

Employee well-being

The recession appears to have had an impact on employers' plans to invest in employee well-being with a significant reduction in the proportion of organisations anticipating increasing investment in this area over the coming year.

A third of employers (33%) have an employee well-being strategy in place, a slight increase from last year's figure of 30%. Public sector organisations are most likely to have an employee well-being strategy (58%), with non-profit organisations least likely to (18%).

The most commonly provided employee well-being benefit is access to counselling services, with nearly half of employers offering this benefit. About 7% of organisations restrict the provision of counselling services to senior-level staff.

Employee assistance programmes, stop-smoking support and subsidised gym membership are the next most commonly provided benefits, with most employers that offer them doing so for all employees.

Healthy canteen options are another popular employee well-being benefit, provided by 23% of employers to all employees and by a further 3% to senior-level staff.

Private medical insurance is provided to all employees by just under a quarter of employers, with 27% providing this benefit to senior-level employees. See Table 26.

Table 26: Employee well-being benefits provided by employers (%)

	All	Manufacturing and production	Private services	Non-profit organisations	Public services
Access to counselling service					
All employees	45	37	36	53	73
Depends on grade/seniority	7	9	5	12	9
Employee assistance programme					
All employees	34	31	32	40	42
Depends on grade/seniority	4	5	3	8	4
Stop-smoking support					
All employees	28	33	16	18	57
Depends on grade/seniority	2	3	2	0	3
Subsidised gym membership					
All employees	27	26	25	22	39
Depends on grade/seniority	3	3	3	1	3
Healthy canteen options					
All employees	23	25	17	12	47
Depends on grade/seniority	3	4	2	0	5
Private medical insurance					
All employees	23	27	37	10	4
Depends on grade/seniority	27	43	32	12	3
Long-term disability/ permanent health insurance/ income protection					
All employees	21	25	28	14	7
Depends on grade/seniority	9	12	12	3	2
Health screening					
All employees	20	29	15	14	26
Depends on grade/seniority	10	12	12	3	4
Advice on healthy eating					
All employees	17	19	12	8	33
Depends on grade/seniority	1	2	1	0	3
Health care cash plans					
All employees	16	19	16	12	14
Depends on grade/seniority	3	5	4	3	1
Access to physiotherapy					
All employees	16	17	8	7	36
Depends on grade/seniority	3	4	2	1	3
Critical illness insurance					
All employees	13	18	19	6	4
Depends on grade/seniority	11	18	14	3	4

Table 26: Employee well-being benefits provided by employers (%) (continued)

	All	Manufacturing and production	Private services	Non-profit organisations	Public services
Dental illness insurance					
All employees	12	15	14	10	6
Depends on grade/seniority	4	5	7	0	1
Free fresh fruit					
All employees	10	6	15	8	4
Depends on grade/seniority	1	2	1	0	1
In-house gym					
All employees	10	7	6	8	24
Depends on grade/seniority	1	2	1	0	1
On-site massage					
All employees	7	7	7	4	12
Depends on grade/seniority	1	1	1	0	1
Walking/pedometer initiatives					
All employees	7	6	7	3	11
Depends on grade/seniority	1	1	1	0	2
Personal accident insurance					
All employees	5	5	4	1	10
Depends on grade/seniority	4	6	5	4	2
Personalised healthy living programmes for employees					
All employees	5	6	4	1	10
Depends on grade/seniority	1	1	1	0	2

The recession appears to have had an impact on employers' plans to invest in employee well-being. In all, only 22% of respondents predict their organisation's employee well-being spend will increase next year, compared with last year's survey when 39% of employers predicted an increase in employee well-being investment over the coming year. However, just 7% of respondents are predicting their organisation will cut back on employee well-being over the next 12 months (2% in the 2008 survey), with 48% believing investment in this area will remain static. In all, 18% of respondents said they did not know.

Public sector respondents are most optimistic about their organisations' investment in employee well-being, with 31% predicting an increase in spending and 5% a decrease. Manufacturing and production employers are least likely to increase employee well-being investment, with just 18% of respondents from this sector predicting an increase and 8% anticipating a decrease.

Employee absence and the recession

Nearly four in ten employers say the recession has increased their organisation's focus on reducing absence levels and costs.

Almost four in ten employers say the recession has increased their organisation's focus on reducing absence levels and cost. A total of 16% say that it has not had this effect and 41% report that the recession has made no difference in this respect. Manufacturing and production and private services sector employers are by some way more likely to say that their organisation's focus on reducing absence levels and costs has increased as a result of the recession. See Table 27.

Job security and absence

In all, 56% of respondent organisations have made redundancies in the last 12 months and 22% are planning to make redundancies in the coming six months.

About two-thirds of manufacturing and production (66%) and private services sector (66%) employers have made redundancies in the last 12 months compared with 48% of non-profit organisations and 32% of public sector employers.

Just over a fifth (22%) of organisations are planning to make redundancies in the coming six months. Again manufacturing and production (26%) and private services sector (24%) organisations are more likely to be planning job cuts than non-profit organisations (21%) and public sector employers (20%).

Table 27: Respondents saying the recession has increased their organisation's focus on reducing absence levels and costs (%)

	All	Manufacturing and production	Private services	Non-profit organisations	Public services
Yes	38	43	45	32	26
No	16	16	14	19	18
Made no difference	41	38	39	41	47
Don't know	3	2	1	3	6
Not stated	3	1	2	6	4

Table 28: Respondents saying employee concerns over job security on absence levels have had the effect of increasing or decreasing the overall level of absence (%)

	All	Manufacturing and production	Private services	Non-profit organisations	Public services
Increasing the overall level of absence	11	9	12	10	13
Decreasing the overall level of absence	16	21	20	4	7
Has made no difference to absence levels	55	56	55	59	49
Don't know	15	12	11	21	26
Not stated	4	1	1	7	5

Table 29: The proportion of organisations using employee absence records as part of the criteria when selecting for redundancy (%)

	All	Manufacturing and production	Private services	Non-profit organisations	Public services
Yes	41	60	44	27	22
No	42	28	43	58	52
Don't know	12	11	10	8	21
Not stated	4	2	2	7	6

A positive net balance of 5% of employers think employee concern over job security has the effect of decreasing the overall level of absence. In all, 16% of employers say that employee concern over job security in their organisation has had the effect of decreasing the overall level of absence, compared with 11% who believe the opposite. Just over half of respondents don't think concerns over job security have made any difference to employee absence and 15% don't know. Manufacturing and production employers and private services sector organisations are more likely to believe that employee concerns over job security have had the effect of decreasing absence levels than employers in the other two main sectors. See Table 28.

Absence records and selecting for redundancy

Just over 40% of respondent organisations use employee absence records as part of the criterion when selecting for redundancy, with 42% not using absence records for this purpose and 12% of respondents not knowing if they are used or not. Manufacturing and production organisations (60%) and private services sector employers (44%) are significantly more likely to use absence records when selecting for redundancy in comparison with employers in the non-profit or public sectors. See Table 29.

Presenteeism

One possible response to increased employee concerns over job insecurity is an increase in the proportion of people that struggle into work sick. The survey asked whether respondents had noticed an increase in people coming to work ill in the last 12 months. Just over a fifth of employers (21%) said yes, but 67% said they had not noticed an increase. In all, 9% of respondents did not know.

Research by the Sainsbury Centre for Mental Health estimates the annual cost of such 'presenteeism' attributable to mental health problems amounts to £605 for every employee in the workforce.

Line managers should be aware of changes in employees' performance and behaviour and not just their attendance, which might indicate that all is not well.

Mental health

One in five respondents said there had been an increase in reported mental health problems such as anxiety and depression in the last 12 months. Public services employers are most likely to have noticed an increase (29%), while manufacturing and production organisations are least likely to (19%). See Table 30.

Table 30: Respondents reporting an increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months.

	% Respondents				
	All	Manufacturing and production	Private services	Non-profit organisations	Public services
Yes	21	19	22	23	29
No	65	71	68	60	51
Don't know	11	10	8	10	17
Not stated	3	1	2	7	4

Conclusions

Almost four in ten organisations have increased their focus on reducing absence levels and costs as a result of the recession. This might partly explain the drop in the average level of employee absence to 7.4 days per employee per year, which is the lowest level recorded by the CIPD's absence management survey since it began in 2000.

Another reason for the fall in the average level of absence might be increased employee concern over job security. A positive net balance of employers think that staff concern over job security has had the effect of decreasing the average level of absence. This is perhaps not surprising given that 56% of respondent organisations have made redundancies in the last 12 months and that four in ten employers use employee absence data as part of the criterion when selecting for redundancy.

One potential consequence of employee fears over job security is that some may feel under pressure to come into work when they are not well. A fifth of respondents reported an increase in this type of 'presenteeism'. Research by the Sainsbury Centre for Mental Health estimates the annual cost of 'presenteeism' attributable to mental health problems amounts to £605 for every employee in the workforce. Line managers should be aware of changes in employees' performance and behaviour and not just their attendance, which might indicate that all is not well. Joint research by the CIPD, the Health and Safety Executive and Investors in People on the link between line management behaviour and stress highlights the importance of line managers having regular one-to-one conversations with their employees, regularly asking them how they are and having an interest in their lives outside work. Managers that exhibit these behaviours are more likely to know if someone is not well enough to be at work.

The survey shows that a fifth of employers have seen an increase in reported mental health problems such as depression and anxiety in the last 12 months. Again it is line managers who are best placed to identify employees that are struggling to cope at work for whatever reason. In many cases early referral to occupational health services or encouraging someone with a mental health problem to see their GP sooner rather than later will help support their recovery and return to work.

The survey also reveals that the gap between average public and private sector absence levels has increased to 3.3 days from 2.6 days. The increasing gap between the public and private sector is likely to concern policy-makers under pressure to make savings on public spending and improve public sector productivity and service levels. There is no straightforward explanation for the public/private absence gap, with a number of factors at play. These include differences in demographic profiles between the sectors, with a higher proportion of women and older workers in the public sector. The public sector also has a higher proportion of challenging public-facing roles, such as those in policing, nursing, teaching and social care. These front-line public service workers frequently have to deal with the public in difficult and emotionally charged situations, which probably contribute to higher levels of stress-related absence in the public sector.

There is also a fundamental difference in management culture and absence management practice between the public and private services. The public sector is more likely than the private sector to: use trigger mechanisms to identify high levels/patterns of absence; provide leave for family circumstances; and train line managers in managing absence. Public services employers are also more likely than their private sector counterparts to provide access to occupational health services, counselling services and physiotherapy.

However, CIPD research shows public sector employers are less likely than private sector organisations to refer to disciplinary procedures in absence policies, and are less likely to discipline or dismiss employees for unacceptable levels of absence. Public sector organisations are also less likely to restrict sick pay to help manage absence, continue to pay occupational sick pay for longer to those off on long-term sick leave and they are also less likely to use employees' absence records as part of the criterion when selecting for redundancy.

Effective absence management involves finding a balance between providing support to help employees with health problems stay in and return to work and taking consistent and firm action against employees that try and take advantage of organisations' occupational sick pay schemes. Some public sector employers have still not got this balance quite right.

Background to survey

In March 2009 an online survey questionnaire was sent out to 12,015 CIPD people management specialists in the UK; this generated 642 responses.

The survey included 36 questions exploring absence levels, costs and causes, as well as the most effective absence management approaches. This year's survey included a focus section on the impact of the recession on employee absence rates.

The average size of organisation was 2,974 employees. In all, 26.4% of responses were from the public sector, 43.2% were from the private services sector, 10.65% were from non-profit organisations and 19.7% were from public sector employers.

Table 31: Distribution of responses by sector

	Number of responses
Manufacturing and production	181
Agriculture and forestry	2
Chemicals, oils and pharmaceuticals	17
Construction	19
Electricity, gas and water	10
Engineering, electronics and metals	39
Food, drink and tobacco	16
General manufacturing	32
Paper and printing	5
Textiles	4
Other manufacturing/production	36
Private sector services	296
Professional services (accountancy, advertising, consultancy, legal, etc)	55
Finance, insurance and real estate	34
Hotels, catering and leisure	16
IT services	24
Legal and property services	19
Media and publishing	13
Retail and wholesale	35
Transport and storage	20
Telecommunications	10
Other private services	64
Call centres	6
Public services	135
Education	31
Central government (including defence)	18
Local government	39
Police	7
Fire	3
Health	24
Other public services	13
Non-profit organisations	73
Housing associations	15
Charity services	34
Care services	16
Other voluntary services	8
Total	685

NB: The total number of sector responses is greater than total survey respondents as some organisations operate in more than one sector.

We explore leading-edge people management and development issues through our research. Our aim is to share knowledge, increase learning and understanding, and help our members make informed decisions about improving practice in their organisations.

We produce many resources on managing absence including guides, books, practical tools, surveys and research reports. We also organise a number of conferences, events and training courses. Please visit www.cipd.co.uk to find out more.



Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ
Tel: 020 8612 6200 Fax: 020 8612 6201
Email: cipd@cipd.co.uk Website: www.cipd.co.uk

Incorporated by Royal Charter Registered charity no.1079797