A healthier business model

Demoralised employees rarely make the best workers, so why do so many managers insist on running their staff into the ground? John Neal and Kai Peters from the Ashridge Business School present the business case for wellness in the workplace.

In the UK, obesity, heart disease, high blood pressure and stress-related illness are all rising at an alarming rate. We have the longest working hours in Europe, especially for part-time workers. And, despite EU legislation and the legal frameworks and structures in place, relatively few organisations follow health-related initiatives with any real commitment.

At the same time, as the nation's health declines, many of its employers are also suffering. A recent Chartered Management Institute (CMI) study by Worrall and Cooper (2007) paints a bleak picture of the prevailing organisational cultures in the UK. Managers, asked about the leadership styles in their organisations, described bureaucratic (40%), reactive (37%) and authoritarian (30%) environments.

Individual health and organisational culture are related; both affect motivation and, consequently, productivity. Yet, while the work-life balance is a popular business catchphrase, it is still not being taken seriously enough. Mention it in a hard-nosed business environment, and rational thought is too often replaced by contempt and the assumption that you are not pulling your weight.

Work-life balance is and should be a leadership issue. Leaders see in the future what others do not – they guide people to places they may not want to go, they are the role models and set the standards. Most importantly, they should see the bigger picture for their organisations and their people. By creating environments in which people are healthy and motivated, productivity and profitability will increase. Wellness is good for business.

A bureaucratic curse or simple common sense?
The legal provisions governing the work-life balance, mainly driven by EU directives, were significantly extended in April 2003. These provisions cover annual leave, working time, parental leave, time off for dependant care, maternity and paternity leave, adoption leave and the right to request flexible and part-time working.

While these provisions have set standards, they are largely seen as an additional layer of bureaucracy emanating from legislators and, even worse, legislators from Brussels. Because enforcement is difficult, unscrupulous organisations simply ignore many of the rules. However, a much better approach is to consider the legal framework within a thoughtful analysis of the cost-benefit equation around wellness and the

workplace. This would begin by dispensing with the false dichotomy at the heart of the work-life balance argument. Put simply, life is not divisible into work and life – there is only one life.

Perhaps more thoughtfully, the emergence of knowledge work over the past decades has led to a merging of working time into theoretically non-working time. We are not referring here to the ubiquity of emails and Blackberrys, which pursue one into the sunset, but rather to the fact that thinking is not something one turns on and off.

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Complex problems, creative challenges and innovative solutions are often solved out of the office. Research indicates that parking a problem is often the best way to solve it – the subconscious has an ability to revisit the problem when the mind is clear and solutions can come quickly.

So, if the question is more to do with the wellness of the individual and the organisation than the supposed work-life balance, can it actually be measured?

Healthy employees work better
By redefining the case into an argument for individual and organisational wellness, it becomes easier to think through the issues.

Consider health. A study launched by the CMI in October 2007 surveyed nearly 1,200 managers in the UK. The average manager reported 3.46 days of health-related absence from work in 2006, up from 3.19 in 2005. Junior managers missed more time and public sector managers were worst off.

On the job, nearly 40% of managers described their health as only satisfactory or poor. Over 50% reported constant tiredness, muscular tension and sleep loss. The vast majority of these managers, unsurprisingly, reported that it had reduced their productivity levels. Lower levels of attendance and lower levels of productivity clearly link to lower profitability.

Not only does profitability reduce due to absence, profitability is also affected by higher costs. The International Health, Racquet and Sportsclub Association (IHRSA) estimates that healthcare costs for employees who do not exercise are 80% more than for those employees who exercise regularly.

Being proactive with healthcare also pays dividends. Regular employee screening can provide for the early detection of future problems, and enlightened employers are providing MRI scans and complex blood monitoring on top of the more traditional check ups.

Taking your company's temperature
While measuring overall organisational health is somewhat more complex, evidence suggests that wellness in the workplace increases motivation and lowers costs. The CMI study noted that simply offering such benefits, even when they are not called upon, can potentially reduce absence.

A healthy start

The Chartered Institute of Personnel and Development offers the following suggestions as potential interventions that employers can consider to improve the health of their staff.

1. Increase levels of support, such as:
   - career breaks for carers
   - sabbaticals
   - study leave
   - secondments, typically within a career development programme, but also as a community support activity

   - employee assistance programmes
   - financial services, such as subsidised insurance or loans or allowances to help pay for childcare
   - workplace facilities, such as creches or medical centres
   - domestic partner benefits, which is particularly popular in the US.

2. Encourage wellness to improve health, for example:
   - introduce individual development plans and appraisals to provide an

   opportunity to review work-life balance on a regular basis
   - provide information and guidance on health issues
   - offer health screening
   - subsidise private healthcare
   - give staff on-site exercise facilities or subsidised access to gyms.

3. Reflect proactively on the workplace culture by:
   - treating staff with respect in the broadest sense.

The most prevalent forms of health support in organisations are flexible work, a progressive return to work after a long absence and counselling. Where nutritional advice, health and fitness coaching and healthy eating are in place, absence is further reduced. Private healthcare and screenings also contribute significantly.

While we are not aware of any studies measuring organisational benefits packages against progressive or authoritarian management styles, common sense would indicate that a progressive workplace would have more evolved systems.

Taken together with generally higher levels of motivation in progressive organisations, the business case for individual and organisational well-being seems uncontroversial.

dislocation, international travel, electric lights, sitting at a desk for hours, sleep deprivation and constant insecurity. Leaders need to consider how they can personally function more effectively and then consider the ways and environments in which their people can perform better. A good first step is to ask employees what they consider important. There are then a host of possible interventions to consider. The Chartered Institute of Personnel and Development has outlined some areas that may be relevant (see box, previous page).

Whichever strategies leaders decide to adopt, they must critically assess each one with their KPIs to ensure that the strategy can be measured and that it has a bottom-line benefit. They also need to consider changing the way they measure the bottom line,

taking new and broader areas of performance in business and life into account.

Organisations that fail to recognise the need for change are placing themselves at great risk of stress-related-illness litigation, difficulty in recruiting quality personnel, high levels of short and long-term sickness, low productivity and low morale. In a fast changing world, executives need to lead their organisations towards new opportunities.

And on a final note, in the words of Gandhi: 'Become the change that you wish to see.' If you really want to improve the health of your organisation, you must set an example. This may be difficult, but you would do the same for a new technology or product. At the end of the day, we are talking about the health of you and your family. ■

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What is holding us back?

So why do our leaders not set the pace and do more to promote wellness and its benefits? Why does society not recognise the danger of poor health and abusive lifestyles?

The answer appears to lie in a distorted perception of the work-life balance. In the UK, exercise is often associated with school-time memories of PE teachers inflicting painful punishments, such as long-distance running in the rain. In fact, many peoples' perceptions about exercise, health and balance are based upon socialised perceptions that these activities are to be avoided at all costs – something that is not the case in other countries, especially Australia and South Africa.

The key to a better work-life balance does not lie in more legislation and rules, but in improved leadership and a better awareness of the future business situation. It is also important to remember that despite all the nice clothes and perfumes that we use, underneath beats the heart of an animal – a highly evolved animal, but an animal none the less. And this animal is not well suited to the modern world of office stress, such as emails, instant technology, family

Further reading

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Useful contacts

- Employers for Work-Life Balance: www.employersforwork-lifebalance.org.uk
- Employers for Carers: www.carersuk.org/Employersforcarers
- Working Families: www.workingfamilies.org.uk
- The Work-Life Research Centre: www.workliferesearch.org

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