

All-Party Parliamentary Group on Wellbeing Economics

'Well-being at Work: does Government have a role?' on 21 July 2010 in Committee Room 5 of the House of Commons

The meeting started at 3.30pm

Summary

Jo Swinson MP welcomed everyone to the APPG 'Well-being at work: does Government have a role?' and introduced the speakers.

Prof Cary Cooper, University of Lancaster:

Prof Cary Cooper spoke about the Government's *Foresight Report on Mental Capital and Well-being*, which involved 400 scientists producing evidence-based policy, which included an examination of the costs of mental health, which costs billions of pounds in Incapacity Benefit. He spoke about 'presenteeism' – turning up for work when not properly fit – which could be due to job insecurity and which results in no products or services being delivered. He suggested that we may see a decline in sickness absence over the next few years because people are frightened to take time off work - not because work conditions are better. If people consistently work long hours it can make them ill and there is no evidence that working long hours results in high productivity. He advised that 'your boss can damage your health'. The stress management guidelines produced by Dame Carol Black's Review and NICE were noted. There needs to be good practice in the training of managers because good managers produce positive results. Given the coming cuts in the public sector there are going to be fewer people with an increased workload. If people don't have control in the workplace this lack of autonomy can make them ill. Good relationships at work are an important factor in creating well-being, particularly your relationships with your managers. An effective manager gives people control, praise and reward, not long hours. There are opportunities for flexible working in the service based economy, and the Right to Request policy. There are also financial returns on investing in well-being at work. There should be stress audits and well-being metrics, which should be reported in an annual report not the CSR report.

Prof Len Shackleton, University of East London

Prof Len Shackleton spoke about the revival amongst economists in happiness and well-being, although in the 19th century a 'hedonimeter' was invented, so these are not new concepts. He mentioned the National Accounts of Well-being that **nef** (the new economics foundation) had produced and Richard Layard's book *Happiness*, but expressed general scepticism about subjective measures of well-being. He argued that despite the lack of increase in subjective well-being measures in the UK over time, the current state of the UK makes it a more attractive place to work in than 50 years ago. We talk of a 'long hours culture' but we work less than Australia, New Zealand, USA and Canada. We have reduced working hours, we have less noisy and stressful work, e.g. no one is working in coal mines, and we have a knowledge economy. There are now 8 million graduates whereas there were 1 million in 1960. And many forms of discrimination are illegal. But these factors don't result in higher levels of reported job satisfaction, perhaps because we get used to new standards – so it's about the pursuit of happiness, about getting there. There are some identifiable problems, e.g. absenteeism, black workers are less satisfied than white workers, graduates are not as happy as non-graduates. 16-24 year olds are more likely to be absent than older people in the workplace – is this attitudinal or generational? What makes people happy is dependent on a variety of aspects, e.g. workplace, individuals, different lifestyles, etc. So what can government do? Prof Shackleton argued that government already does too much e.g. health and safety regulations, employment legislation, etc, which could affect employment. The Government can't affect positive things in the workplace like friends. There are some jobs that many of us wouldn't want to do but the free market provides pay and other measures of support, e.g. employment opportunities which can offer different combinations of contracts, and there is the Right to Request flexible working. Governments do too much in the economy, and it's not done well, so leave it to private companies, the voluntary sector, and the Big Society.

Charles Seaford – Centre for Well-being, nef (the new economics foundation)

There is a role for the Government in enabling well-being at work by providing, for example, support and innovation, not necessarily via regulation. The Deans of the Business Schools are not training managers in the necessary way. The Prime Minister said that the Government has a role in creating the conditions. Levels of satisfaction with work are not constant; the level of interest in work includes whether a role is creative and if it fits someone's abilities.

Q&A

Questions and comments included; the Government's role as one of the biggest employers in the country – with there being 40% of people working in the public sector in some areas of the country this can have a strong influence on a community's happiness because strong and happy relationships at work means that staff will be happier helping people; that the Government has a leadership role, especially because research shows that the public sector is falling behind the private sector in happiness at work; the need for well-being metrics; and how GDP is a measure that is past its usefulness and that we should move away from this indicator to focus on an individual's self-esteem and happiness, which would entail a full employment policy, and also look at the work / life balance due to technology meaning that some people are effectively on call seven days a week which can affect other parts of life, e.g. the home and marriage.

Prof Cary Cooper said that Government does have a role due to it being a major employer, e.g. the NHS, Royal Mail, etc and that it has obligations on training policies, dealing with bullying in the workplace, etc. Not dealing with well-being at work creates a cost for the NHS, Incapacity Benefit, etc, and this provides an incentive for dealing with this issue. Research shows that job satisfaction has declined, and that if you are job dissatisfied then you can get ill.

A question was asked on our long working hours culture, and how we need to affect a culture change, but that we remain in the opt-out of the European Working Time Directive.

Prof Len Shackleton said that government is too big as an employer. There are intractable issues with people, etc, but management in the public sector is not all that bad. Although GDP is an imperfect indicator there are positive externalities of economic activity and GDP is needed to assess future tax take. The Human Development Index and GDP rankings are different, but then economists can't say GDP is perfect, but useful.

Questions were asked on: children's well-being; on there being too much health and safety regulation and employment law in the workplace which can stifle creativity; that flexible working can't be offered to staff in one childcare social enterprise because the organisation is offering parents a flexible service in terms of hours; and the question of metrics, like **nef's National Accounts of Well-being** which focus on interest, engagement, etc, which could be used in the future to measure well-being at work.

Prof Len Shackleton referred to the well-being at work results from **nef's National Accounts of Well-being**, which provides comparative data for different European countries. He said that the UK's rating is higher than Germany's despite some signs suggesting that objective working conditions are better in Germany, and that Spain is rated higher in the table for well-being at work although it has a culture of temporary contracts – this made him feel sceptical about the results.

Prof Cary Cooper said his work with the World Economic Forum involves creating a well-being index which is not subjective. It includes factors such as obesity, mental ill health, etc. This Index will involve disaggregation – looking at well-being in different areas, such as work, children, older people, etc, to determine appropriate policies.

Prof Len Shackleton said that in regards to employment legislation it is difficult to move backwards once aspects are accepted, but perhaps there could be exemption for small companies. Regulations should not inhibit job creation because being in a job increases your well-being. With regards to child poverty, it is better for families to be in work and therefore we must encourage job creation.

Questions and comments were made on the expensiveness of childcare and how, from an employer's perspective, employment tribunals often appeared to prioritise the need for employers to follow a defined process rather than allow for fairness.

Prof Cary Cooper said that well-being isn't a cosy matter but an issue affecting the bottom line and that in the UK we work two hours more a week than Europeans on average, based on contracted hours. Actual hours worked reveal much more extensive long working hours. Families who work more than 45 hours a week spend on average only one hour with their children at night – hence long hours but pressure on crucial family relationships.

Prof Len Shackleton advised that although that may be the case for families, legislation is mainly one size fits all and not all people have children – hence there are dangers of regulating and tying down the growing number of people in single person households. 10% of UK workers have a second job – another route to longer hours.

Prof Cary Cooper said that he wouldn't sign up to the European Working Time Directive, but that consistently working long hours has an effect on an employee.

Jo Swinson MP spoke about the effect of working long hours on people who care for elderly relatives or care for other family members.

There was a comment on the Government's role in metrics and in ensuring well-being efficiency because we are destroying the eco-system. How effectively can we create well-being? The Government needs to support an action research framework, develop social and financial capital, so we can see whether or not we are flourishing. Our eco-consumption, materialism and use of resources should be linked with a measurement of well-being.

There was a question on our well-being outside of work which is crucial and how this would link with the Big Society.

Prof Cary Cooper said that he didn't have a problem working hard but with long hours. Management in our workplaces are not selected correctly. However, one example is Tesco's management, who try to prevent a long working hours culture. There is also the importance of our lives outside work.

Prof Len Shackleton said that in regards the question of which country does well-being at work better than the UK, then we shouldn't just compare ourselves with European countries because we have more in common with USA, NZ, Australia and Canada.

Jo Swinson MP concluded the meeting at 5pm by thanking the speakers and everyone who had attended.

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