

Research summary

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Contents

Evidence review: wellbeing & productivity	3
Physical health & productivity	4
Mental health & productivity	5
Subjective wellbeing & productivity	6
Stress & productivity	7
Wellbeing & productivity conclusions	8
Sources	9



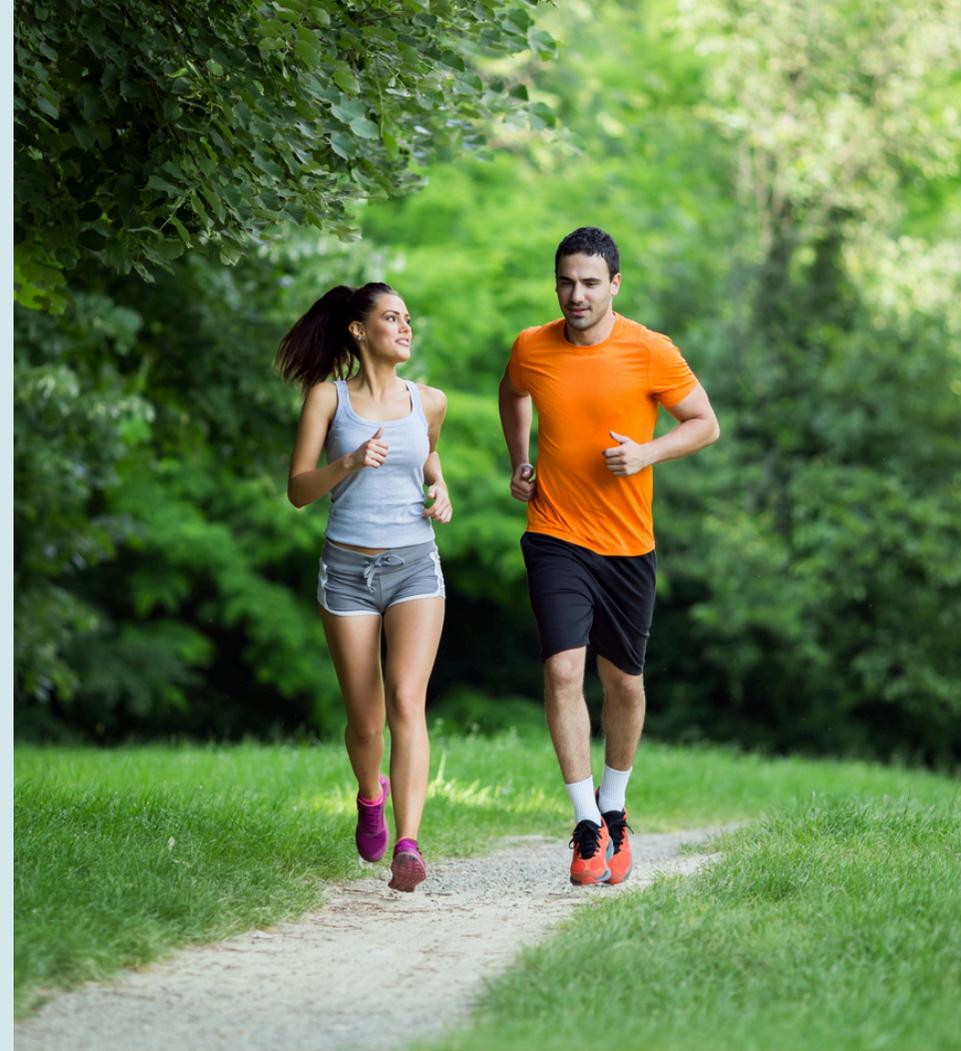
Evidence review: wellbeing & productivity

Organisations often talk about improving the wellbeing of the workforce to support productivity and job performance. At Westfield Health we say that we are ‘driving performance through wellbeing’. But how are the links between productivity and wellbeing explained? The ‘happy-productive worker’ theory says that employee wellbeing is a positive determinant of greater levels of employee and organisation-level productivity. What is the evidence to support that? Our research summary explores this further.



Physical health & productivity

- Physical health conditions significantly impact productivity, with more severe conditions causing greater impairment. Conditions like severe asthma, cardiovascular disease, and diabetes are linked to reduced productivity through both absenteeism (missing work) and presenteeism (being less effective at work).
- Caregivers of people with chronic health conditions also experience productivity losses. Their physical health can suffer due to care duties, leading to issues like fatigue and sleep disruption, which in turn affect their work performance. Caregivers often struggle to concentrate at work, spend time on the phone with family or medical providers, and miss work to provide care.
- Health risk behaviours (e.g. inadequate sleep, lack of exercise, poor diet, smoking) can increase the likelihood of adverse health outcomes and reduced productivity before any disease is diagnosed. Individuals with these risk factors tend to be less productive at work.



What does this mean for your organisation?

Investing in health cash plans and health insurance for employees promotes better job performance and returns for businesses. Supporting caregivers and minimising health risk behaviours are crucial.



Mental health & productivity

- Mental health problems, including depression, anxiety, and obsessive-compulsive disorder, significantly impact productivity. In the UK, individuals at risk of mental health issues experience 13% greater productivity losses compared to those not at risk, with mental health being the largest factor affecting productivity.
- Presenteeism (working while unwell) contributes more to productivity losses than absenteeism, likely due to stigma and discrimination fears. Employees are often reluctant to disclose mental health issues.
- Depression, frequently studied in relation to productivity, leads to higher absenteeism and a 20% reduction in self-reported productivity. Effective treatment of depression can improve worker performance and reduce lost work days.

What does this mean for your organisation?

Providing employees with access to mental support at work through services and employee benefits is critical to supporting wellbeing, and in turn shoring up productivity and performance at work.

Subjective wellbeing & productivity

- Higher levels of subjective wellbeing (SWB), which include life satisfaction, high positive affect (mood), and low negative affect, are linked to greater individual productivity. Subjective wellbeing comprises an individual's perception of their life quality and satisfaction in specific domains like work.
- There is a clear correlation between high job satisfaction and increased positivity, although other factors such as personality and economic factors also have an influence.
- Happiness involves experiencing positive emotions and minimising negative ones. Positive emotions can enhance productivity. Research links positive emotions to better performance in various tasks, including creativity and analytical thinking. Inducing positive feelings, such as small gifts, can also enhance productivity.



What does this mean for your organisation?

Creating a happy, positive workplace culture is important for job satisfaction, which is a cornerstone of wellbeing. Employees who are satisfied are likely to be more productive, so understanding and investing in job satisfaction is key.



Stress & productivity

- Work-related stress arises from perceived excessive pressures or demands and is linked to higher levels of both presenteeism and absenteeism. The impact on presenteeism is greater.
- Chronic stress is associated with various physical health risks, such as high blood pressure and alcohol use, which can negatively affect productivity. Stress also directly impacts physiological systems, potentially leading to conditions like coronary heart disease (CHD).
- Prolonged exposure to work-related stress can result in burnout, characterised by exhaustion, cynicism, and reduced efficacy. Burnout is linked to lower productivity, increased absenteeism, presenteeism, and a higher intent to change jobs.

What does this mean for your organisation?

High pressure scenarios at work can boost productivity in the short-term, but in the longer term are likely to create work-related stress, burnout and lower productivity. A focus on mental health alongside workload is important to maintain output and retain staff.



Wellbeing & productivity: conclusions

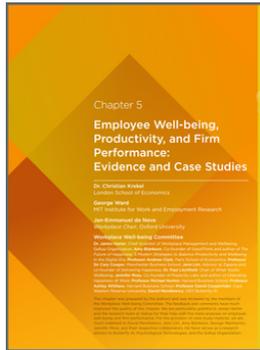
Various components of wellbeing are positively associated with higher productivity. Positive affect (mood) can enhance task productivity. The adoption of technology boosts productivity and enhances wellbeing through flexible working patterns. Natural capital, such as good air quality and access to green spaces, as well as physical activity, also positively impact productivity and health.

Impact on company performance

Higher employee wellbeing correlates with improved company performance outcomes, such as customer loyalty, profitability, and staff turnover. Research findings consistently show a positive relationship between employee wellbeing and performance metrics, including performance and growth.

In conclusion there can be no doubt that an investment in workforce health and wellbeing is an investment in improved productivity and performance.

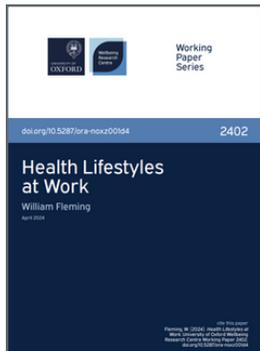
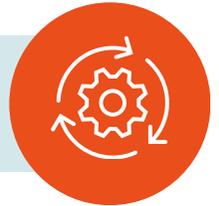
Sources



Employee wellbeing, productivity, and firm performance.

Krekel, C, Ward, G & De Neve, JE (2019)

- There is a positive correlation between employee wellbeing and productivity, with a growing evidence base.
- Recent evidence suggests a meaningful increase in wellbeing yields an average 10% increase in productivity.
- There is a strong, positive correlation between customer satisfaction and staff turnover and employee wellbeing.
- Interventions should target the key drivers of wellbeing - social relationships at work (especially managers), making jobs more interesting and work-life balance, and should be rigorously evaluated and monitored for their effectiveness.



Health lifestyles at work.

Fleming, W (2024)

- Workplace wellness is mostly considered as being under managerial control, whereas in reality there are several factors that contribute to engagement and success of programmes.
- The availability of, participation in and barriers to workplace wellness should also include social factors (class, race and gender), job factors (level, contract, hours and commute) and organisational context.
- Professional, managerial class, higher earners and young earners are most likely to engage in workplace wellness.



Worker wellbeing and productivity in advanced economies: Re-examining the link.

Isham, A, Mair, S, & Jackson, T (2021)

- Worker wellbeing can be a determinant of higher levels of productivity (The happy-productive worker thesis), but the way that we pursue and measure productivity growth has the potential to undermine wellbeing.
- Quality supervisors and high capital have an additional effect on wellbeing.
- High job demands and job insecurity undermine employee wellbeing and the use of ICT can have detrimental effects on wellbeing by creating a perceived need for constant availability.

