

People: our greatest asset?

Wealth from Employee Health

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To be truly great, a company must have an intrinsic belief in the value of its people. Few things are more fundamental than the health and well-being of these people.

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**Alex Gourlay, Chairman, Business Action on Health and
Director of Healthcare & Store Development, Boots the Chemist**

Investing in Health - Bottom Line Benefits

“Most companies know how to measure and manage risks, but how many companies put employee health in this category? Employers must bring health into their core business strategy and appreciate that poor employee health is an acute business risk.”

Susan Ring, Chief Executive, Unum

Organisations that promote the health and well-being of their employees can enjoy a range of bottom-line business benefits, including reduced absence, recruitment, retention, health insurance and litigation costs, higher morale and loyalty, productivity, quality and customer satisfaction.

UK plc is paying an enormous price for failing to manage ill-health and absence. In 2006, workplace absence totalled 175 million working days - 3.3% of total working time - costing the UK economy £13.4 bn, or £537 per employee. Out of this total, around 40 million days are lost each year to occupational ill health and injury.

45% of employers believe that none of their employees suffer from any form of mental ill-health, yet 3 in 10 employees are affected by mental health problems. Reported levels of work-related stress continue to rise, with employees

finding it increasingly difficult to achieve a satisfactory work-life balance. Mental ill-health costs British business an estimated £9 billion in paid-out salaries alone, with uncalculated additional costs in turnover, productivity and other absence-related costs.

According to the Spend Now Save Now report, produced by Business Action on Health, UK businesses recognise that they need to do more to promote the health and well-being of their people. While company directors identify a healthy workforce as a “top five” boardroom issue, 70% of respondents admit their own companies are not effectively promoting health and well-being.

Don't miss out. A healthy workplace makes good business sense.

Through their Safer Workplace and Healthier Workforce programme Parcelforce Worldwide contributed towards 12.5% productivity increase and 50% customer service improvement

What are other companies doing?

Here are some examples of what top UK companies are doing to enhance the success of their businesses by promoting health and well-being in their organisations.



Parcelforce Worldwide

Parcelforce Worldwide committed the organisation to improve employee health and safety after its 2002 turnaround programme, which whilst financially successful, resulted in high absence and accident rates and low employee satisfaction. The company focused on raising managers' awareness of health and well-being issues; shifting its emphasis from absence to attendance.

Provision of on-site health assessments and advice, improved absence management, health education programmes, gyms, healthcare and other resources promoting well-being. It also contributed to a sickness absence reduction of 1/3, saving £5 million; 45% fewer accidents, saving £440,000; a 2/3 reduction in compensation claims, saving £1 million; a productivity increase of 12.5%, a customer service improvement of 50% and an employee satisfaction increase of 1/3. Altogether, a direct investment of £2.25 million yielded a saving of £6 million in direct costs.



Danone

Danone, the UK dairy subsidiary of the Danone Group, launched the Danone Active Programme in 2004 which focused on the four main axes of an individual life - health, food, life management and work. Aligned with Danone's business focus on food and nutrition, the programme offers staff training on diet and nutrition; a free life management service to employees and families; and, for all new starters, an Active Health Box containing a pedometer, Active Health Passport and programme information as well as a free health check with the Occupational Health Advisor. Results include an increase of 22% in business alignment and employee engagement since 2003/4; recognition from the BBC as London's Healthiest workplace; and a high (91%) percentage of employees who would recommend the company as a good place to work.



Nationwide Building Society

Nationwide, the world's largest building society, launched a Health and Lifestyle programme for its workforce of nearly 17,000 to promote employee well-being and address underlying causes of illness. The Board-endorsed programme includes a flexible working policy; workstation management; 24-hour-a-day counselling service; free employee health screening; absence management support; health-related products including subsidised healthcare; lifestyle facilities including support for gyms and sports club memberships and discounted complementary therapies; and healthy food services. Impacts include a reduction in employee absence from 3.51% in 2001/2 to 3.17% in 2005/6; a 3% reduction in smoking; cholesterol level reductions from 40% - 34%; and substantial cost savings from reduced absence and improved retention rates.

“Getting this right delivers a community of employees that take pride in their job, their team, their company, themselves and their customers.

It also delivers great benefits for the business in terms of reduced absenteeism, greater productivity and better employee engagement, satisfaction and retention.”

**Alex Gourlay, Chairman, Business Action on Health and
Director of Healthcare & Store Development, Boots the Chemist**

**“30% of the costs in this company are People
100% of the value of this company is People”**

Jon Symonds, Chief Financial Officer, AstraZeneca



AstraZeneca

AstraZeneca is a major international pharmaceuticals and healthcare services business which employs over 65,000 people globally, including 11,500 working in eight UK locations. The company's health and wellbeing initiatives are designed to promote physical and psychological welfare through health promotion activities, home-work balance initiatives; ergonomically-designed physical working environments; fitness opportunities through sports and leisure facilities; healthy eating options in restaurant facilities; 'well-screen' medical assessments; a Counselling And Life Management (CALM) programme; fast-track healthcare insurance; rehabilitation/return to work programmes; and integrated occupational health/human resources interventions. As a result, 84% of employees are proud to work for AstraZeneca (versus 75% norm in other companies) and 82% would recommend the company as a good place to work (vs. 67% norm); overall annual sickness absence rates are low (6.71 days per employee compared with 10.2 for CBI norm for large companies in 2005); health insurance spend on for psychological illness has been reduced, saving £80,000 in 2005; and external recognition, with AstraZeneca named Britain's Healthiest Large Employer by the BBC Big Challenge in 2006 and cited as a "top employer" in Science magazine's ranking of the world's most respected biopharmaceutical employers for four consecutive years.



Royal Mail Group

Royal Mail Group (RMG) works in partnership with occupational health services provider Atos Origin to provide a comprehensive health service (Feeling First Class) for over 194,000 employees at nearly 10,000 sites. Since 2003, sickness absence has fallen from 7.0% to 4.9%, unplanned absence has fallen from 7.5% to 5.1%, accident rates have fallen between 30% and 40% and rates of ill-health retirement/severance have declined. RMG performance improvements in key target areas include reducing costs of absence management, improved communication, management information, customer service rating and making Royal Mail a better place to work.

How can you promote health and well-being in your organisation?

"The direct correlation between healthy staff and business success is impossible to ignore, yet, it is surprising how many companies have yet to wake up to the competitive advantages of getting health and safety and well-being in the workforce right."

Mike Hall, Chief Executive, Standard Life Healthcare

Get the facts

Learn more about how you can raise awareness of health issues at work and take effective action with support from Business in the Community's Business Action on Health campaign.

Website: www.bitc.org.uk/healthyworkplaces

Email: grace.mehanna@bitc.org.uk

Telephone: 020 7566 8699

Start talking

Our *Talking Health* guide* provides a framework for prompting dialogue and action via 5 key questions:

1. How much is sickness absence costing our organisation?
2. How healthy is our workforce?
3. What success can be achieved?
4. What information drives improvement?
5. Who needs to drive improvement?

Join the Business Action on Health Campaign

On 9 October 2007, Business in the Community will officially launch its national Business Action on Health campaign, publishing its *Wealth from Employee Health* report, featuring the business case, practical guidance and other resources to help companies become more successful by promoting workplace health and well-being.



*Talking Health: Prompting dialogue on health at work, available from Business in the Community (talkinghealth@bitc.org.uk).

Business in the

Community

Business in the Community is a unique movement of over 750 member companies, with a further 2,000 plus engaged through our programmes and campaigns. We operate through a local network of more than 100 business led partnerships and 60 global partners.

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