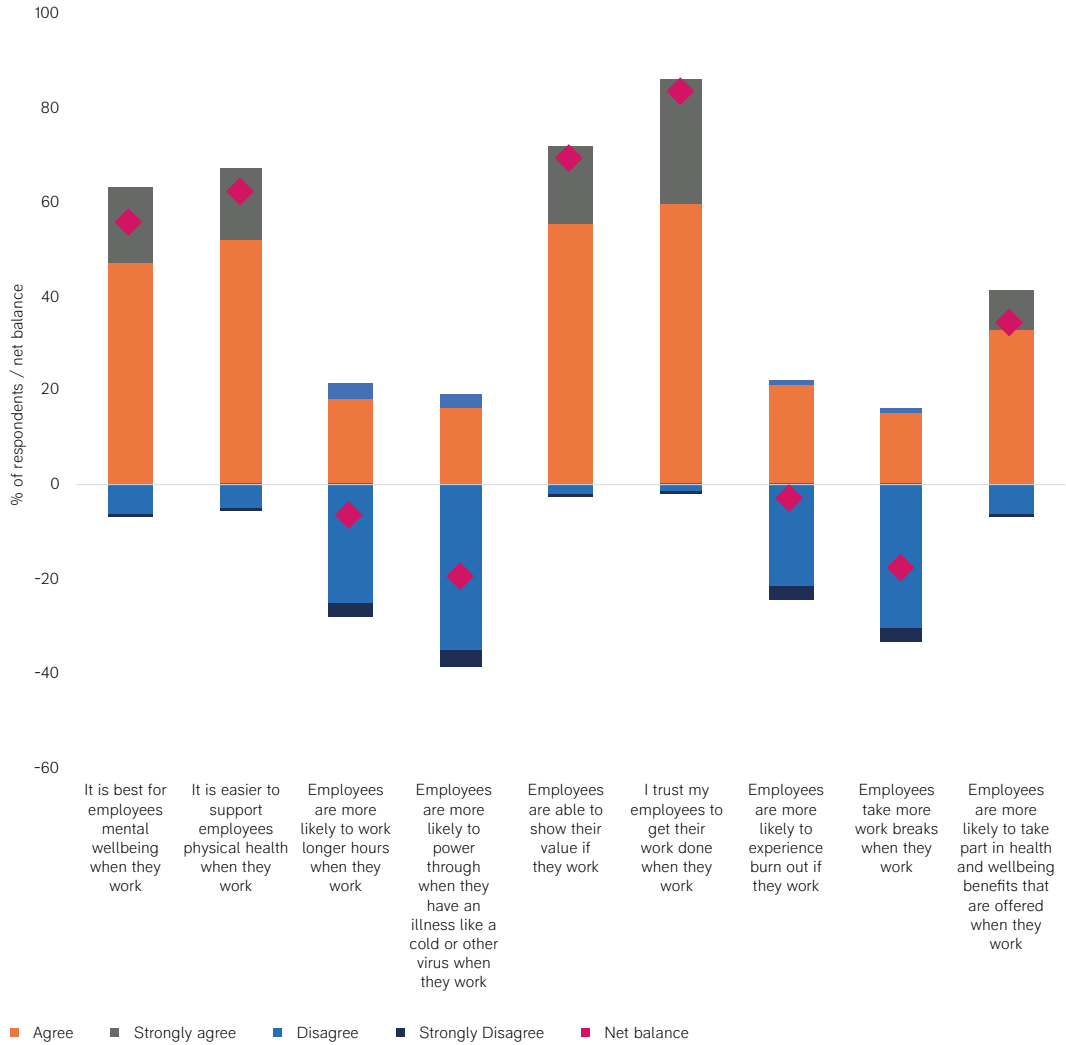
\*The percentage that responded that they strongly disagree or disagree subtracted from those that responded that they strongly agree or agree

### Exhibit 4 Benefits of working remotely or in the workplace

To what extent do you agree with the following statements  
(Select all that apply):



### On site

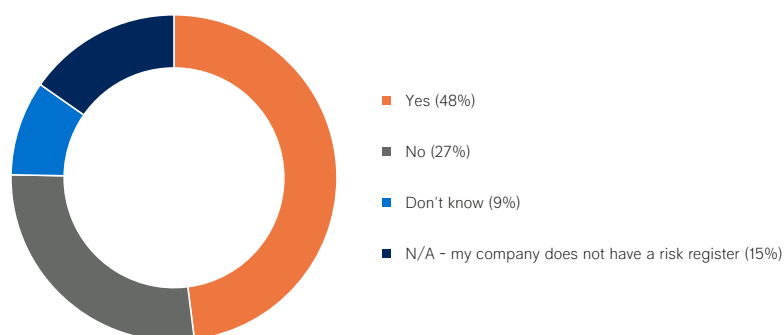


# Health and wellbeing in the context of new ways of working

The Covid-19 pandemic caused a number of mental health challenges as people were locked down in their homes, battling health and finance-related fears and for many, juggling caring responsibilities alongside work. This shone a light on the role of employers in supporting employee health and wellbeing and how working practices can impact their ability to do so. This section of the report looks at business views on the future of working and how new ways of working impact health and wellbeing.

Employee health and wellbeing is clearly important to employers, with almost half of surveyed firms (48%) stating that they have employee health and wellbeing on the company risk register (see **Exhibit 5**), which represents a majority of firms when accounting for the 15% who do not have a risk register. Large firms are more likely to include health and wellbeing on their risk register than SMEs (56% vs 46%), although SMEs were also more likely to not have a risk register (18% vs 5%). Large and small firms were broadly as likely to say it wasn't on their register (28% for SMEs vs 26% of large firms).

**Exhibit 5** "Is employee health and wellbeing on your company risk register?"



## Businesses have prioritised health and wellbeing since the pandemic

Nearly three quarters of businesses agree that their company has prioritised health and wellbeing since the pandemic. This statement particularly applied to larger businesses with 93% either agreeing or strongly agreeing. Although a majority of SMEs also agreed to this statement (66%), a number of qualitative comments from respondents suggested that this is because it was a priority pre-pandemic for SMEs as it is easier to check in with employees in a smaller organisation.

This aligns with some findings in the CBI's 2021 Employment Trends Survey<sup>10</sup> where supporting the health and wellbeing of staff was cited by 67% of respondents when asked about their D&I priorities for the next few years, as well as the CBI's Front of Mind report<sup>1</sup> where 63% of business leaders believed employers now have more responsibility for their employees' mental and physical health beyond the workplace.

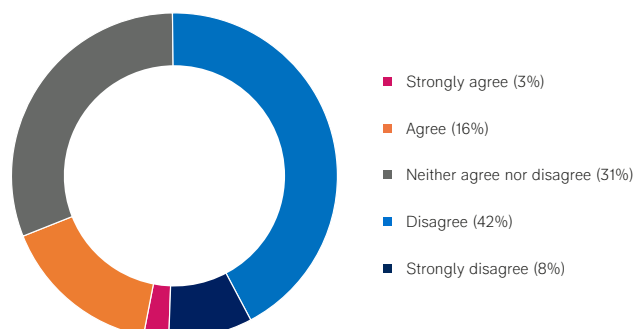
These findings are supportive of the next finding around the question which asked whether firms have a greater responsibility to support health and wellbeing since the pandemic. Almost two thirds of businesses agreed with this statement, with a similar split between larger firms and SMEs (82% vs 60%), which may again relate to the qualitative comments that SMEs have always felt a responsibility.

Encouragingly, half of firms disagree that they are finding it hard to understand how best to support employee physical and mental health and wellbeing since the pandemic, although nearly a third (31%) were undecided (see **Exhibit 6**).

Around 70% of firms are giving employees more flexibility to work in a way that supports health and wellbeing, which reinforces earlier survey findings on company working policies that even those who require staff to be on site full time are still looking at ways to be more flexible.

### Exhibit 6 Employer support post pandemic

*My company is finding it hard to understand how best to support employee physical and mental health and wellbeing since the pandemic*



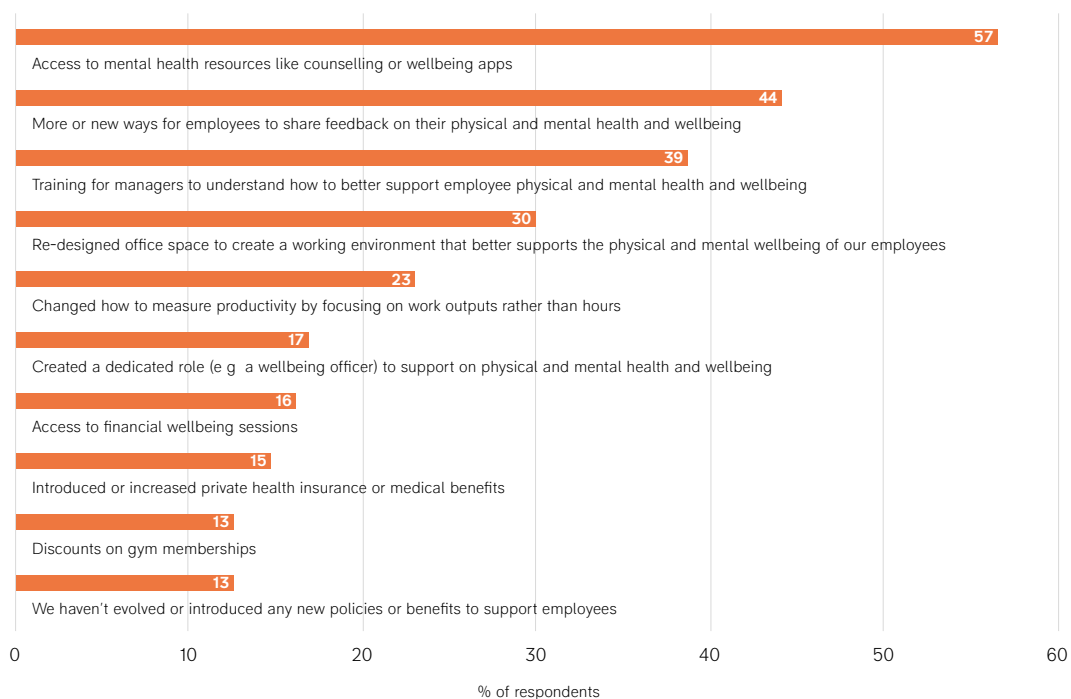
## Access to mental health resources were the most introduced resources during the pandemic

57% of businesses introduced access to mental health resources such as counselling or wellbeing apps, to support employee health since the pandemic. About four in ten respondents stated that they created more or new ways for employees to share feedback on their physical and mental health and wellbeing as well as training for managers to understand how to better support employees (see **Exhibit 7**). Meanwhile just under a third have re-designed their office space to create a working environment that better supports the physical and mental wellbeing of their employees.

There is another clear split between firm sizes, with a bigger proportion of larger firms having introduced access to mental health resources (86%), implementing training for managers (70%) and using more or new ways for employees to share feedback (60%) – a much higher proportion than SMEs (49%, 31% and 40% respectively). Again, qualitative comments suggest that SMEs are more likely to talk to staff directly about their health rather than introduce new resources or ways of working.

### Exhibit 7 Supporting employee physical and mental health and wellbeing

*Which, if any, of the following has your business introduced or evolved since the start of the pandemic to support employee physical and mental health and wellbeing? (top ten selected)*



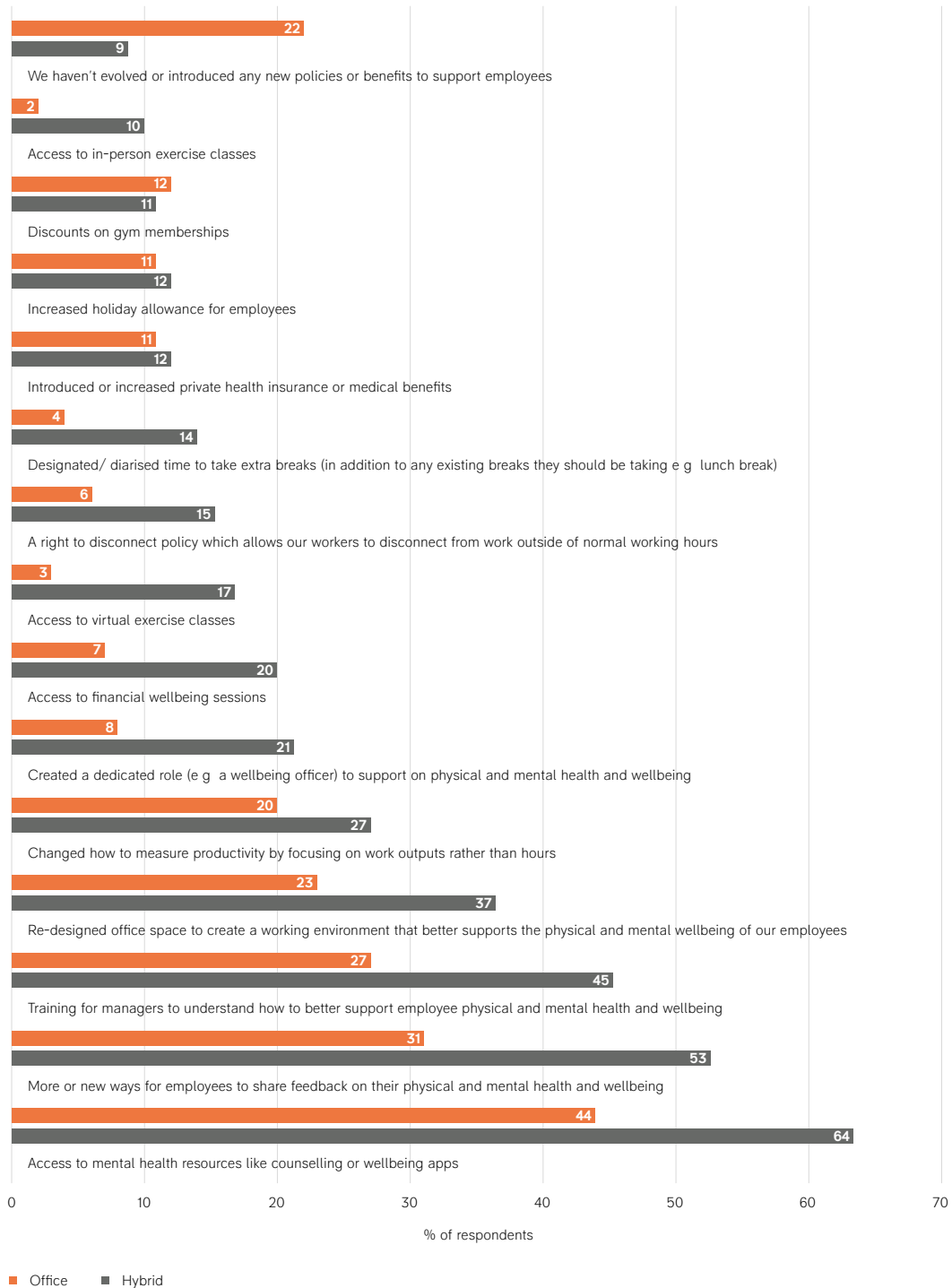
There was also a company size difference in responses among those that have adopted different working practices (see **Exhibit 8**). For those that have adopted hybrid working, access to mental health resources remained the most introduced support (64%), while over half introduced more or new ways for employees to share feedback on health and wellbeing and 45% cited training for managers. While the same three options were selected for those working from the office or a workplace, a lower proportion of firms seem to have introduced new support since the beginning of the pandemic, compared to hybrid. This could be due to existing mechanisms for checking in on mental health in the office/workplace remaining suitable with managers and employees being in the same place at the same time and the ability to check in with employees more often. Whereas in a hybrid environment, it may be more difficult to get in touch with managers so access to resources and additional feedback loops were introduced in this new way of working. Managers may also have felt ill-equipped in a hybrid environment, with the normal training given perhaps considered less useful in this new way of working. Therefore, this may have spurred the need for additional training to understand how best to support employees in a hybrid environment.

The CBI's Front of Mind report<sup>1</sup> suggests that line managers are provided with suitable training to help them spot signs of poor mental health remotely and in-person in this new way of working. More examples of how businesses can support employee mental health when working in a hybrid environment can be found in the CBI's adapting to hybrid working practical guide.<sup>11</sup>



### Exhibit 8 Supporting employee health and wellbeing in different working practices

*Which, if any, of the following has your business introduced or evolved since the start of the pandemic to support employee physical and mental health and wellbeing? (Select all that apply)*





In the CBI's 2021 Employment Trends Survey,<sup>10</sup> businesses reported similar findings to this survey regarding the steps firms would need to take to transition to hybrid working: 65% of companies reported that they are developing new communication strategies to keep in touch with employees regardless of working time and location. 60% of businesses were also investing in new technology to facilitate new working patterns and 55% were changing the layout of their office space to accommodate a hybrid or flexible workforce. Over half of respondents also cited investing in digital skills for the workforce and developing tailored strategies for mental health and wellbeing to accommodate all workers. The survey findings found that the focus on developing tailored mental health and wellbeing strategies is essential to help employees work confidently in a rapidly changing working environment. The report stated that the key will be identifying where hybrid skills gaps are, and equipping managers with the tools and resources to support employees. To help with this in the future, the survey found that 44% of firms are considering organising social events to build whole organisation culture, with other steps being considered including tailored strategies for mental health and wellbeing (37%) and changing the layout of the office space to accommodate a hybrid or flexible workforce (32%).

### **Employers believe hybrid is a net positive for health and wellbeing**

Businesses that have adopted hybrid working were then asked statements around how its adoption has impacted health and wellbeing. Of those that have adopted hybrid, the majority agree (77%\*) that its adoption since the pandemic has helped employees to better manage health. This is supported by the CBI Economics survey on the revolution of work conducted in 2021 in collaboration with Nexus,<sup>6</sup> where 62% of firms stated that the business motivations for moving towards hybrid working was to support employee mental health and wellbeing.

Businesses were also asked if the hybrid working practices adopted since the pandemic have made no difference to employee physical and mental health and wellbeing, the majority disagreed with this statement (65%).

\*Agree = agree + strongly agree

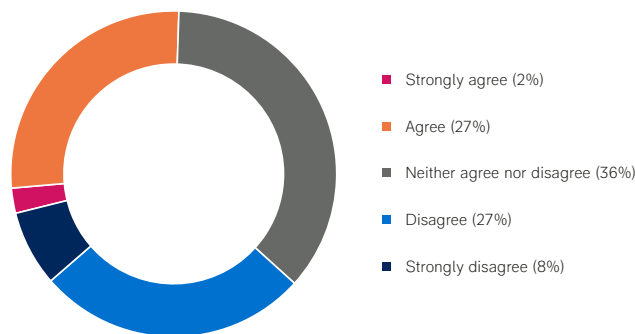
\*Disagree = disagree + strongly disagree



Views were mixed however regarding whether hybrid working practices have made it more difficult for employers to support employee physical and mental health and wellbeing because people are less likely to be in the same place at the same time (see **Exhibit 9**). 29% either agreed or strongly agreed with the statement while 34% either disagreed or strongly disagreed. However, over half of businesses (55%\*) agree that their employees monitor their own health in a hybrid working environment.

### Exhibit 9 Hybrid working policies

*“The hybrid working practices we have adopted since the pandemic have made it more difficult to support employee physical and mental health and wellbeing because people are less likely to be in the same place at the same time”*



\*Agree = agree + strongly agree

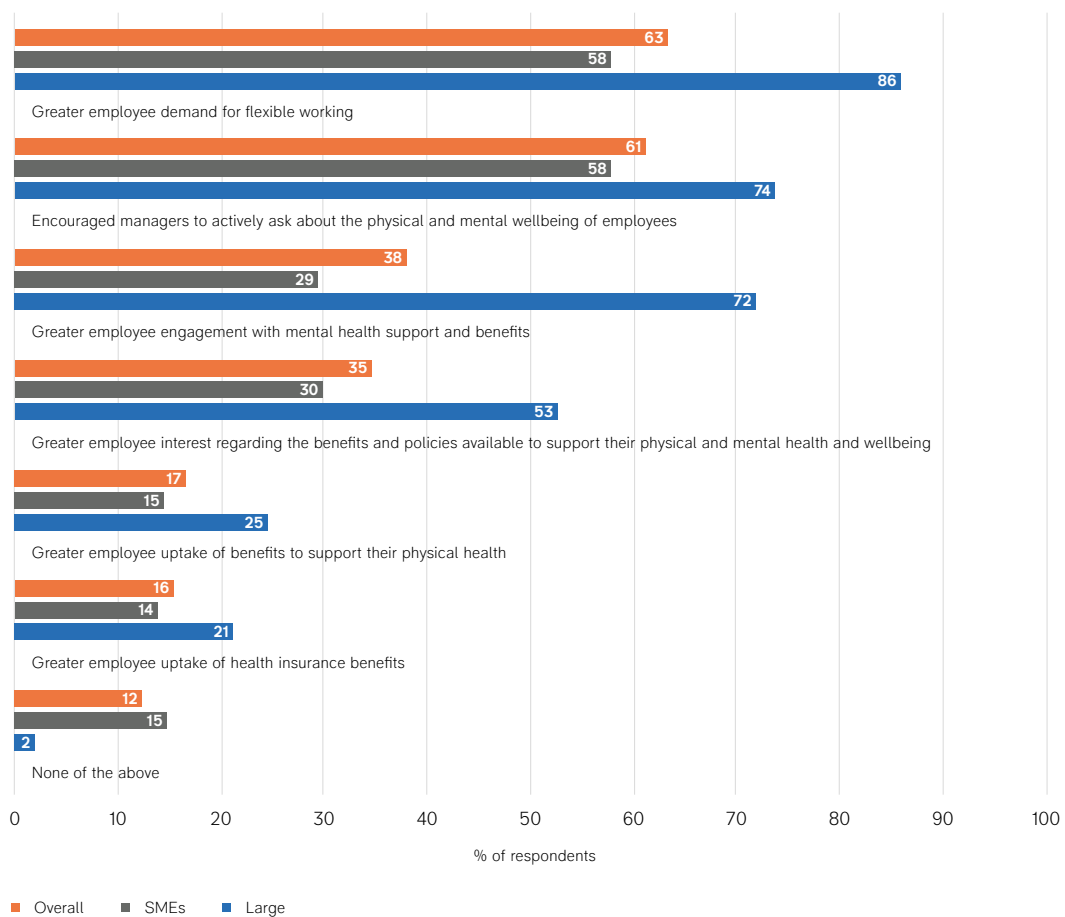
\*Disagree = disagree + strongly disagree

Around six in ten businesses stated that since the pandemic, they have seen greater employee demand for flexible working. A similar proportion of firms have also encouraged managers to actively ask about the physical and mental wellbeing of employees.

A bigger percentage of larger firms selected these options compared with SMEs (see **Exhibit 10**). This is particularly the case for greater employee engagement with mental health support and benefits (72% in larger firms vs 29% in SMEs).

**Exhibit 10** Employee changes since the pandemic

*Please select the statements below which apply to your workforce since the start of the pandemic (Select all that apply):*



# Business disruption and priorities

## Staff concerns are a key business disrupter

### Key finding:

Skill or labour shortages and economic risk are the key issues causing disruption to businesses currently.

Poor employee health and wellbeing is one of several issues that are currently causing disruption to businesses. **Exhibit 11** shows that the issue causing disruption to most responding firms is shortages of skills or labour (60%), followed closely by economic risk, which includes factors such as market volatility, inflation, stagnation or fluctuation. Almost half of firms (48%) cited talent retention and attrition as a disrupting factor.

This backs up the findings of the CBI's regular economic surveys which show that skill/labour shortage concerns remain elevated across the services and manufacturing sectors, limiting output and investment.<sup>12</sup> CBI surveys have also reported a notable decline in business optimism in recent months.

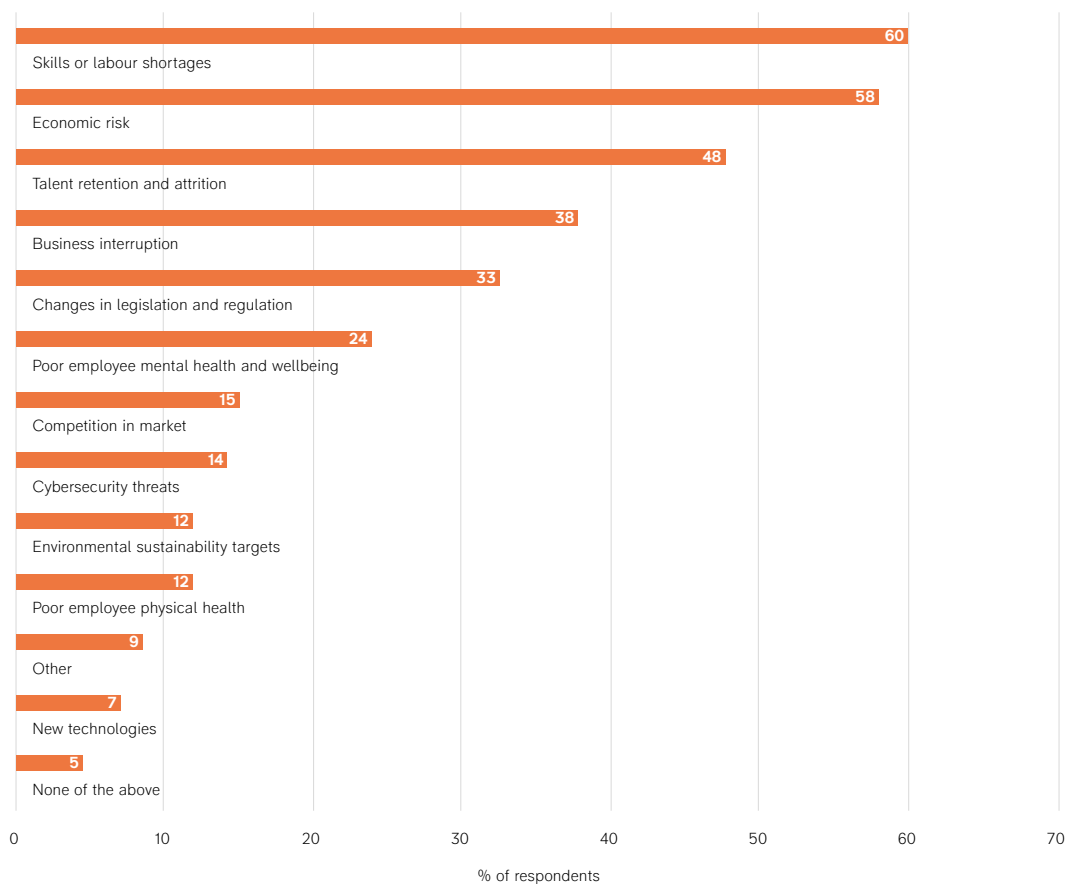
Firms of all sizes reported concerns regarding staff shortages in this survey and this was the most cited issue for SMEs. However, large firms were much more likely to cite talent and retention as a disruption than smaller firms (70% vs 41%) and this was the most selected issue for large firms. Poor employee mental health and wellbeing was cited by around a quarter of surveyed firms, while poor employee physical health was cited by 12%.

The finding that skills or labour shortages is the issue causing disruption to most surveyed firms provides further insight into the increased prevalence of hybrid and flexible working. A majority of respondent firms (71%) believe that hybrid working is best for attracting talent (**Exhibit 3**). Given that around half of surveyed firms were motivated by staff recruitment and attrition difficulties (52%, **Exhibit 13**) to introduce or evolve health and wellbeing policies, it is likely that this has also been a motivating factor behind the introduction of hybrid and/or flexible working.

The largest proportion of those that have hybrid policies see the greatest disruptor as economic risk. Although skill or labour shortages are still a concern for hybrid employers, they have been cited by the highest proportion of respondents for firms with office environments. As working practices change, CBI member anecdote suggests that employees are being more outspoken regarding their work environments and benefits. This potentially implies that hybrid employers find it slightly less difficult to find the right workers or skills for their vacancies as they offer a more flexible way of working, which appears to be something that employees are increasingly looking for in an employer.

### Exhibit 11 Business disruption

*Which of the following issues, if any, are currently causing disruption to your business? (Select all that apply)*



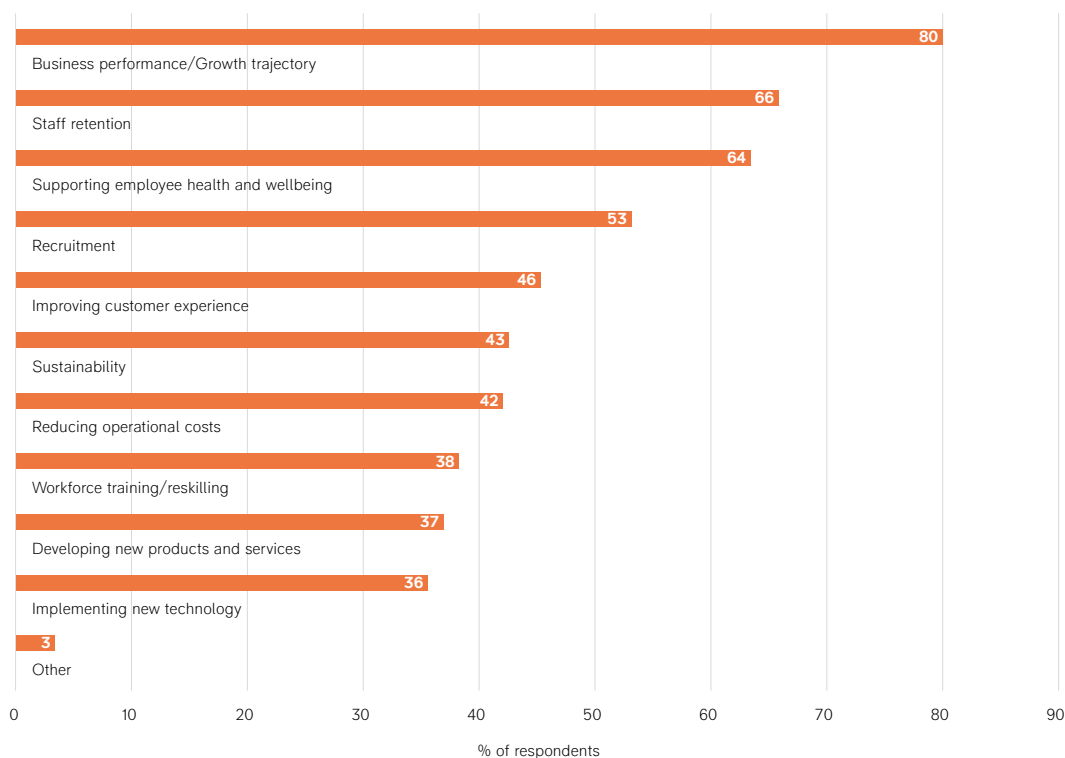
## Business performance is the top business priority over the year ahead

Although **Exhibit 12** indicates that business performance is the most cited priority for business over the year ahead, there is still a clear emphasis on staff as a key priority. Around six in ten cited staff retention while a similar proportion also cited employee health and wellbeing as top priorities. This is particularly the case for larger firms, with the greatest proportion of firms citing health and wellbeing as a top priority for the year, followed by business performance. However, qualitative feedback from survey respondents indicates that the slightly lower proportion of SMEs citing this as a top priority for the year ahead may be due to it always being a priority for smaller firms.

For both firms with hybrid and office working policies, business performance was the most cited priority overall. However, hybrid firms rated the importance of employee wellbeing slightly more highly than office-based firms: nearly seven in ten cited supporting employee health and wellbeing as a top priority, compared to six in ten in office/on site working firms.

### Exhibit 12 Business priorities for the year ahead

*Which of the following areas, if any, are top priorities for your business over the next year? (Select all that apply)*





### ACTUAL SUMMARY



- Food
- Transportation
- Medical
- Other
- Utilities
- Personal Care
- Travel
- Home

### BUDGET VS. ACTUAL



- Budget
- Actual

### SUMMARY BY CATEGORY

# Benefits, challenges and the evolution of health and wellbeing at work

**Key finding:**

Productivity is seen as the main benefit of introducing or evolving health and wellbeing policies.

Business leaders are realising that supporting employee health and wellbeing can benefit their companies in multiple different ways. This section of the report looks into what businesses consider the main benefits and challenges of introducing these policies as well as assessing how these benefits might change as different working practices evolve.

Firms were asked what the main motivating factors were for businesses to introduce or evolve health and wellbeing policies and benefits for employees, and recognition that employees are more productive when their physical and mental health and wellbeing is supported was the most common answer (selected by 69% of respondents). Employee wellbeing and productivity are clearly linked, with happier employees having been shown to be more motivated and therefore more productive,<sup>13</sup> which explains why the largest percentage of firms have chosen this option.

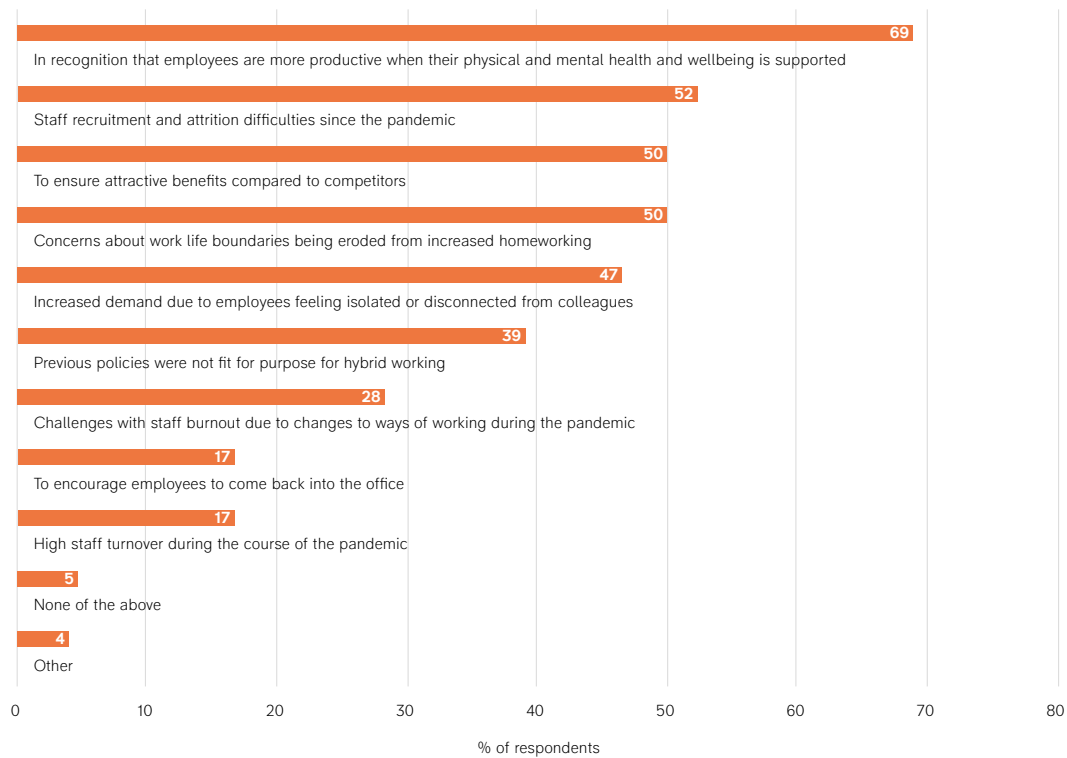
But there were a number of other options cited by around half of respondents (see **Exhibit 13**): staff recruitment and attrition difficulties since the pandemic, ensuring that benefits are attractive compared to competitors, concerns about work life boundaries being eroded from increased homeworking and increased demand due to employees feeling isolated or disconnected from colleagues all ranked highly.

Six in ten respondents that have hybrid working policies believed the main reason for introducing health and wellbeing policies was regarding concerns about work life boundaries being eroded from increased homeworking, compared to 35% for those that have office or on site working policies. 53% of those working in hybrid working environments saw increased demand for health and wellbeing policies due to employees feeling isolated or disconnected from colleagues as a motivating factor, compared with 35% for those with office or on site policies.



### Exhibit 13 Motivating factors for health and wellbeing policies

*What do you believe are the main motivating factors for businesses to introduce or evolve health and wellbeing policies and benefits for employees? (Select all that apply)*



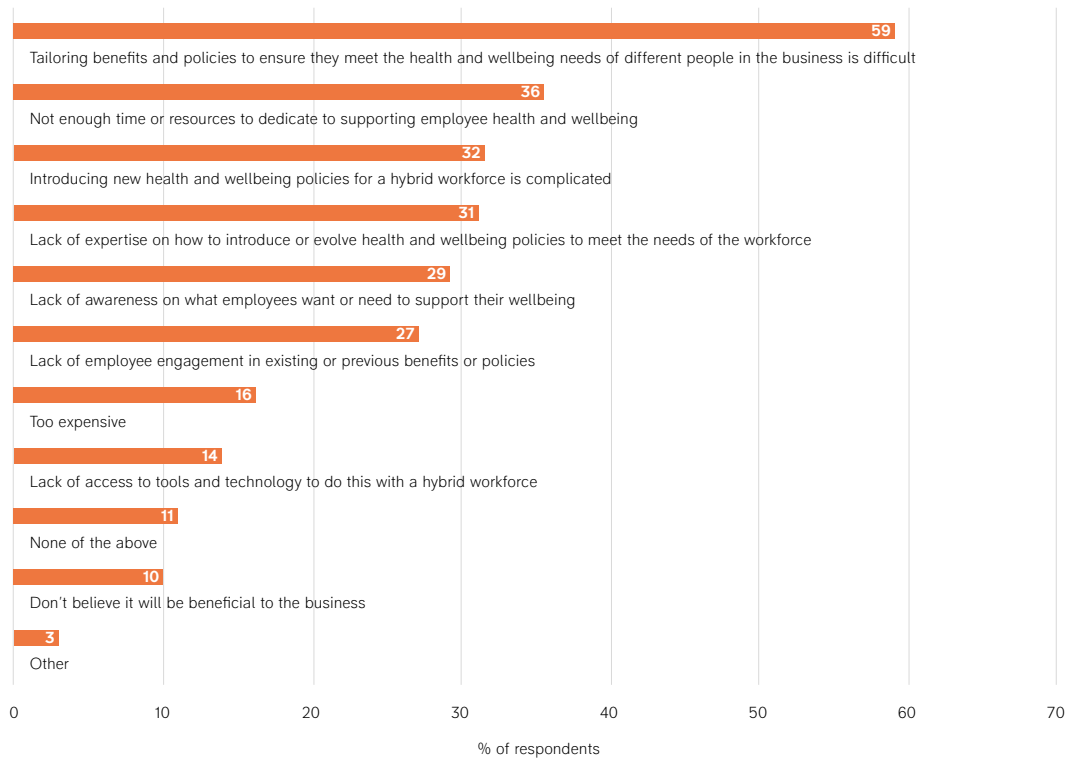
#### Key finding:

It is challenging for firms to tailor their health and wellbeing policies to ensure that they meet the needs of different people in the business

Businesses were then asked what the challenges were in introducing or evolving health and wellbeing policies: tailoring benefits and policies to ensure they meet the health and wellbeing needs of different people in the business was the challenge cited by the largest proportion of respondents (59%, see **Exhibit 14**).

## Exhibit 14 Challenges in introducing health and wellbeing policies

*What do you believe are the main challenges for business in introducing or evolving health and wellbeing policies and benefits for employees? (Select all that apply)*



### Key finding:

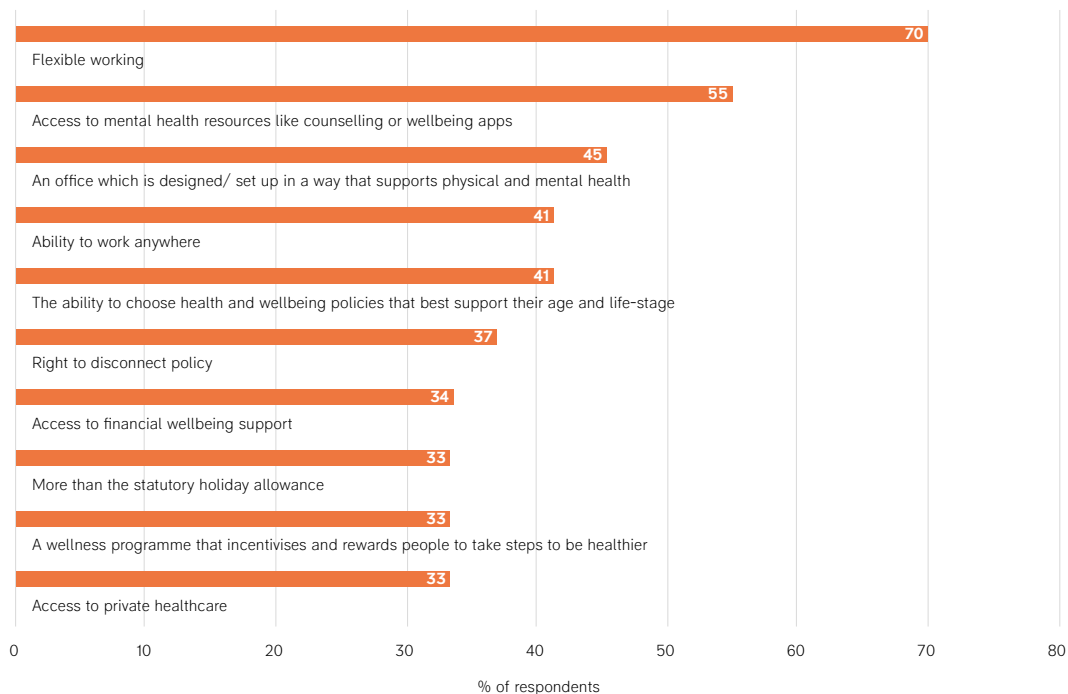
Flexible working is expected to be the most appealing health and wellbeing benefit to employees post pandemic, according to business leaders

Firms were questioned on what they believe will be the most appealing health and wellbeing benefit to employees post pandemic (see **Exhibit 15**). Flexible working was identified by respondents as the standout benefit for employees for all firm sizes, but for larger firms, access to mental health resources (77% vs 49% for SMEs), an office set up in a way that supports physical and mental health (60% vs 42% for SMEs) and access to financial wellbeing support (61% vs 26% for SMEs) ranked particularly highly compared to SMEs. This may be because larger firms may have the resources needed (e.g. HR departments, funding) to provide some of these benefits to a greater extent than SMEs.

Over half of firms said that access to mental health resources was likely to be the most appealing benefit to employees post pandemic, which supports why a similar percentage of firms stated that this is the main resource firms introduced during the pandemic (see **Exhibit 8**).

### **Exhibit 15** Most appealing health and wellbeing benefits for employees

*What do you believe will be the most appealing health and wellbeing benefits to employees post pandemic? (Top ten)*



# Measurement and investment into health and wellbeing

The survey findings have clearly shown that health and wellbeing is a key priority post pandemic, but are firms measuring this so that they can track progress?

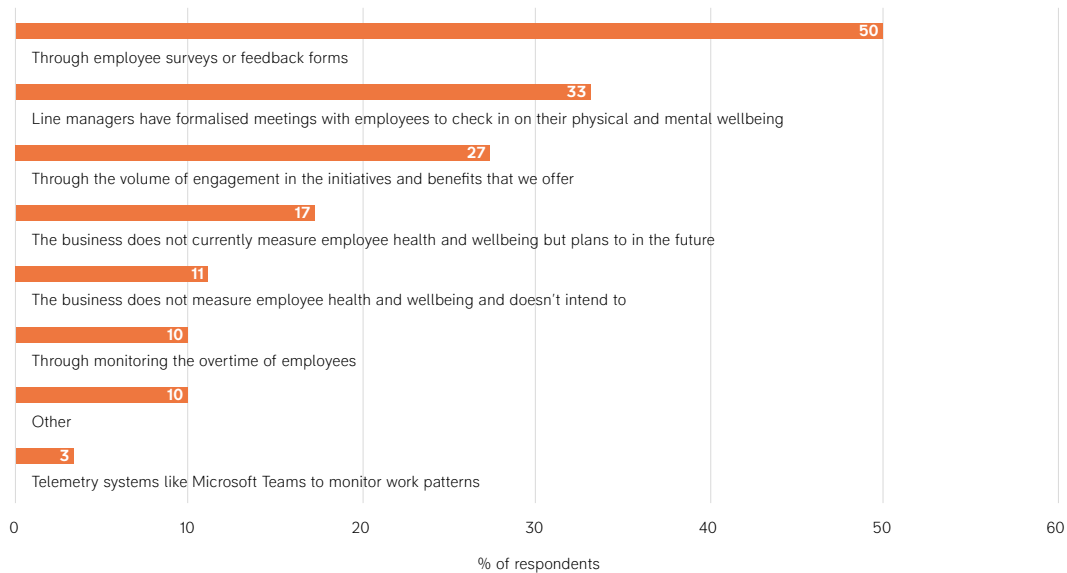
Our survey findings show that half of businesses measure health and wellbeing through employee surveys or feedback forms, while about a third of businesses stated that line managers have formalised meetings with employees to check in on their physical and mental wellbeing (see **Exhibit 16**). Three quarters of larger firms measure through employee surveys or feedback forms, while SMEs are more likely to take a mixed approach of forms and/or formalised meetings with employees. A large number of SMEs also chose the “other” option and stated that they conduct informal conversations with staff to check in on progress.

Meanwhile, 17% said that the business does not currently measure employee health and wellbeing but plans to in the future, while 11% said that the business doesn't measure and doesn't intend to. Interestingly, a greater proportion of those with hybrid working environments measured employee health and wellbeing through employee surveys or feedback forms compared with office environments (65% vs 24%.) while a greater proportion of office based firms do not measure employee health and wellbeing at all compared to those with hybrid working policies (42% vs 21% of firms with hybrid working policies).



**Exhibit 16** Measurement of employee health and wellbeing

*How does your company currently measure employee health and wellbeing?  
(Select all that apply)*



The majority of surveyed firms use these health and wellbeing insights to understand the needs of the workforce to inform strategy now (43%) or in the future (36%) (see **Exhibit 17**).

**Exhibit 17** How health and wellbeing insights are used for the business

*(Of those that selected that they measure health and wellbeing) When thinking about how you currently measure employee physical and mental health and wellbeing, please select the statement that best describes how you use these insights:*



### **Health and wellbeing investment has either been maintained or increased during the pandemic, but firms have mixed views on the future**

6 in 10 businesses have increased funding in employee health and wellbeing, with the remainder keeping it the same (see **Exhibit 18**). Not a single business decreased investment into employee health and wellbeing, which makes it clear that firms see the benefits of investing in health and wellbeing. A Deloitte report<sup>14</sup> found that the average return for employers from investing in measures such as screenings, training and awareness of mental health issues was £5.30 for every pound spent. They also found that poor mental health has an impact on businesses costs, with the estimated costs of absenteeism, presenteeism and labour turnover having increased by 25% since before the pandemic (2019) and costing an estimated annual cost of £53-56 billion in 2020-2021, which explains why employers are keen to invest to offset some of these costs.

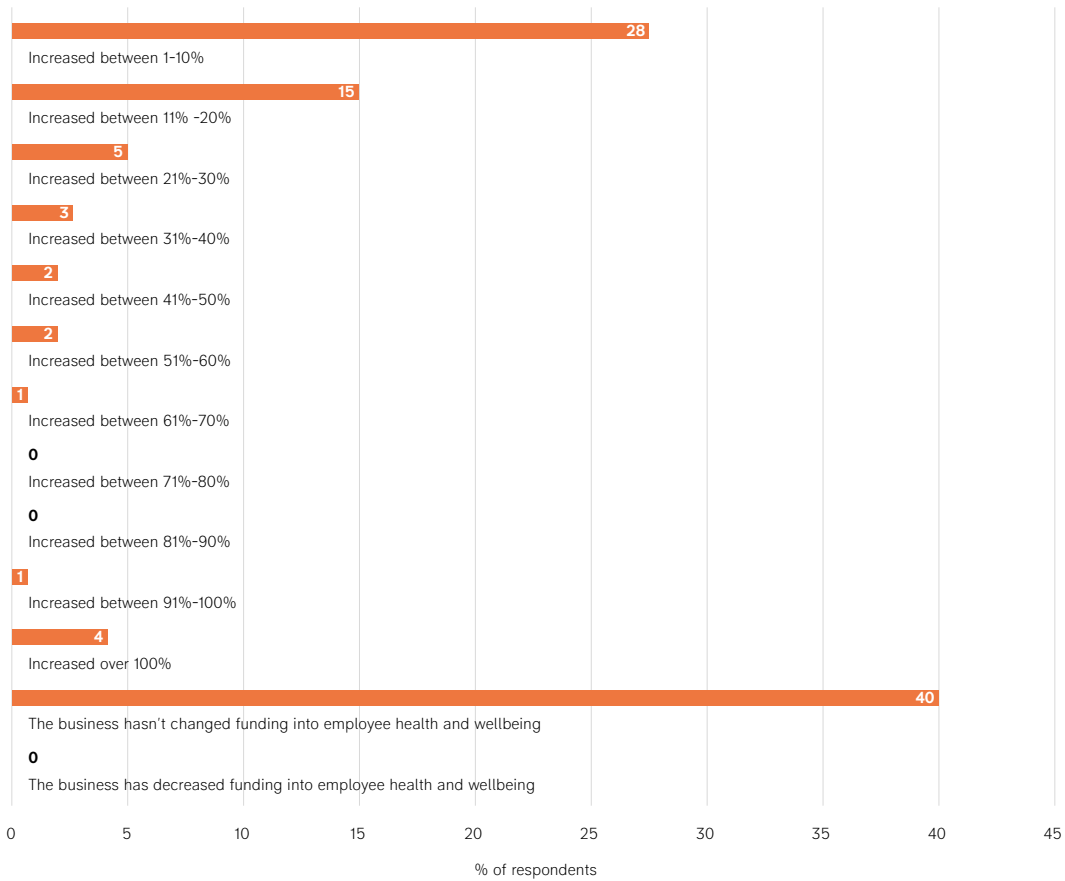
7 in 10 larger firms have increased investment since the start of the pandemic vs half of SMEs. Half of firms with an office-based environment haven't changed funding into employee health and wellbeing, compared with 36% of those with hybrid working environments. Those with a hybrid working policy also invested higher percentages financially compared to those with an office-only policy.





**Exhibit 18** Financial investment into employee health and wellbeing

*How much, if any, has your business changed financial investment into employee health and wellbeing since the start of the pandemic?*

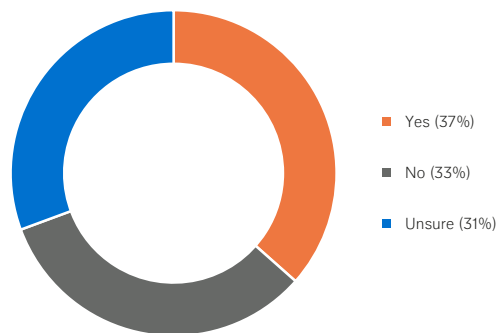


When asked about future investment intentions for employee health and wellbeing, respondent views were mixed, with 37% stating that they plan to increase investment, a third stating that they would not increase investment and a further 31% that were unsure (see **Exhibit 19**).

A decent proportion of hybrid firms expected to increase financial investment into employee health and wellbeing over the next year (42% vs 32% for firms with office policies) and a larger proportion of office-based firms do not expect to increase investment over the year ahead (37% compared with 29% for those with hybrid policies).

### **Exhibit 19** Financial investment into future employee health and wellbeing

*Does your business have plans to increase financial investment into employee health and wellbeing over the next year?*



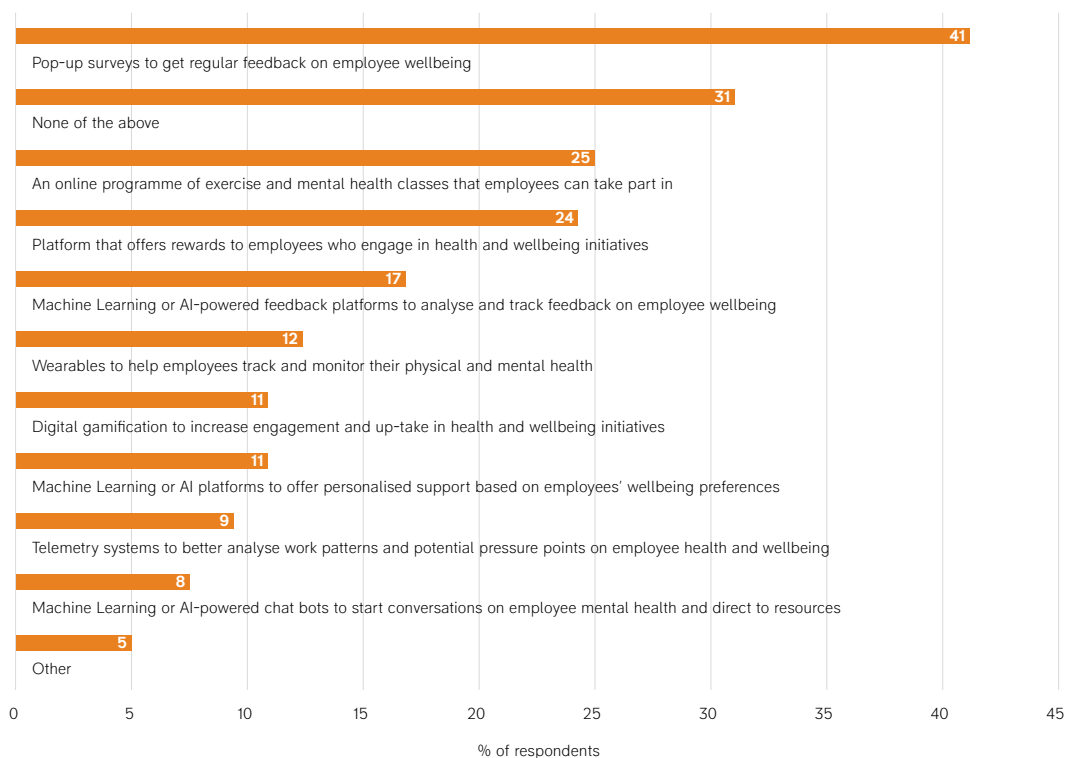


“Pop-up” surveys to get regular feedback on employee wellbeing were the most popular technology selected to support employee health and wellbeing (41%, see **Exhibit 20**). Around a quarter of firms also stated that they would be interested in an online programme of exercise and mental health classes that employees can take part in, as well as a platform that offers rewards to employees who engage in health and wellbeing initiatives.

Larger firms were more likely to take on new technologies to support employee health and wellbeing than SMEs.

### **Exhibit 20** Interest in new technologies to support employee health and wellbeing

*What, if any, new technologies would you be interested in using to support employee physical and mental health and wellbeing? (Select all that apply)*



# Appendix

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## Survey methodology and sample characteristics

The bespoke survey, in the field in May 2022, was designed by both CBI Economics and Vitality and garnered responses from 352 senior representatives of businesses across the UK.

CBI Economics sent the survey to a panel comprising both CBI members and non-members.

Overall, roughly 78% of firms surveyed had fewer than 250 employees, with those in this category labelled SMEs. In the general UK business population, this same proportion is roughly 99%. 22% therefore had between 250 and 20,000 employees and are described as large companies in the report.

The largest proportion of firms came from the service sector (65%), with the most prominent sub-sectors being other services activities (15%), professional, scientific and technical activities (12%), financial and insurance activities (11%) and wholesale and retail (8%) – see **Exhibit 21**. The second largest was manufacturing, with 30% of respondents coming from this sector.

## Exhibit 21 Respondents by business sector (%)



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