



## APPG Wellbeing Economics

Thursday 17 June 2019, 10-11:30am, Committee Room 5

### **“How can business improve wellbeing through employment practices as well as the wider impact on society?”**

#### **Minutes**

#### **1. Welcome and introduction to our 4<sup>th</sup> meeting which looks at the role of business in positively impacting wellbeing both within their workforce and more broadly within society.**

The APPG was reconstituted in December last year, after a brief hiatus, with the What Works Centre for Wellbeing as the Secretariat. This enables us to build on the science and discourse on wellbeing that has progressed in recent years and bring those discussions and developments to parliament. Since December last year the group has met a further three times. Our first meeting of 2019 discussed the importance of measuring children’s wellbeing systematically across the UK and was followed up with a briefing developed by the Children’s Society. Our second meeting discussed what a wellbeing approach could mean for the 2019 Spending Review, followed by a report with evidence informed recommendations for spending to improve wellbeing. Our last meeting before the summer recess heard from representatives of countries who have been implementing wellbeing as an overarching goal for policy and practice.

This fourth meeting will focus on how businesses improve wellbeing, through employment practices as well as their wider impact on society. Much of the conversation around wellbeing and the role of business is currently around employee wellbeing and today we will hear two examples of best practise. But we also wish to consider the broader responsibility of business to promote wellbeing in the UK and in turn the role of policy to facilitate this.

We will follow seven presentations with a wider discussion and Q&A.

#### **2. Speakers**

**Dr Jan-Emmanuel De Neve (JEDN), Professor of economics at the Saïd Business School at the University of Oxford:** *Within his role at Oxford, Jan also directs the Wellbeing Research Centre. He is best known for his research on the economics of wellbeing which has led to new insights into the relationship between wellbeing and income, productivity, economic growth, and inequality. His research was selected among "The*

*Management Ideas that Mattered Most" by Harvard Business Review and he was awarded the Ruut Veenhoven Award for his contributions to the scientific study of happiness. Jan is an associate editor of the World Happiness Report and chairs the workplace wellbeing committee on the Global Happiness Council.*

What is the empirical foundation for conversation on wellbeing interventions in the workplace? There are three questions to consider: 1) How important is wellbeing for business? 2) What is driving wellbeing in the workplace – and how to prioritise interventions? 3) What is the business case for investing in wellbeing?

- 1) In the general population there is a 20% difference in life satisfaction between those with a job and those without a job, half of which is driven by income. Showing that having a job is incredibly important for wellbeing. However, we don't like our jobs. In the UK, less than 20% are actively engaged in their job.
- 2) Where do we start to improve wellbeing? There are [12 characteristics of a good job](#), e.g. autonomy in the job, positive relationships with co-workers, opportunities to develop new skills etc. Fair pay comes in third – it is important but not the most important driver. The main driver is the quality of social relations and social capital in the job, mainly the relationship with the line manager. People don't quit their job but their boss. The second driver is how interesting we find the job in the first place. To improve quality of life and wellbeing need to improve the top three drivers.
- 3) What is the business case? I collaborated with BT on a research [study on the link between happiness and productivity](#). The BT workers were asked to rate their happiness on a weekly basis for six months using a simple email survey containing five emoji buttons representing states of happiness – from very sad to very happy. Data on attendance, call-to-sale conversion and customer satisfaction were tracked, along with the workers' scheduled hours and breaks. The researchers collated this information alongside administrative data obtained from the firm on worker characteristics, work schedules and productivity. The results were released this morning. There was a 13% increase in sales when there is a change between happy and unhappy employees. So, it isn't about spending more time at work but being more efficient and productive.

At an individual level, more productivity stems from people being more efficient (not from spending more time at work). People feeling happier affects complex sales, the ones which require more emotional intelligence to be used.

In an engagement survey of 1.8 million people we are able to see a huge impact on turnover and productivity. This mass of evidence clearly links employee wellbeing to productivity.



## Documents

[Does employee happiness have an impact on productivity?](#)

[Wellbeing at Work presentation](#)

## Questions

**Q:** To which extent are the results are UK specific?

**JEDN:** BT data from the UK. But other studies on drivers and job satisfaction are from Europe.

**Q:** How are social relationships impacted by remote/ flexible working? How does flexible working impact on social capital, i.e. the reduced rate of social interactions?

**JEDN:** Agree that there is a tension between some drivers to wellbeing – this would appear to be one – the need for social relations for wellbeing versus the benefit of flexibility in a role. One example is of a Chinese company that found one negative experienced by those choosing to work from home. Whilst they were more productive, they missed out on career progression. Therefore, social connections plays a part in career progression.

**Q:** Is there assessment being made about out of work social connections? Is it the value and quality of social relations whilst actually on the job that are the most important or can some of the relations be with work colleagues outside work (e.g. work sports teams)?

**JEDN:** This would need more investigation.

**Dr Richard Heron (RH), Vice-President Health and Chief Medical Officer at BP:** Richard has responsibility for strategic development of the BP Group Health agenda including Employee Wellbeing, Occupational Health and Hygiene requirements for ~75,000 employees and Community and Public Health matters in the countries where BP operates.

He is immediate past-President of the UK Faculty of Occupational Medicine, a Fellow of the Royal College of Physicians (London, Edinburgh), American College of Occupational and Environmental Medicine, and past president of the Society of Occupational Medicine.

He trained in internal medicine in UK and Auckland, New Zealand, before specializing in Occupational Medicine. Before joining BP, Richard was Head of Global Safety, Health and Risk Management at AstraZeneca pharmaceuticals.

Richard is honorary professorial fellow of International Business and Health, Division of Psychiatry and Applied Psychology, University of Nottingham School of Medicine.



*His specialist interests include the relationship between health and productivity and work-related mental health. He has worked a variety of expert advisory groups with the UK Government departments of Health, and Work and Pensions, the NHS Staff Health and Wellbeing Board and the Health and Work board for Public Health England.*

Three recommendations to make the case about the material effect of wellbeing on profit.

- 1) Deeply understand your business
- 2) Develop relevant data
- 3) Integrate interventions within business processes and strategies

- 1) BP is a global business in 70 countries – different perspectives and engagement data. Align engagement assessment with robust evidence on demand, support, understand business purpose, short term context challenges, develop local future – how to attract and retain people to do that. What are the business outcomes and relevance to that agenda?

Identify trends in wellbeing across different business units, e.g. Attrition (number one reason for leaving is their boss not treating them fairly). The second reason is employees don't see the value of the organisation, (this is a key consideration when attracting millennials into the workforce), also important for the NHS, for example. In organisations people are promoted for value and performance and when people do this and they are not rewarded then people leave.

- 2) Develop the proof points  
Work with people who are going to move this agenda and that are converts – who will believe and bring this forward. Make sure this makes business sense. Evaluate your interventions.
- 3) Integrate your interventions into the business processes (e.g. employee benefits, safety procedures) rather than them being stand-alone initiatives. And importantly integrate them into leadership programmes.

**Dr Judith Grant (JG), Director of Health and Wellbeing at Mace Group:** *Dr Judith Grant has over 15 years of experience in public, community and corporate health roles working with organisations and individuals to understand both personal and organisational health and wellbeing. In her role at Mace Judith is responsible for strategic delivery of wellbeing, occupational hygiene and occupational health across the international construction and consultancy organisation.*



*Prior to joining Mace Judith managed Occupational Health and Wellbeing across Royal Mail Group's 140,000 employees. With a PhD in Occupational Health Psychology and Management, Judith is focused on combining health research with business outcomes to create sustainable organisational wellbeing programmes that not only support employees but deliver organisational results.*

*Judith is a trustee of the Men's Health Forum, a charity focused on addressing inequalities in men's health and is a trustee of the Mace Foundation. Judith is Chair of Women in Health and Safety a UK group of nearly 2000 female, and male, H&S professionals aiming to support women progress their careers in a typically male dominated occupation.*

Two and a half years ago Mace started measuring wellbeing. They look at lagging indicators versus leading indicators. Before this, wellbeing had traditionally been the 'fluffy' interventions.

In the first survey they had a 68% response rate (3500 employees) which enabled them to start to understand the wellbeing aspects in the business.

Whilst this gave a comprehensive picture at group level, the different drivers were influencing business units in different ways.

Self-reported business outcomes – how often people came to work unwell, productivity, and looking at how these correlated with actual measures of productivity.

Mace also consider self-reported presenteeism, which correlated between productivity and poor wellbeing. Presenteeism – 25% less productive – impact on business.

These were then presented back to board with the clear cost benefits of investment. The top quartile (in terms of salary) had 20% better self-reported productivity, while the bottom quartile (in terms of salary) are more likely to leave the business.

The wellbeing strategy is now linked with business strategy and KPIs and focuses on the drivers that are most appropriate to people.

They have conducted a pilot study within the supply chain and got very similar findings. Contractors are critical to the productivity and successful delivery of projects and therefore their wellbeing and productivity is of concern to the business. Now there is a four year plan to roll this out to supply chains.

## **Documents**

[Mace wellbeing at work summary](#)



## Questions to Judith and Richard

**Q:** What are the 'measurements' expectation for the business sector generally?

**RH:** Lots of different definitions of wellbeing which makes this difficult. However, rigorous independent measurement of our work on wellbeing is key. Understand the business that you're in and connect the two agendas.

**JG:** Mace use the [Robertson Cooper asset tool](#) (developed by the Health and Safety Executive). Many different measures of wellbeing so it's hard to come up with one that would suit everyone.

**RH:** We ask a simple question e.g. how are you feeling?

**Q:** This is what the ONS4 questions (David Cameron) aimed to do, so that we can still have comparable data that can be correlated to the business agenda. What's going to influence wellbeing in a company may be different from another.

**Q:** How do you get Board engagement?

**RH:** By using measures of wellbeing and linking to remuneration. When you role model the company's values people stay with you and wellbeing evolves. When the opposite happens, people will leave. I believe that BPs performance framework is moving to the values and behaviours within work.

**Chris Turner (CT), Executive Director, B Corp UK:** *B Lab UK is the charity building the B Corporation movement in the UK. It supports a growing community of companies that are using business as a force for good. Chris has a varied background, having begun his career in marketing, led two successful start-ups, and built a portfolio of innovative international development projects for a major foundation.*

*Prior to B Lab UK, Chris led an Open Innovation consultancy practice, advising a wide range of clients on innovation and strategy.*

Three dimensions to B Corp:

1. Certification – pass an assessment covering five different areas AND change their articles of association to commit to the triple bottom line.
2. Community of businesses – purpose driven businesses.
3. The movement – global – 3000 B Corps, 230 in the UK believe in a slightly different role for business in society to solve some of the challenges that we face



Certification – one of the five elements is workplace and employee wellbeing.

Community – quality of social relations. Often businesses who are B Corps enjoy being a part of a community.

The movement – work purpose. Purpose driven organisations. B Corp provides a clear idea of what business is there for and its role.

Business case – B Corp movement relies a lot on leaders to embrace and believe in what B Corp is doing. Therefore, the movement needs to be more data driven. But it is a community of best practise. Lots of SMEs who are experimenting.

**Mark Gough (MG) CEO, Capitals Coalition:** *The Capitals Coalition is a global collaboration of business, governments and civil society that uses capitals thinking to improve decision making, and which unites the work of the natural, social and human capitals coalitions.*

*Among other positions, Mark is at present on the TEEB Advisory board, the Steering Committee of the United Nations CEO Mandate, and is a member of the Advisory Network of the High Level Panel for a Sustainable Ocean Economy.*

Value and purpose are the important drivers to change. When you measure and value the numbers, that's when things are taken on by the board. Measuring is not enough. Numbers and indicators not enough – value allows us to understand the context. Moving away from just numbers and evaluations to looking at the value.

The [Capitals Coalition](#) has created an internationally accepted protocol. 70,000 companies globally are using it. Businesses can't do things in isolation, i.e. cannot just consider environment and therefore the Capitals Coalition advocates a consideration and valuation of all elements – human, social and environmental. The need for an international framework for society and wellbeing and human capital. There are 100 governments who are involved in this and the UK are leading.

The nature of getting information has changed – processes and how people do it – we don't need too much on indicators and reporting but focus outcomes.

'Capitals thinking' is a good way of looking at measuring values in a way that is understood by finance and markets. It reflects the outcomes rather than just output indicators and evaluations.



## Questions

**Q:** The Capitals thinking has been embraced by leading US business via the [US Business Roundtable](#). Whilst they have signed up there is still the question of – what do we now do?

**MG:** The Capitals thinking reflects the sentiment of the [recent FT piece](#) on resetting capitalism.

**RH:** Try to align the health and wellbeing to what this has to do with me, both for external and internal stakeholders.

**Andy Brown (AB), Group Head of Sustainability at Anglian Water:** *Andy works with the board to oversee the delivery of their sustainability strategy “Love Every Drop”; putting water at the heart of a whole new way of living. In addition to embedding sustainability throughout the business he has direct responsibility for the teams delivering six capital and UN SDGs thinking, community education, employee engagement & volunteering programmes and the Anglian Centre for Water Studies – a partnership with the University of East Anglia. In 2015 Anglian Water gained the Queen’s Award for Enterprise: Sustainable Development and in 2017 they were named as Business in the Community’s Responsible Business of the Year.*

*Having worked in sustainability for the past 20 years he has led in the areas of natural environment, climate change adaptation and now sustainability. He is currently a member of BITC’s national Water Taskforce, Circular Economy Taskforce and Place Steering Group. He is also an external advisor on Tarmac’s Sustainability Panel and is a Trustee of the Hertfordshire and Middlesex Wildlife Trust.*

Anglian Water (AW) have a six capitals approach. They have changed their articles of associations so that environment capital is considered. They work with local communities to achieve greater wellbeing through community investment

It began after the CEO visited Newham with Business in the Community (BiTC) and saw the positive impact that was being made by a collaboration of stakeholders. He challenged his board and first tier of construction partners to do the same – how we might do it?

The town of Wisbech was identified as a good choice after using indicators to assess it as a potential area for investment. Life expectancy was seven years less than for someone living in nearby Cambridge and was the sixth worst town for social mobility in the UK.

AW worked with BiTC and seconded someone into the community to listen to the community to find out what they needed.



Through listening and working with the community, three significant issues were identified:

1. Lack of social cohesion – 33,000 people, third are migrant, transient
2. Low aspiration, skills and attainment, generations had never moved out of Wisbech so influence by those in immediate surroundings
3. Isolation – poor infrastructure, poor connectivity

Focus on developing social cohesion – [Ferry Project](#) (homeless charity). Collaboration for the last seven years to develop work of homelessness charity to bring people back into work. In the first meeting the community shared a wish to redevelop a school that was now owned by the council – they wanted to turn it into a thriving community hub. They needed 180 volunteers to do that. The Community Hub building now has 76 different services and groups running out of it.

Volunteering programme at AW (93% of volunteers have said wellbeing has increased).

Employee survey said supporting wellbeing was important to them.

Model now been adopted by BiTC and it is being replicated in different teams and mirrored in Blackpool, Manchester

**Dr Alexa Hoyland (AH), Kellogg's Health and Wellbeing Director, EMEA:** *Alexa joined Kellogg's in 2009 on an Innovate UK Knowledge Transfer Partnership. This followed her PhD from the University of Leeds which focused on the interaction between Nutrition & Behaviour.*

*During her career at Kellogg's she spent a number of years as Head of the UK and Ireland Nutrition team where she led an initiative to overhaul the company's breakfast cereal range to help families make healthier choices in the morning by reducing sugar and salt, adding vital vitamins children are deficient in and removing artificial colours.*

*Alexa is now the Health and Wellbeing Director for Kellogg's EU where she is responsible for delivering a European strategy to develop a Kellogg's portfolio of plant-based foods which drive the consideration of the physical, emotional and societal interconnectedness of Wellbeing.*

Wellbeing strategy for consumers and the environment around them. Food is integral to wellbeing – physical health and emotional experiences.



Three key elements:

1. End to reactive healthcare
2. Need to feed an increasing population
3. Food has never been sexier

Kellogg's use a holistic definition of wellbeing - physical, societal and emotional.

- Physical – micro and macro nutrients, taking out the bad (sugar, artificial additives)
- Societal – transparency on where food is coming from (sourced, packaged). Funding food banks, breakfast clubs.
- Emotional – biodiverse plant-based food brings us together. Varied healthy eating experience, gives pleasure to life.

Kellogg's use the same framework for our employees - physical, societal, emotional.

Employees are rewarded for behaviours. Achievers Club – soon to launch app – colleagues can reward colleagues for their work and will play a part in their reward at the end of the year.

Consumers sees them all interconnected – physical, societal and emotional.

## Questions

**Q:** 90% of our serotonin is made in the gut and is linked to wellbeing. Salt in bread – reduced by 25% over a five year period. Kellogg's reduced salt by 60% over 20 years. Consumers are accustomed to the flavour.

What is the balance between government intervention and the industry taking action in reducing the additives?

**AH:** Has to be done across industry so consumers don't favour those who don't do it. If only go after one category consumers will go for something different (e.g. muffins).

**Q:** A question on building people's resilience - this became controversial – because of the blame that goes on our lack of resilience and not on overload of work. When your mind is not thinking logical, it's hard to focus on what you need to. Resilience is about tackling that.

**RH:** Primary care – providing support and care for people. Prevention – all about focusing on leaders, work demand, control in job. But it's an end to end system.

**MG:** Resilience gives an understanding that issue is valued and provides an opportunity to talk to the manager, allow people to have direct conversation with managers about how people really feel.



**AW:** Our leaders went through a resilience programme, now rolled out to all of the managers. Gives them an understanding that this issue can be talked about rather than expecting people to be superhuman.

**JG:** Mace offers a broad spectrum of support. Lots of focus on mental health training but doesn't take away the need to look at employment contracts, how people are treated etc. Often resilience is seen as a buzz word. In my last role at Royal Mail I introduced a stress policy, however, unions were very against the idea of resilience training.

**CR:** Mindfulness and resilience are words that are not the right way of talking about it – we need to ask ourselves what are the stressors. How do we stop those wider pressures?

### **3. Open for discussion – Chaired by MP Chris Ruane**

**Q:** What is the relationship between wellbeing and working hours four day working week?

**JEDN:** Whilst this came out as least important by survey respondents, it did impact on work life balance which is far higher (i.e. no. four in satisfaction at work)

Reducing from five to four and keeping salary intact – total output of work doesn't drop but work life balance increases and therefore so does life satisfaction.

Four day work week no specific evidence but ROI on improving wellbeing – make people more productive. Taking one day out increases work-life balance making employees more productive.

**Q:** If a business is trying to drive wellbeing is certification a shortcut to demonstration of its commitment?

**CT:** 71% of B Corps that have recruited in last three months say they have attracted people due to the fact that they are a B Corp and therefore purpose driven.

**Q:** Is financial wellbeing included - helping managers having conversations with the people they manage?

**RH:** Financial wellbeing is captured in the social element of wellbeing

**AH:** Financial wellbeing is the fourth pillar in our wellbeing strategy. Also plays a part in how employees are rewarded. How they are helped in managing their finances.

**AH:** What is the barrier to belief at board level?



**JG:** Spent time with each board member to understand their definition of wellbeing. Used the angle of sport and team – the need to measure to achieve incremental gain. The board member who has experienced poor health is now the champion of it.

Find out what makes them tick, and use multiple approaches. Get the CEO first and the finance guy, the rest of the board will come. Different attitudes in the UK to US for US companies.

**CR:** What do you think government should be doing to make sure wellbeing is taken more seriously by the private sector?

**AH:** Having shared metrics is important. When government praised Kellogg's on sugar it felt VERY good.

**CR:** ITV have two programmes on wellbeing. Communicating it to society is key. Is there a case for popularising wellbeing through the media?

**AH:** Probably social media is better, as young people don't watch TV any more.

#### **4. Summary and next steps**

- The next meeting of the APPG will be held in the new year. We are reviewing the agenda for future meetings, but please do contact the secretariat if you have a proposal for a discussion topic for this Group as we continue to move the conversation forward with respect to implementing an evidence informed, collaborative approach, which can improve wellbeing in the UK.

The What Works Centre for Wellbeing develops and shares evidence on what works to improve wellbeing.