

Risk Insight

Stress in the Workplace

Workplace wellbeing has moved to the mainstream. No longer just seen as a 'nice to have', increasingly it is making its way on to the boardroom agenda as a strategic priority with organisations realising the links with higher productivity and corporate resilience.

Thriving at Work – The Stevenson/Farmer review of mental health and employers published October 2017 highlights the clear link between lost productivity and poor mental health, with a clear recommendation that health & wellbeing be given increased transparency and accountability at board level. It also recommends that organisations nominate a health & wellbeing lead with clear reporting duties and responsibilities.

Wellbeing is an umbrella term often used to describe a multitude of initiatives, but what does it actually mean?

Wellbeing has been described as “a positive state of mind and body, feeling safe and able to cope, with a sense of connection with people, communities and the wider environment.”¹

Creating a healthy working environment with low levels of workplace stress contributes to creating a positive state of wellbeing for employees. However organisations can be reluctant to mention the 'S' word for fear of what may emerge. This often results in stress being disguised under the wellbeing banner, yet it is the greatest threat to achieving corporate resilience on a social level.

Results of the global 2015/2016 Staying@Work Survey² revealed stress stands out as the foremost workplace issue for employers by a long shot, as illustrated in the table below.

Staying@Work Survey

To what extent are the following an issue for your workforce?

Rank	Global	EMEA	Germany	Netherlands	Spain	UK and Ireland	Turkey	GCC
1	Stress 64%	Stress 74%	Stress 89%	Stress 71%	Stress 74%	Stress 66%	Stress 79%	Stress 70%
2	Lack of physical activity 53%	Lack of physical activity 45%	Lack of physical activity 58%	Lack of physical activity 47%	Lack of physical activity 37%	Lack of physical activity 36%	Presenteeism 56%	Tobacco use 50%
3	Overweight/obesity 45%	Presenteeism 33%	Presenteeism 39%	Presenteeism 35%	Presenteeism 29%	Lack of sleep 31%	Lack of physical activity 51%	Lack of physical activity 48%
4	Poor nutrition 31%	Overweight/obesity 32%	Poor nutrition 39%	Lack of sleep 29%	Poor nutrition 29%	Poor nutrition 29%	Lack of sleep 45%	Overweight/obesity 39%
5	Lack of sleep 30%	Poor nutrition 31%	Overweight/obesity 28%	Tobacco use 28%	Overweight/obesity 29%	Overweight/obesity 29%	Unplanned absences 38%	Poor nutrition 36%
6	Presenteeism 26%	Lack of sleep 28%	Tobacco use 25%	Overweight/obesity 28%	Tobacco use 24%	Presenteeism 21%	Tobacco use 37%	Poor financial well-being 33%
7	Tobacco use 24%	Tobacco use 28%	Lack of sleep 23%	Poor nutrition 24%	Lack of sleep 23%	Tobacco use 18%	Poor financial well-being 37%	Lack of sleep 26%
8	Unplanned absences 21%	Unplanned absences 21%	Unplanned absences 23%	Poor financial well-being 17%	Unplanned absences 14%	Poor financial well-being 14%	Poor nutrition 35%	Presenteeism 22%
9	Poor financial well-being 19%	Poor financial well-being 14%	Poor financial well-being 8%	Unplanned absences 0%	Poor financial well-being 9%	Unplanned absences 11%	Overweight/obesity 29%	Unplanned absences 13%

Note: Percentages reflect 'to a great extent' – a 5, 6 or 7 on a seven-point extent scale.

These concerns about stress are echoed by the increasing focus of the Health & Safety Executive on workplace stress and increasing employer's liability claims in this area. In 2015/16 stress accounted for 37% of all work

related ill health cases and 45% of all working days lost due to ill health³, with statistics remaining stubbornly static. Of course workplace stress is part and parcel of wellbeing, but it deserves attention in its own right.



Risks & effects

Stress is defined by the Health & Safety Executive as *'the adverse reaction people have to excessive pressure or other types of demands placed on them'*⁴. Aside of the obvious risk to human health, failing to tackle workplace stress results in financial losses to your organisation from decreased productivity, increased sickness absence, increased staff turnover, additional costs of recruitment, training and sick pay and increased grievances & litigation.

"Poor mental health costs employers between £33 billion and £42 billion a year. This amounts to a cost per employee of between £1205 and £1560 per year. This cost is for all employees, not just those who are ill."

Thriving at Work – The Stevenson/Farmer review of mental health and employers (October 2017)

With the business cost of mental ill health at work estimated at between £33 billion and £42 billion each year⁵, there is a compelling case for addressing stress in the workplace as a risk management issue and the wider issue of mental health generally. From a compliance perspective, employers have a statutory duty to ensure the health, safety and welfare of their employees whilst at work, which includes minimising the risk of employees suffering a stress related illness.

Historically, organisations have over-relied on stress management interventions such as Employee Assistance Programs (EAP) and referrals to Occupational Health. Whilst always good to have, these types of interventions are often used once harm has occurred and rely on the engagement of the individual. Effective psychosocial risk management requires active involvement at organisational level using a combined approach of preventative and management strategies in order to sustain employee wellbeing in the long term and maintain corporate resilience.

Identifying the problem

Organisations often start with a review of absence statistics and claims to identify whether workplace stress is an issue for them although this can be misleading and is unlikely to provide the true picture. Financial losses due to workplace stress are more often the result of presenteeism than absenteeism – where employees are turning up for work when not in full health and consequently not working

at their optimum. Of the £33bn to £42bn cost of mental ill health referred to above, £17bn to £26bn relates to presenteeism. Add in the cost of £8bn lost in absenteeism and £8bn in staff turnover costs to see the full extent of the losses.

As for claims against an employer's liability policy, these may not appear in volume, but one successful claim can be expensive, far exceeding your average EL claim cost for an injury at work given the potential for long periods of absence and future losses.

Culture and attitudes

There is still a stigma which surrounds stress and mental health in the workplace. This can lead to employees failing to report it for fear of negative repercussions, or perhaps more reporting of short term absences citing physical reasons, with employees feeling this will be more socially acceptable than reporting a mental health issue. Whilst symptoms of stress can include physical symptoms, this illustrates the longstanding issue of lack of parity between mental health and physical health. There is no 'health' without both physical and mental health.

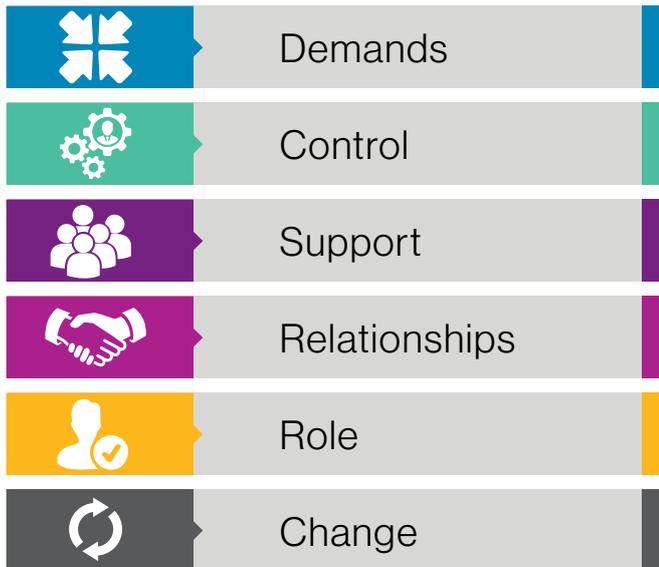
Addressing workplace stress from the ground up requires considering the culture of your organisation, and particularly attitudes surrounding stress and mental health. A de-stigmatising and enabling attitude in an environment where discussions about mental health are encouraged as the norm will allow issues to surface at an early stage before they become problematic. The flipside means the subject remains taboo, driving the problem underground causing potential injury and financial losses to continue. Actively committing to reducing workplace stress and making your workplace a great place to work has the added advantage of giving you an edge over the competition in terms of attracting and retaining talent. Work is good for us, and who wouldn't want to work for an organisation that genuinely cares for the wellbeing of their employees?



Causes of workplace stress

To prevent or reduce exposure requires an understanding of what causes stress in the workplace and there is often disparity between the employer and employee perception. Stress is subjective, therefore prevention relies on the gathering of data from employees to understand where the stress hotspots are in an organisation.

The Health & Safety Executive supports using the Management Standards approach which gathers data in six key areas:

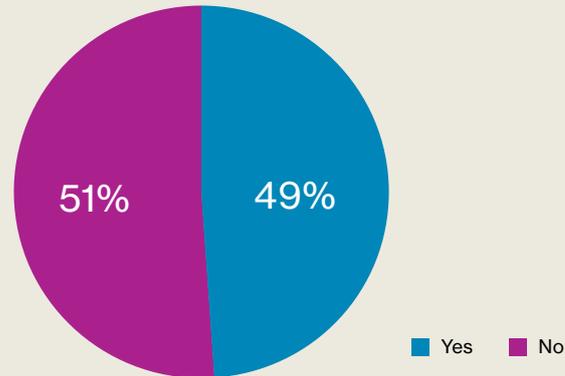


Primary interventions can then be focussed on the most troublesome areas with practical and workable solutions devised.

Is it all down to the line manager?

According to the Labour Force Survey³, the main work factors cited as causing work related stress, depression or anxiety were workload pressures (including tight deadlines and too much responsibility) and a lack of managerial support. It is everyone's responsibility to create an environment where everyone takes responsibility for the psychological wellbeing of themselves and of others in the way they interact with them. However, the role of the line manager is particularly important with the line manager often 'gatekeeper' to the presence or absence of work related stress. Part of stress management in the workplace is simply good line management, yet many fall in to the role of line manager as a natural career progression, but without sufficient training on the 'people' aspect of the role, and there lies a problem.

If you were to suffer from mental health issues in the future, would you talk to your manager about it?



Employee Benefits Barometer 2017 Willis Towers Watson Health and Benefits

76% of line managers believe they are responsible for employee wellbeing, but only 22% have received training

BITC, Mental Health at Work Report 2016

Claims for stress

There is potential for claims for workplace stress to arise both in the civil courts as negligence claims, and via the employment tribunal route depending on circumstances. For a claim for workplace stress to succeed in the civil courts against an employer's liability policy, a claimant has to prove a recognised psychiatric injury. If the employer knew or ought to have known that, as a result of stress at work, there was a risk the employee would suffer harm of the kind the employee did in fact suffer, the employer risks being in breach of its duty of care if it fails to take steps which are reasonable in the circumstances to avoid that harm.

Any complaints of stress need to be taken seriously and managers not only educated in how to spot signs of stress in employees, but be confident to address the issue at an early stage supportively and respectfully. This requires skill and practice. If managers are uncomfortable with the subject or hold their own judgements about people who experience stress and mental health issues, this increases

the risk of negative outcomes for all involved. The growth of stress awareness training and the training of Mental Health First Aiders is gaining traction in the workplace. Furthermore, the Thriving at Work report⁵ recommends employers produce, implement and communicate a mental health at work plan, develop mental health awareness among employees and encourage open conversations around mental health and support available as part of 'mental health core standards'.

The 'PPE' of workplace stress

Whilst training is undoubtedly beneficial, it should not be viewed as a panacea, but rather the PPE of workplace stress. In other words, PPE ('Personal Protective Equipment') should be available, but other avenues of reducing the risk must be considered. Looking at it from a different perspective, it is not acceptable to expect an employee to operate a machine with a sharp blade giving the employee only protective gloves. The law requires the risks of using the machine to be assessed and reduced to the lowest level reasonably practicable. Consideration would also have to be given to guarding the sharp blade on

the machine to reduce the risk at source. Protective gloves would be the fall-back position or the additional safety precaution. So why do we think only PPE is acceptable for stress and mental health?

Summary

Whilst workplace stress is only one aspect of wellbeing, it is nonetheless a crucial one to address to create a healthy working environment which promotes positive wellbeing. Identification of the root causes of workplace stress and action plans to address issues detected coupled with training for line managers around stress/mental health and adding in the support of EAP and occupational health services provides the strongest line of defence for your organisation against workplace stress, poor mental health and the subsequent impact on business results. Not only that, but building preventative aspects in to your employee experience, considering other initiatives as part of an overall wellbeing strategy and keeping wellbeing continuously on the agenda will enable you to create a workplace where your employees and your organisation will thrive.

Willis Towers Watson has a combination of expertise in the area of corporate wellbeing. Our diverse range of consultants can advise on wellbeing strategy, provide practical advice, support and services on stress and mental health in the workplace including prevention and recovery and assist you in defining your employee experience.

If you would like to speak with us further on this subject please contact your local account team or:

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References:

- 1 HM Government Department of Health – New Horizons, A Shared Vision for Mental Health 2009
- 2 Willis Towers Watson – Building a culture of health and wellbeing 2016
- 3 HSE – Work related Stress, Anxiety and Depression Statistics in Great Britain 2016
- 4 <http://www.hse.gov.uk/stress/furtheradvice/whatisstress.htm>
- 5 Thriving at Work. The Stevenson/Farmer review of mental health and employers 2017

About Willis Towers Watson

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