

Coping after Covid

Recovering the hidden cost
of the pandemic



Ask any leader about the essential things that keep their business ticking over and they'll quickly list people, technology and infrastructure, the work environment – be that office or remote – maybe development and skills. How far down that list would you have to go before they said wellbeing?

Corporate wellbeing has an image problem. It's often seen as a fluffy nice-to-have, something to keep the troops happy when there's a bit of spare cash lying around.

This pandemic has shown us that not only is this stereotype incorrect, it's dangerous.

Covid has made it all too clear that the productivity of our workforce, the success of our businesses and the buoyancy of our economy rests on health. We have to acknowledge that and invest in our health and wellbeing to recover and move forward.

Having been in this sector for over 100 years, we know the impact health and wellbeing can have. With this research, we set out to quantify that impact and understand how wellbeing can and should be a vital tool for our economic recovery.

The results were striking. Wellbeing has the potential to add billions to our national economy, to ease long-standing inequalities between regions. But it must be done right; for those who see it as a tick-box exercise, a "nice-to-have", it won't deliver on its significant potential.

Wellbeing programmes don't operate in isolation – they operate in the context of an organisation's culture. The findings in this report are a rallying cry for senior leaders to recognise, invest and truly embrace wellbeing as part of their culture and as an essential business investment.

Dave Capper, CEO





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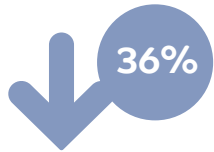
Key findings

Our [Coping with Covid](#) report explored the findings of a 1,600-person survey of employees and HR leaders, to uncover the mental health impact of the pandemic.

In this follow-up, we examine the business impact of Covid-19 and explore how wellbeing can drive productivity and influence culture change.



An estimated **320,000** businesses have wellbeing strategies that are not fulfilling their potential.



While wellbeing spend has increased in 2020, only **36%** of HR leaders expect to spend more in 2021.



Businesses in the North of England spend an estimated **17%** less on employee wellbeing per head than those in the South.



59% of HR leaders say they would like to be able to do more in terms of wellbeing but company culture prevents it.

If wellbeing spend is maximised, the increased productivity could add **£61bn** to the English economy by 2025.



In organisations with a wellbeing programme in place, **43%** of HR managers rated employee productivity as 'very good', compared to just **18%** in organisations without one.

HR leaders citing **company culture and employee morale** as drivers for their wellbeing spend are the most likely to increase their budget in the coming year.





the
**business
impact** of Covid-19



Reflecting on a year of change

Our survey of 1,600 employees and HR leaders uncovers the pandemic's impact on workplace health and wellbeing, highlighting areas for transformation and investment.

The nation is more engaged with its health than ever before, and employees are beginning to re-evaluate their priorities, with 28% seeking long-term changes to the way they work. While 84% of HR leaders say wellbeing support is becoming more important, an estimated 320,000 businesses have wellbeing strategies that are not fulfilling their potential.

Each industry is facing its own set of challenges. Some have seen operations stripped back, with the furlough scheme still providing a lifeline for around six million employees in February 2021. Remote working has become the norm in many industries, while others have rushed to make workplaces Covid secure. It's these diverse circumstances that will shape the employee experience in the coming months.

As the Government embarks on its economic recovery plan, business leaders are faced with a valuable opportunity to develop their company culture and boost productivity.



If wellbeing strategies reach their full potential, the increased productivity could add £61bn to the English economy by 2025.

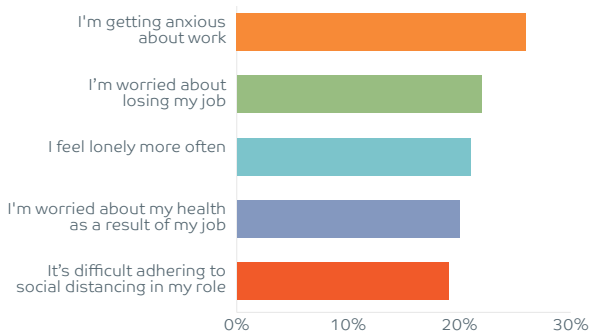
The employee experience

Our research suggests that new ways of working have divided the nation. Over a quarter (27%) of employees are feeling anxious about work, but almost as many (24%) are feeling more productive. While 12% do not feel supported by their employer, almost half (46%) are proud that they're still working.

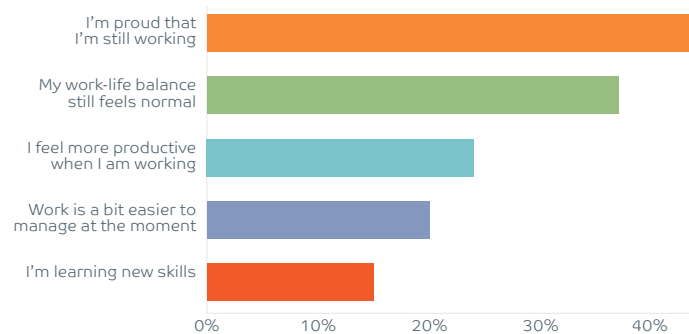
There appears to be a widening gap between those who have coped well and those who are struggling. Lockdown experiences will vary significantly across different working styles, sectors and job roles, and this should be taken into account as businesses plan their recovery.



Challenges faced by employees



Positives of the current working situation



While leaders may be inclined to approach the return to work with optimism, they must be realistic about employees' readiness to bounce back. Sectors where people have been working through the pandemic may feel like they have a head start, but each industry will face its own set of health and wellbeing challenges as society begins to reopen.



39% of manufacturing employees still feel that their workplace is not Covid secure



In the utilities and energy sector, 30% of employees are feeling lonely more often



In both communications and retail 25% of employees report low productivity



Employees in health and care report the worst mental health – 56% say theirs is poor



Exactly 50% of professional services feel their work-life balance is normal

future planning in times of change

While the end of lockdown sparks a collective sigh of relief, it will also bring its own set of challenges. Now is the time to be proactive and prepared so that we can use this transition for positive change.

Our workplaces, and society as a whole, now look very different. Some adjustments to the way we live and work were made out of necessity – remote working, social distancing, face coverings – but across the country the lockdown has also created the conditions for employees and employers to consider which, if any, of the new ways of working, new perspectives and revised priorities might endure.

The pandemic disrupted many of our habitual behaviours, created uncertainty and a sense of unease. We had to find a way to cope, to respond and to get through as best we could. Through this period of challenge, we will have learned a lot about ourselves, our businesses and our people. The transition out of lockdown therefore provides business leaders and their teams with a valuable opportunity to reflect on this learning, and challenge, in a positive way, what we do and how we do it. Now is the time to make improvements to former ways of working and re-shape organisational culture.

Some businesses will see the shift towards homeworking as an opportunity to reduce costs and downsize capital expenditure – completely understandable, but these changes must be balanced with the risk of reduced opportunity for collaboration and innovation and the detrimental impact isolated working can have on the important sense of belonging that comes from close physical proximity. Cut off from our colleagues and teams, many have discovered just how important connection can be for psychological wellbeing. Reduced social contact reframes the work environment and impacts productivity, particularly for creative and problem-solving tasks. Innovation comes from healthy collisions, which our physical environments help create. It is so difficult to achieve these healthy collisions remotely.

Professor Rob Copeland CPsychol

Director of The Advanced Wellbeing Research Centre,
Sheffield Hallam University

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Lockdown has also highlighted inequalities in the workplace, with the gap between those thriving and those struggling becoming more pronounced. We must close this gap, not allow it to widen as we return. People also now face daily challenges that were previously unheard of in the pre-pandemic world. For example, simply going into work carries a heightened sense of risk and we need to value the needs of people who are more vulnerable, or care for those who are, in our plans.

Living – and working – through a pandemic has also challenged and changed our values and our expectations. Some employees will rightly place greater emphasis on their own health and wellbeing, driven by a new perspective of work-life balance and what matters most. Rebuilding our organisational cultures so that employees know they are safe, connected and have a shared future together is paramount for business leaders. Those that succeed in this space will enjoy the benefits of productive and effective teams.

This journey towards effective culture must be steered by feedback and engagement. While employees may appear keen to get back to ‘normal’, it’s important to tease out what they mean by this, where they place value. What have people noticed about their new ways of working, what would they like to keep and what matters most now? This will help create a shared sense of the future – which of course must be balanced with the needs of the business.

Ultimately, this turbulent year has united the workforce in its desire for consistency and certainty. Organisations that grasp the opportunity to co-create a new, values-based way of working with their people will likely be the ones that recover and grow. For business leaders, myself included, I encourage us to navigate the unknown with a receptive, mindful outlook, prioritising strong support for the people we lead, so that we can create the conditions in our organisations that drive an equitable, wellbeing driven economy as we step out of the shadow of lockdown.



how
wellbeing can help

wellbeing drives productivity

While productivity is affected by a number of macro-economic factors and the wider labour market, many of these influences are simply outside an organisation's control. Wellbeing is one notable area where individual businesses can invest to boost their productivity and achieve a substantial return.

Various studies indicate a link between happier, more engaged people and higher levels of performance.

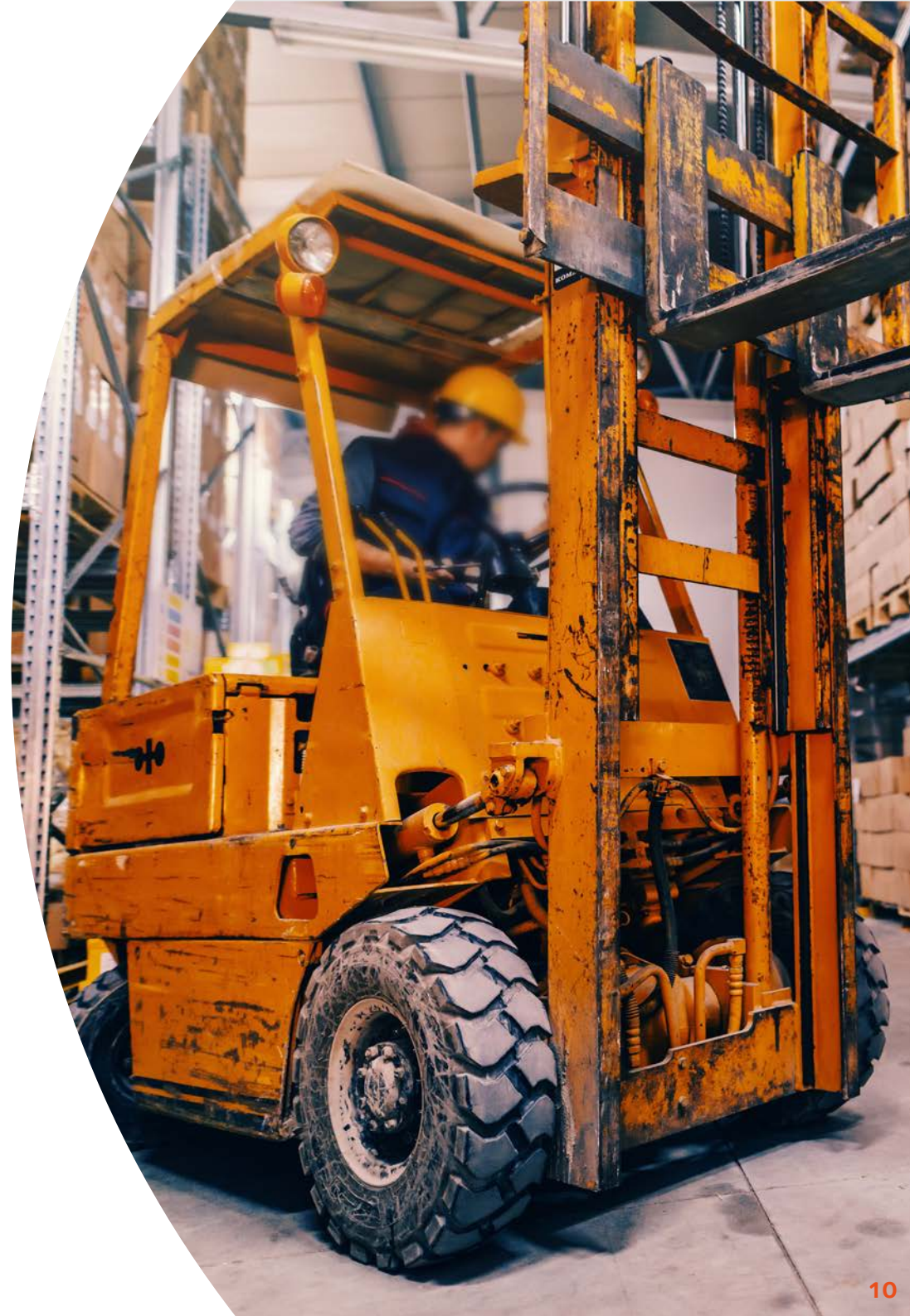
In 2019, LSE's Centre for Economic Performance¹ demonstrated a link between employee wellbeing, employee productivity and firm performance across all industries and regions. The conclusion is simple: happier workers work better.

Similarly, a 2014 study by the Department for Business, Innovation and Skills² found that wellbeing can affect employees in three primary ways:

1. Higher wellbeing boosts employees' cognitive abilities and processes, aiding problem solving.
2. Wellbeing can impact employees' attitudes towards work, making them more open to collaboration.
3. Better mental wellbeing can boost the general health of employees, increasing energy levels and reducing time lost to sickness.

¹ <https://cep.lse.ac.uk/pubs/download/dp1605.pdf>

² <https://www.gov.uk/government/publications/worker-wellbeing-and-workplace-performance>

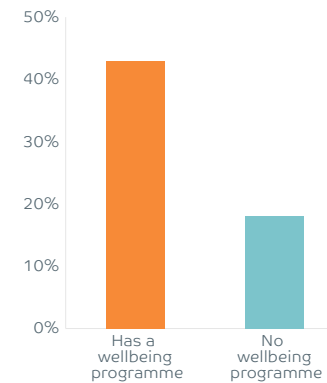




43%
of those with a wellbeing
programme describe
productivity as 'very good'

Our research also demonstrates that wellbeing programmes are an effective way to optimise productivity. In organisations with a wellbeing programme in place, 43% of HR managers rated employee productivity as 'very good'. This is compared to just 18% in organisations with no wellbeing programme.

Percentage of HR managers rating
employee productivity as 'very good'



While few HR leaders reported low productivity, employees themselves were less optimistic. Our employee survey found that almost a quarter (24%) felt productivity was poor.

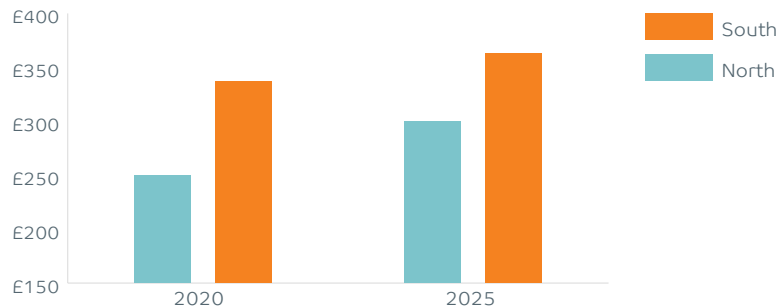
With employee health playing a pivotal role in post-Covid recovery, and the end of lockdown bringing a new sense of uncertainty, a robust wellbeing strategy is perhaps the most reliable way for business leaders to regain a sense of control.

The North/South productivity gap

A North-South divide is emerging in terms of both productivity and wellbeing spend. Compared to the South, organisations in the North of England spend an estimated 17% less on employee wellbeing per head, coinciding with an 8% drop in good mental health.

Projections suggest that this wellbeing spend gap will narrow but not close over the next five years. By 2025, spend per head is forecast to rise from £250 to £337 in the North and from £300 to £363 in the South.

The North/South wellbeing spend gap looks set to narrow but not close by 2025



While this increase in spend cannot close the productivity gap on its own, it will be a vital mechanism for driving higher productivity in the post-Covid economy. At current rates, the Northern economy will grow by just over £80bn between 2018 and 2025.

If businesses maximise their wellbeing spend, this could increase output in the North by an additional

£13bn.

Now more than ever, failure to invest in people has the potential to derail business recovery plans, especially for those in the North.



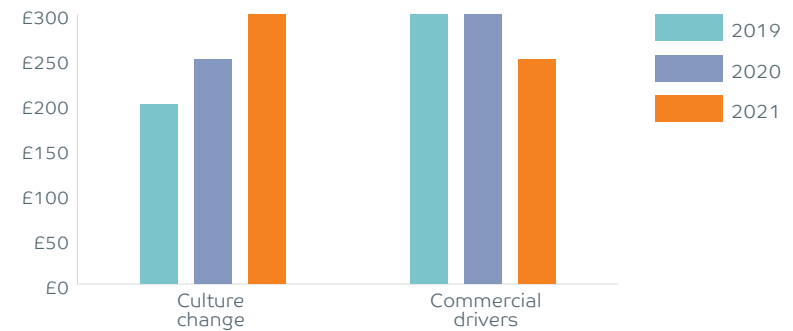


Wellbeing spend motivations

Our research also looked at business motivations for wellbeing investment and how this correlates with future spending plans. While the large majority of businesses increased their wellbeing spend in 2020 due to the pandemic, only 36% expect to spend more in 2021.

Organisations citing company culture and employee morale as drivers for their wellbeing spend are the most likely to increase their budget in the coming year. Those motivated primarily by commercial drivers such as performance and productivity predict a decrease in planned spend per head, but with wellbeing and productivity so closely linked, these businesses risk missing a real opportunity.

Wellbeing spend by motivation



It may be unsurprising that employers who are motivated by culture change and corporate responsibility are prioritising wellbeing, but as the country eases out of lockdown, those who underestimate the impact of a healthy workforce could find their people struggle to cope. With 84% of HR leaders saying wellbeing is becoming more important and 24% of employees seeking extra support, companies may find that genuine culture change is the only way to recover their productivity after the pandemic.

A woman with curly hair is shown in profile, focused on writing on a glass wall with a marker. The wall is covered in a diagram of a house with various rooms and lines, drawn in different colors like pink, green, and orange. The background is a blurred office or meeting room with other people and lights.

making
the case
for wellbeing

“ 59% of HR leaders say they would like to be able to do more in terms of wellbeing but company culture prevents it. ”



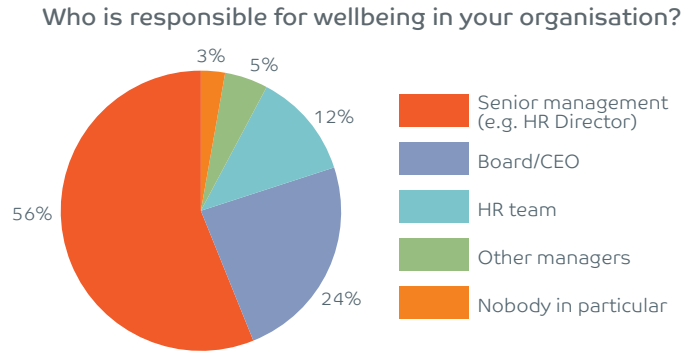
Barriers to getting started

Our research found that HR leaders increasingly recognise the importance of employee support, with 81% saying the pandemic has made wellbeing a priority in their organisation. Recovery will be at the top of the business agenda in the coming months, and, when it comes to productivity, wellbeing can lead the way.

Despite this, barriers such as company culture and budget restrictions continue to stifle innovation and strategy development. The value of wellbeing programmes is increasingly clear to the HR teams and people managers who implement them, but senior leaders will be looking for concrete evidence to justify any increased investment.

Finding the right people

A useful first step is to review where wellbeing sits within your organisation. Involving the right people is often the simplest way to bring about change.



The majority of organisations (56%) see staff wellbeing as a job for senior management. Almost a quarter (24%) manage wellbeing from the top, with the CEO or board members leading the way, while 12% of businesses direct wellbeing responsibility to the HR team. In some companies, wellbeing activity may simply be handled by those who have chosen to prioritise it, tacking it onto their existing role as an additional responsibility.

One way to increase visibility is to designate a wellbeing ‘champion’ in your senior management or leadership team – someone who is engaged with your vision and can advocate for culture change from the top down. An ideal arrangement would involve multiple departments, ensuring employee voices are heard while also providing the clout to influence boardroom decisions.

Using the right language

Wellbeing strategies should be pitched in the same way as business plans or financial reports. While anecdotes and employee testimonials have their place in wellbeing reports, it is KPIs, targets and data analysis that will ultimately win leadership buy-in and bring about permanent organisational change.

To win buy-in from the top, HR must position their wellbeing plans as the foundation of business recovery, encouraging leaders to endorse wellbeing not alongside their other business priorities, but intertwined with them.

Consistent support in the boardroom will give wellbeing a voice in the decision-making process. With passionate advocates and the right data backing them up, organisations will see their wellbeing strategy transition from a ‘nice to have’ to an essential business priority.



the growth of the HR analyst

Despite the unprecedented challenges it faced in 2020, HR still experienced salary growth. Boardrooms across the country have realised the integral part that HR has played in getting their company and, more crucially, its employees, through this crisis with policies on home working, how to keep in touch and manage wellbeing put into action at lightning speed.

It is because of the pandemic that the future structures of HR teams – which many of us were preparing to arrive in about five years – have been landed at our doorstep today. And while we're seeing the titles remain largely the same, the job responsibilities are shifting and changing.

A big part of that change has been the emphasis on data and, as such, HR analysts – which as recently as 2018 were not included in our salary guides – have risen in importance rapidly. This has been a rise that has been happening for several years as the data revolution, and how we interpret that data into action, has become a greater part of HR.

For the modern HR team data will be a vital part of monitoring the performance, but also the wellbeing of employees. The ability of the HR analyst to interpret data will be vital as employees spend less time in the office and distance makes their wellbeing more difficult to manage.

This year, we expect the salaries for HR analysts to start to push towards £50,000 in some instances with a predicted increase in salary of 3 per cent. But the increases won't stop there. The value of reading data will continue to increase significantly as businesses learn what data they need to succeed and look to get more precision from the policies they shape.



“ The ability of the HR analyst to interpret data will be vital as employees spend less time in the office and distance makes their wellbeing more difficult to manage. ”

In recruitment, we have all been used to seeing data scientist roles increase in frequency and pay over the last few years as data has become central to business decisions. That role is filtering into HR with internal surveys and information to gauge employee morale and performance becoming more common. The role of the HR analyst and the need for HR professionals to understand data has never been more important. But this is just the start. In the future there is more power to be had from data in shaping the HR and wellbeing success stories we all want to see.



Bukola Odofin
Human Resources Expert at Reed



Implementing a business-minded wellbeing strategy

Once roles and responsibilities are established, wellbeing can be positioned alongside other important HR functions such as recruitment, payroll and training. An effective wellbeing policy will integrate into existing business practices and become part of the day-to-day.

When it comes to evaluating your approach, two-way communication is key. After a year of new experiences, environments and workplace habits, people will want to have their say. Use this momentum to engage your employees with wellbeing and gather valuable feedback for decision-makers. Try focus groups, surveys or conversations with line managers to start the dialogue.

Lockdown easing will impose yet another change on the workforce, and wellbeing support should be at the forefront of your change management strategy. As leaders start thinking about new working practices, corporate restructures and cost-saving measures, they must also consider if their workforce is resilient to continual change. Now is the time to create pillars of stability by revisiting your company vision, refocusing the workforce and building a shared sense of purpose.

While choosing the right metrics is important, the most effective tool for wellbeing strategists is consistency. With their seat in the boardroom secured, HR teams can capitalise on this rare opportunity to bring about genuine culture change, boost productivity and improve the health and wellbeing of their people.

“ The most effective tool for wellbeing strategists is consistency. ”



Resources and downloads

For HR professionals, managers and leadership teams.

[Covid-19 resource centre](#)

Downloadable guides to help your workforce navigate the pandemic

[Coping with Covid](#)

Part one of our research into wellbeing during the pandemic

[HR health and wellbeing toolkit](#)

Our free guide for HR teams to kickstart their wellbeing strategy

[Wellbeing webinars](#)

On topics including health leadership and building resilience

[Westfield Health blog](#)

Articles, discussions and wellbeing advice

[Organisational Culture CPD course](#)

Our free CPD-certified online course takes roughly one hour to complete

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westfieldhealth.com/business

Telephone: 0345 602 1629

Email: businessenquiries@westfieldhealth.com

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