

Evaluating Benefits and Costs of Wellbeing Activities at Work

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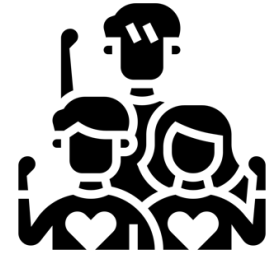
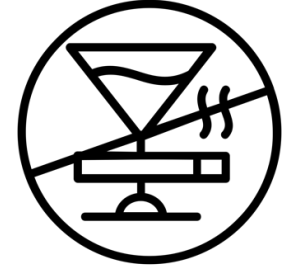
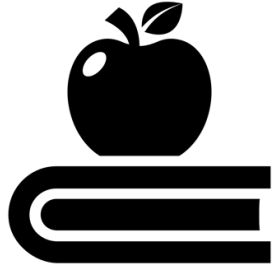
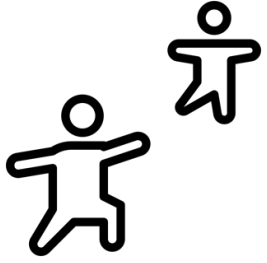
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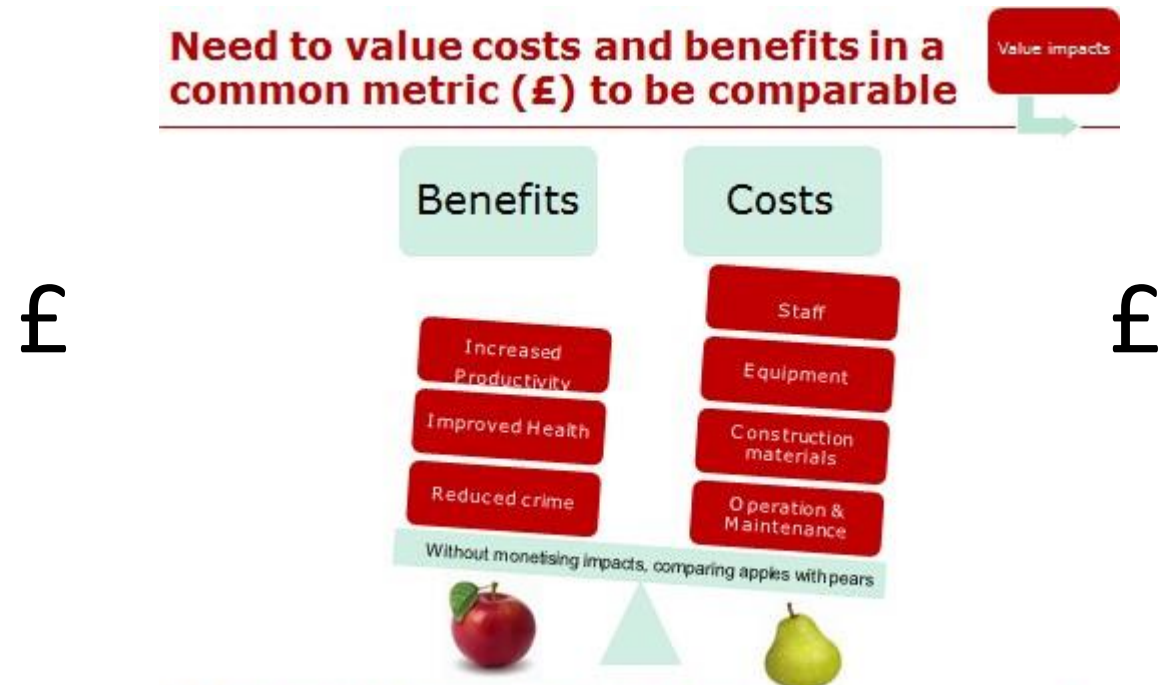




Evaluating interventions

do the benefits exceed the costs?

- Cost benefit analysis (CBA)
 - very widely used
 - HM Treasury Green Book is UK Govt's CBA manual



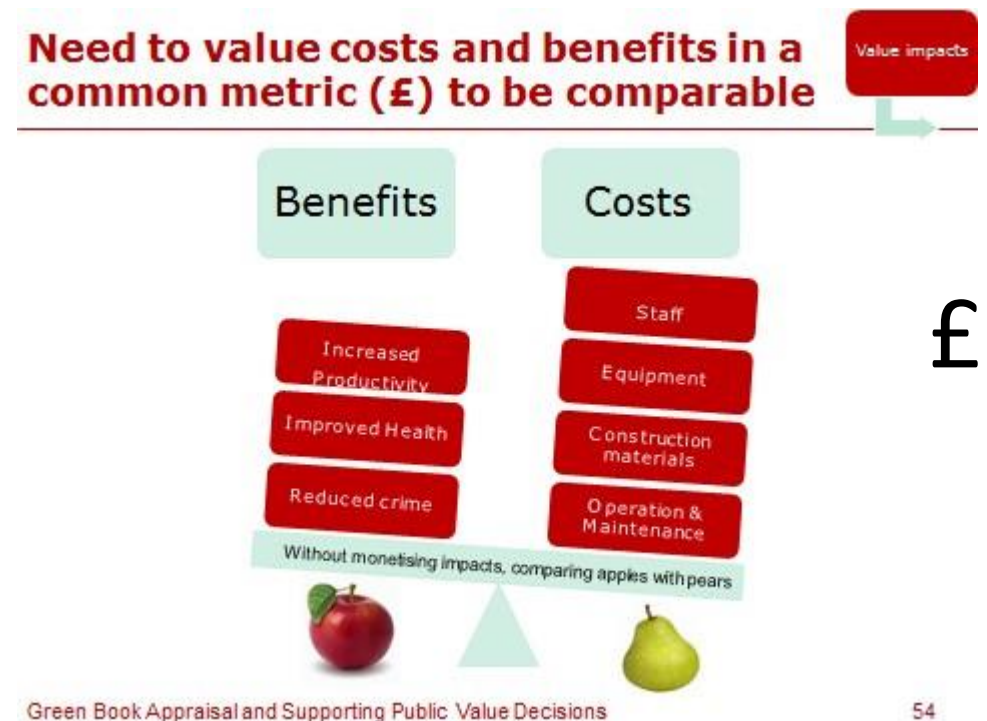
BUT can all costs and benefits be converted to monetary equivalents?

Evaluating interventions

Cost effectiveness analysis (CEA)

Health interventions: benefits measured in terms of health using quality-adjusted life years (QALYs)

Wellbeing interventions: benefits measured in terms of life satisfaction (LS) and number of years the intervention is expected to last



NICE use an indicative threshold: treatments are less likely to be recommended to NHS if they cost more than £20k-£30k per QALY. For wellbeing we suggest a threshold of £2,500 for an improvement of 1 unit of LS for a year

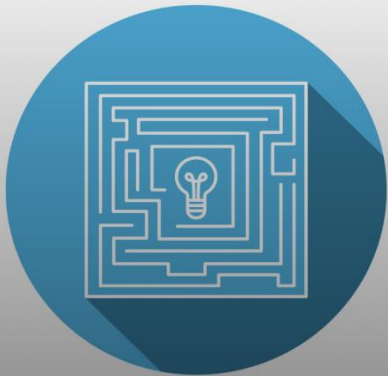
Implementing and evaluating a new wellbeing initiative

<https://whatworkswellbeing.org/guidance-for-better-workplace-wellbeing/>



Guidance for better workplace wellbeing

This guidance helps you plan, and carry out, evidence-informed programmes and activities to improve wellbeing in the workplace. Click on any button below to jump to that section.



Five principles



What works?



Context matters:
three questions



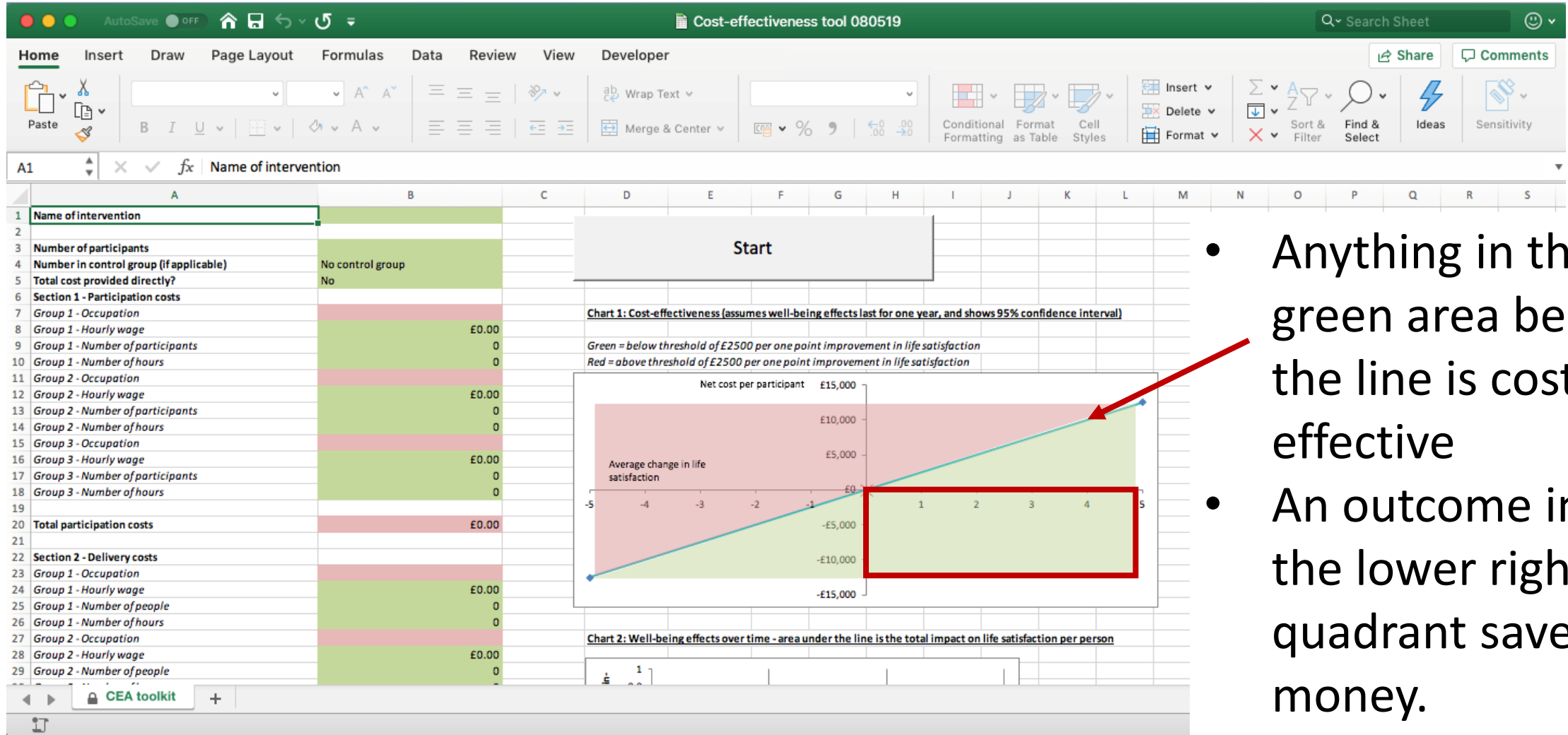
Cost effectiveness
calculator

Cost Effectiveness Toolkit

Excel spreadsheet

- i. details of the intervention
- ii. prompts and pull down menus to identify costs
- iii. productivity benefits
- iv. measures of wellbeing which are converted into life satisfaction
- v. duration of any effects (before, after and ideally medium term)
- vi. provides a Cost Effectiveness Ratio and some sensitivity analysis including confidence intervals

Cost Effectiveness Toolkit



- Anything in the green area below the line is cost effective
- An outcome in the lower right quadrant saves money.

Illustration - RCT

Fitzhugh, Michaelides, Connolly and Daniels (2019), A randomised control trial of two online mindfulness resources across five forces in England and Wales

<https://whatworks.college.police.uk/About/News/Pages/Mindfulness.aspx>



The intervention

Baseline - week 0

End of intervention – week 10

Follow-up – week 24



96



149



Control group

232

The costs

Participation costs

	MindFitCop	Headspace
Number of senior police officers	5	7
Number of other police officers	24	48
Number of civilian staff	67	94
Time spent per participant	5 hours	5 hours
Delivery personnel	Researcher spent 45 hours assisting participants	None
Other costs	£38,000 development cost	£12,000 subscription fees
Total costs	£50,838	£29,480

The costs

Delivery costs

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Productivity benefits

	Change in sickness absence (over 6 months)	Change in productivity (over 6 months)
MindFitCop	117 fewer days	6.6% improvement
Headspace	63 fewer days	11.9% improvement
Control group	274 more days	0.3% decline

Fewer days of sickness absence in both mindfulness treatment groups

Productivity benefits

	Change in sickness absence (over 6 months)	Change in productivity (over 6 months)
MindFitCop	117 fewer days	6.6% improvement
Headspace	63 fewer days	11.9% improvement
Control group	274 more days	0.3% decline

Increased productivity reported in both mindfulness treatment groups

Wellbeing benefits

	Baseline (0 weeks)	10 weeks	24 weeks
	Mean life satisfaction (0-10)		
MindFitCop	5.92	6.30	6.60
Headspace	5.74	6.80	6.95
Control group	5.94	6.02	6.17

Sustained improvements in wellbeing reported in both mindfulness treatment groups

Cost effectiveness - MindFitCop

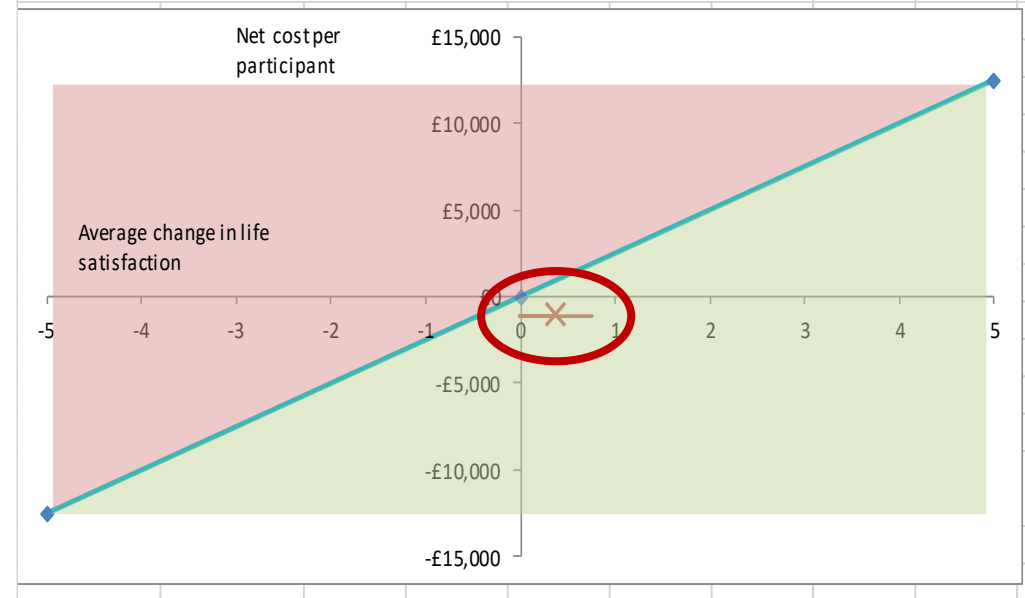


Section 4 - Productivity savings					
Additional sickness days (participants)		-117			
Additional sickness days (control group)		274			
Additional productivity (participants)		3.3%			
Additional productivity (control group)		-0.2%			
Total additional productivity savings (first year)		£159,028.86			
Net cost					
Net cost per participant		-£1,126.98	-£1,126.98	-£1,126.98	
Section 5 - Wellbeing impact					
Well-being measure used	Life satisfaction ONS (0-10)	Weeks	SD	Covariance	Sample size
Baseline (treatment)	5.92		1.96		96
Time 1 (treatment)	6.3	10	1.97	2.18	96
Time 2 (treatment)	6.6	24	1.66	1.72	96
Time 3 (treatment)	n/a	n/a	n/a	n/a	96
Baseline (control)	5.94		1.77		232
Time 1 (control)	6.02	10	1.83	1.96	232
Time 2 (control)	6.17	24	1.75	1.7	232
Time 3 (control)	n/a	n/a	n/a	n/a	232
Discount rate	0.015				
Results:					
Cost per 1 point improvement in life satisfaction per person per year		-£3,028.58			

Chart 1: Cost-effectiveness (assumes well-being effects last for one year, and shows 95% confidence interval)

Green = below threshold of £2500 per one point improvement in life satisfaction

Red = above threshold of £2500 per one point improvement in life satisfaction



Cost effectiveness - Headspace



Section 4 - Productivity savings						
Additional sickness days (participants)		-63				
Additional sickness days (control group)		274				
Additional productivity (participants)		6.0%				
Additional productivity (control group)		-0.2%				
Total additional productivity savings (first year)		£382,764.50				
Net cost		-£353,284.25				
Net cost per participant		-£2,371.04	-£2,371.04	-£2,371.04		
Section 5 - Wellbeing impact						
Well-being measure used	Life satisfaction ONS (0-10)	Weeks	SD	Covariance	Sample size	
Baseline (treatment)		5.74		1.74		149
Time 1 (treatment)		6.8	10	1.48	1.44	149
Time 2 (treatment)		6.95	24	1.53	1.35	149
Time 3 (treatment)	n/a	n/a	n/a	n/a		149
Baseline (control)		5.94		1.77		232
Time 1 (control)		6.02	10	1.83	1.96	232
Time 2 (control)		6.17	24	1.75	1.7	232
Time 3 (control)	n/a	n/a	n/a	n/a		232
Discount rate		0.015				
Results:						
Cost per 1 point improvement in life satisfaction per person per year		-£2,676.81				

Chart 1: Cost-effectiveness (assumes well-being effects last for one year, and shows 95% confidence interval)

Green = below threshold of £2500 per one point improvement in life satisfaction

Red = above threshold of £2500 per one point improvement in life satisfaction

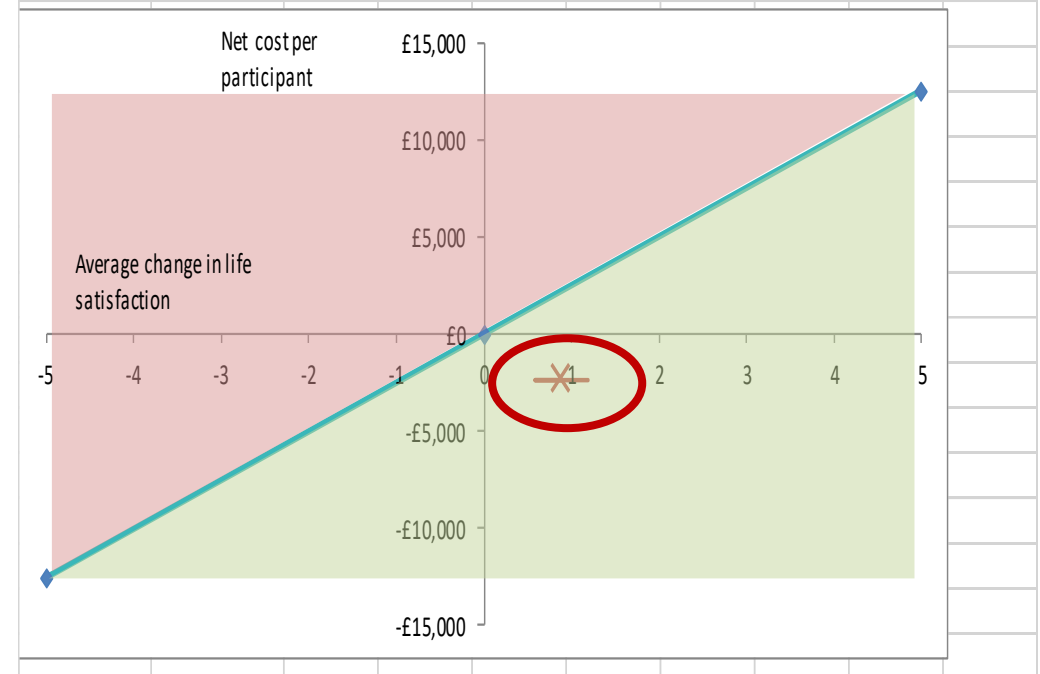


Illustration - Case Studies

The following Case Studies are examples of wellbeing initiatives put in place by 3 businesses. We have before and after data on sickness absence and staff turnover. None of the organisations collected data on wellbeing.

Higher education learning & support Flexible working hours Initiative

A HE learning and support office with 132 employees introduced flexible working hours (Flexi-time) initiative as a first step to building a healthy work force and good working environment.

The Flexi-time scheme gave the option to work flexibly around the core working hours which were 10am – 6pm. The Flexi-time options range from an earlier start at 7.30am to a later finish at 6.30pm.

The scheme is managed with employees being trusted to manage their own workload to fit around other commitments, whilst ensuring that the quality of support to students is sustained.

Post intervention - staff report feeling in more control of their work

Estimated costs and benefits	
Participation costs	£1,477.54
Delivery cost	£546.95
Planning, policy & recording system design	£4,819.63
Total costs	£6,844.12
Productivity savings	-£4,575.60
Net cost per employee*	£17.19

*[Total costs – Productivity savings] / No. of employees

Benefits

The University reported a fall in staff sickness from 3.8% to 2.4% over a 6 month period before and after flexible hours were introduced, meaning an overall saving of 50 days absence.

Over the same period staff turnover remained unchanged at 0.6% of employees (i.e. 1 in 160) leaving the team.

Local authority

Mental Health First Aid

A local authority in England, with a workforce of just under 8000, working in a range of occupations and sites introduced a programme of Mental Health First Aid (MHFA) England Champions as part of their healthy workforce plan.

The program is designed to train managers and employees to spot the signs of mental ill-health and be able to support and signpost individuals to expert help, as required, in order to improve the well-being of 'at risk' employees.

Managers who undertook the training expressed an improved confidence in dealing with employees who are experiencing mental health difficulties.

Estimated costs and benefits	
Participation costs	£4,538.96
Delivery cost	£8,579.40
Other costs (tendering, materials etc.)	£9,278.31
Total costs	£22,396.67
Productivity savings	-£3,825.45
Net cost per employee*	£2.46

*[Total costs – Productivity savings] / No. of employees

Benefits

In the period following the implementation of the training, the authority reported an increase in staff absence due to mental health which they deemed as a positive development.

The authority reported a reduction in staff turnover from 10.29% in the 12 months before to 10.13% in the 12 months following. Given the size of the workforce this generates significant productivity savings.

Construction company

Connect +

A medium sized, family owned business with a portfolio of businesses covering construction, asset management and investment projects implemented a personal development programme – CONNECT+ - to provide coaching, personalised wellbeing plans and resources to their employees.

<https://whatworkswellbeing.org/practice-examples/graham/>

The initiative was rolled out to an initial pilot group of 400 of the 1500 people employed in order to assess the effectiveness of the programme on employee well-being.

Following the introduction of the programme, 95% of employee participants rated the personality profiling and behavioural coaching as 'excellent' and said it drives personal development and performance.

Estimated costs and benefits	
Participation costs	£28,469
Delivery cost	£32,819.53
Total costs	£61,279.53
Productivity savings	- £1,101,971.20
Net cost per employee*	-£2,601.73

*[Total costs – Productivity savings] / No. of employees

Benefits

For those participating in Connect+, employee turnover fell to 1%, against a company average of 10%.

Staff sickness for this group fell from 1 day per person per annum to 0.2 days per person per annum.

Overall engagement index score increase by 15%.

The company also reported health benefits – fall in % of smokers, reduced obesity and reduced risk of heart attacks – in the Connect+ group.

Conclusions and key takeaways

- Wellbeing initiatives can generate improvement in individual job satisfaction, employee engagement, and lead to improvements in productivity.
- A cost-effectiveness approach can help make a business case for workplace wellbeing initiatives.
- Some interventions are associated with improvements in productivity which lead to cost savings and makes the business case stronger.
- Investment in employee wellbeing may have other benefits – greater team cohesion, better customer relations, improved community relations – which are not captured by the net benefits in these illustrations.

THANK YOU & QUESTIONS

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