



The Prince's  
Responsible  
Business Network



# PRIORITISE PEOPLE: THE NEXT STEP

Implementing effective metrics and  
interventions on health and wellbeing

With research from

McKinsey  
Health Institute

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# FOREWORD

In business we often say our people are our most important asset. However, with the pressures of today's increasingly uncertain world, what is done in practice is not always reflected by what is said in theory.

We live in very uncertain times where the risk of employees running on empty is rising to the top of risk registers - the so-called 'perma-crisis' on wellbeing. The cost-of-living crisis, hybrid working, loss of trust in what to believe, quiet quitting and stress are all factors leading to this 'perma-crisis', but it doesn't have to be this way.

## Research and Findings

In a 2022 survey conducted by Business in the Community, in collaboration with YouGov,<sup>1</sup> we found that employees feel that only 36% of UK senior leaders make decisions that are good for their wellbeing.

Business in the Community's [Prioritise People: unlock the value of a thriving workforce](#), report on the business case showed that there is huge economic value to be created by unlocking the value of your people – between **£4,000-£12,000 of extra value per employee, per year** – which equates to a massive 6-17% UK Gross Domestic Product (GDP).

Chief Financial Officers (CFOs) across the UK agreed with the findings of the Prioritise People report. This is what they had to say:

- They knew intuitively that there is significant value to unlock and this has, for the first time, been quantified in the [Prioritise People](#)<sup>2</sup> report

<sup>1</sup> BITC Better Work Survey, YouGov 2022

<sup>2</sup> Business in the Community, with research from McKinsey Health Institute. "[Prioritise People: unlock the value of a thriving workforce](#)". April 24, 2023

- They told us that a remaining issue is: **how do you make it real?**
- How do you turn this 'theoretical' economic value into reality in business?
- Businesses need to understand how **to make it measurable for an individual organisation, so that they can act**

This new report **Prioritise People: The Next Step** by Business in the Community, with research from McKinsey Health Institute (MHI), is a 'How-To' guide of practical, science-based measures that organisations, from large corporations to start ups, can use to measure health and wellbeing initiatives.

To establish effective measures, organisations need to consider the following:

- **The wellbeing maturity of the organisation:** to establish measures that are specific to the journey they are on
- **Three types of metrics:** minimum reporting metrics, measures of economic value and measures of the underlying drivers of wellbeing
- **Link to value:** choosing the right metrics that link directly to the value
- **Data:** start on collection and measurement, then build up the quality of the data. It doesn't have to be perfect on day one
- **Enterprise leadership:** build leadership accountability through the data, inspiring action

We recognise that practicality is what UK businesses need. Creating simple, meaningful wellbeing measures will also help CFOs with their Environmental, Social, and Governance (ESG) sustainability reporting. For example, aligning actions on health and wellbeing with those on the environment to improve the interventions' efficiency and impact. This could include delivering programmes which improve biodiversity, whilst connecting employees to nature to enhance their mental health or mitigating the direct impacts of climate change, such as heat stress or eco-anxiety.



[The Power of Nature for Employee Wellbeing – Business in the Community \(bitc.org.uk\)](https://www.bitc.org.uk)

This report is designed to be relevant to everyone in an organisation, from the employees themselves to those at C-suite level.

- For executives, this report will help them understand where to start if they wish to capture tangible value and improve employee health and wellbeing in their organisation.
- For HR managers and dedicated health and wellbeing managers, this report should help set an ambition that matches business priorities. It also outlines how to start measuring health and wellbeing and how to structure a portfolio of interventions
- For individual employees, this report should empower them to advocate for the measurement and tracking of health KPIs and wellbeing initiatives at their organisation.

CFOs and British business leaders are encouraged to act today. By using this practical guide to implement effective metrics and interventions on health and wellbeing and capturing the value outlined in the [Prioritise People](#) report, we can improve the health of our people, create an environment where they can thrive and make British business more profitable.



**David Wright,**  
Group Chief Engineer & Chief  
Risk Officer, National Grid

**This report was prepared by Business in the Community's (BITC) Wellbeing Leadership Team, with support and research from McKinsey Health Institute (MHI).**

# INTRODUCTION

## WHY INVEST IN SUPPORTING EMPLOYEE HEALTH AND WELLBEING?

Recent reports from the World Wellbeing Movement and the Oxford Wellbeing Research Centre have shown that in the UK, one in eight people are living below the Happiness Poverty Line. The UK has not yet recovered to pre-pandemic wellbeing levels and is at risk of falling out of the Top 20 Countries' Global Ranking for Happiness, dropping from 13<sup>th</sup> place in 2019 to 20<sup>th</sup> place in 2023<sup>4</sup>.

BITC's recent research highlighted that there is strong will from line managers to promote wellbeing and 73% of senior leaders feel that wellbeing is a core competency of their job role<sup>5</sup>. However, this does not always transfer into practice, with two thirds of managers' (65%) reporting having to put the organisation's interests above their team's wellbeing on a sometimes daily basis<sup>5</sup>.

In our 2023 report, [Prioritise People: Unlock the Value of a Thriving Workforce](#), we estimated the Economic Value Proposition (EVP) for placing employees and their wellbeing at the heart of their organisations. The estimated total global opportunity for optimising employee health and wellbeing is £2.9-9.2 trillion, which is equivalent to raising the global GDP by 4% to 12%<sup>6</sup>.

Executives were excited to learn about the potential benefits of getting their employee wellbeing strategy right. This report aims to help employers create, measure and implement actions to improve their employees' health and wellbeing.

<sup>3</sup> World Wellbeing Movement, "The UK Wellbeing Report", March 2024

<sup>4</sup> The Oxford Wellbeing Research Centre, "The World Happiness Report", March 2024

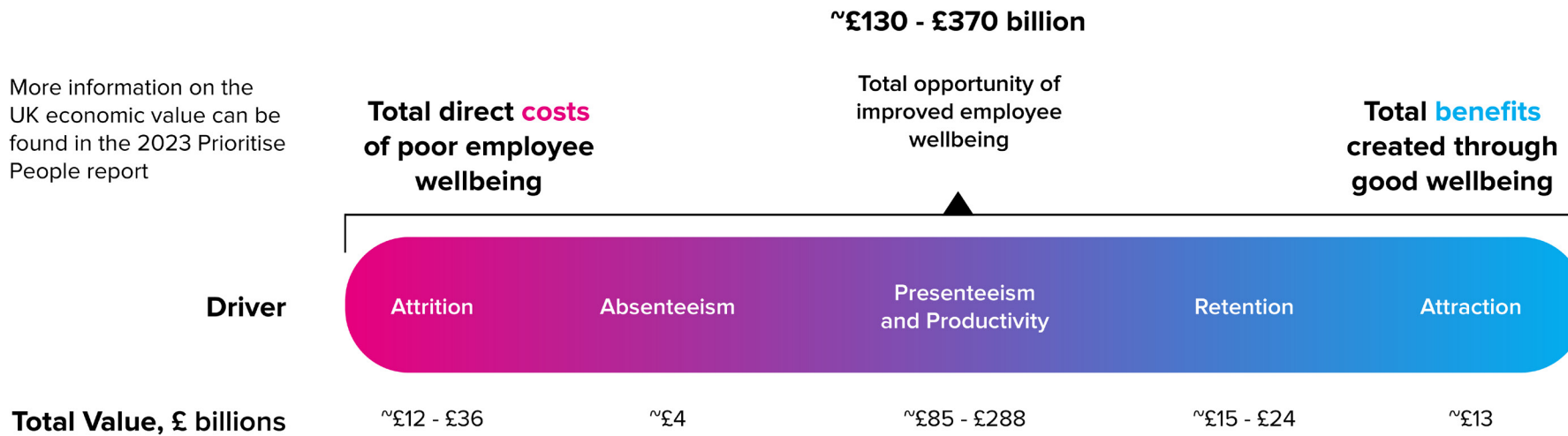


<sup>5</sup> BITC Better Work survey, YouGov 2022

<sup>6</sup> McKinsey Health Institute. "Working nine to thrive", March 2024

## RECAP: WHY INVEST IN EMPLOYEE HEALTH AND WELLBEING? UK ECONOMIC VALUE

More information on the UK economic value can be found in the 2023 Prioritise People report



Estimated values – total rounded to nearest £10 billion

A woman with braided hair, wearing a black lace top, is looking at a laptop screen. A man with glasses is leaning in, looking at the screen. In the background, another person is sitting at a desk with a laptop. The scene is set in an office with wooden desks and blue chairs. There are colorful geometric overlays: a pink triangle on the left and a blue triangle on the right.

# HOW TO MEASURE EMPLOYEE HEALTH AND WELLBEING

## A) THE CURRENT LANDSCAPE

We heard from CFOs that calculating the value at stake from improving attrition, absenteeism, retention, attraction, is important – but this is still theoretical. They wanted to know how to measure employee retention in practice. How do you ensure your organisation is set up to assess where it sits across these drivers and how do you improve them?

Many organisations are starting to consider which metrics they can use to assess the health and wellbeing of their employees, but we know that they often find this challenging, as they are unsure what data to use and how to best align this with their business priorities and ambitions.

For example, BITC found that only 36% of all managers are using data to assess the mental health and wellbeing of their employees<sup>7</sup>. This number was higher for senior leaders from large organisations (42%) vs medium-sized enterprises (33%).

However, choosing and tracking employee wellbeing KPIs is essential for employers wanting to improve employee wellbeing, capturing the value at stake and differentiating themselves from competitors with a stable and high-performing workforce.

Furthermore, there is an increasing expectation on companies to measure employee health as part of the “S” in Environmental,

Social and Governance (ESG). The European Corporate Sustainability Reporting Directive has introduced guidance that strengthens the rules concerning the social information companies have to report, launching for the first companies in 2024<sup>8</sup>.

## B) HOW TO SELECT KPIS FOR MEASURING EMPLOYEE HEALTH AND WELLBEING

It is important that organisations choose a list of metrics to track that aligns with their employee health and wellbeing priorities, as there is no one-size-fits-all KPI dashboard that works for everyone. The following factors need to be taken into consideration as companies think about how to measure employee and wellbeing:

1. **Organisation size:** large organisations may face more complexity in gathering large amounts of data across multiple locations than smaller or single-site organisations. Smaller organisations may have issues collecting or accessing anonymised data.
2. **Maturity along the employee health and wellbeing journey:** some organisations will already be collecting data and have longitudinal data, others will want to establish a baseline that they measure from.

<sup>7</sup> BITC Better Work survey, YouGov 2022

<sup>8</sup> [Supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards](#), Official Journal of the European Union, July 2023



3. **Industry:** some industries will experience more complexity than others regarding data collection, e.g. combining permanent staff vs short-term workers or contractors, making measurement more challenging.
4. **Leading vs lagging indicators:** organisations should include both **leading (proactive)** and **lagging (reactive) indicators**<sup>9</sup> in their KPI dashboard to ensure they are aware of employee health and wellbeing challenges that are already present, as well as tracking emerging issues. An example of a leading indicator would be the number of work-related injuries and an example of a lagging indicator is the employee turnover rate.
5. **Indicators of outcomes vs drivers:** organisations should consider both metrics that measure outcomes of wellbeing, as well as those measuring drivers of wellbeing. KPIs measuring the drivers of wellbeing may be more difficult to track (and will require surveying employees), but they will track the root causes of health and wellbeing challenges and allow organisations to identify more tailored initiatives to support their people and improve their organisational culture.



<sup>9</sup> See appendix for examples of leading and lagging KPIs

### C) MEASURING EMPLOYEE HEALTH AND WELLBEING OUTCOMES VS THE UNDERLYING DRIVERS OF THOSE OUTCOMES

As organisations design their KPIs, there are three different types of KPIs to consider for inclusion in their dashboard (exhibit 1).

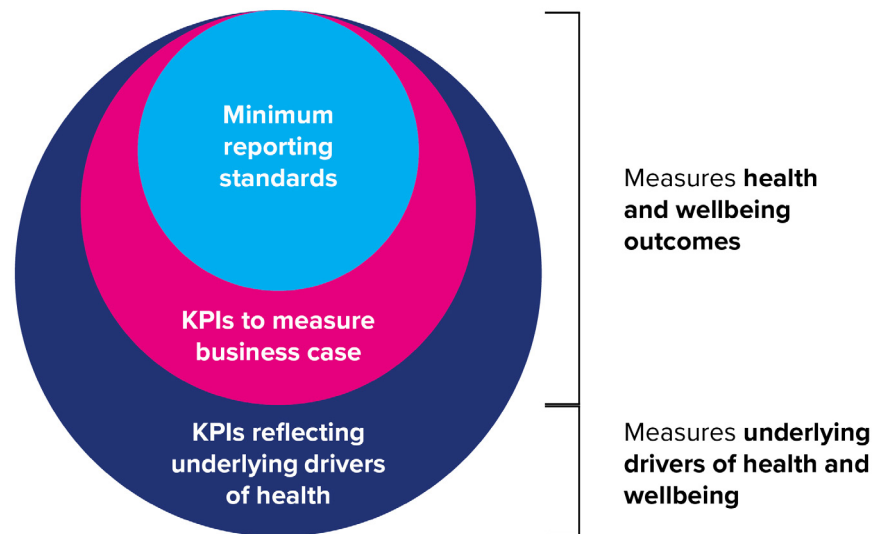


Exhibit 1

**KPIs to meet minimum reporting standards:** we expect there will be a minimum set of KPIs that organisations will increasingly be required to track as part of the “S” in ESG (i.e. EU Corporate Sustainability Reporting Directive (CSRD)).

*Example: injuries resulting from work-related ill health*

**KPIs to measure the business case:** KPIs which are aligned to the factors in the business case for investing in wellbeing (as laid out in our 2023 Prioritise People report<sup>10</sup>).

*Example: % of productive days/hours lost per employee due to poor wellbeing*

**KPIs to measure the underlying drivers of health:** KPIs which measure the underlying drivers of employee health and wellbeing in the workplace. Recent McKinsey Health Institute research tested twenty-six identified drivers of health and wellbeing in the workplace across a set of demands and enablers<sup>11</sup>. Some of these drivers were more strongly correlated with burnout (e.g. negative workplace behaviours), and others more strongly with optimal health (e.g. self-efficacy, adaptability<sup>12</sup>).

*Example: presence of negative workplace behaviours, role ambiguity, sense of belonging*

<sup>10</sup> Business In The Community, with research from McKinsey Health Institute. “[Prioritise People: unlock the value of a thriving workforce](#)”. 2023

<sup>11</sup> McKinsey Health Institute. “Reframing employee holistic health: The next phase beyond burnout.” 2023

<sup>12</sup> Brassey, J., De Smet, A., and Kruyt, M. Deliberate Calm: How to Learn and Lead in a Volatile World. Harper Collins, 2022

## D) WHAT A KPI DASHBOARD COULD LOOK LIKE

A good KPI dashboard should include a broad range of metrics that cover the minimum reporting standards, the business case and underlying drivers of health, as well as leading and lagging indicators.

This balanced KPI dashboard will give employers a well-rounded overview of the health and wellbeing of their employees and allow them to track the effectiveness and value on investment of any initiatives they choose to implement. Each organisation should construct its own bespoke dashboard – but as a starting point, an example dashboard is shown in (exhibit 2).



# KPI DASHBOARDS COULD BE USED TO TRACK DATA, METRICS AND INDICATORS TO ENSURE PROGRESS

This sample KPI dashboard tracks data across all the value pools

OUTCOME	METRIC	UNIT	SCORE	KPI TYPE	TREND VS. LAST QUARTER	PERFORMANCE VS. BENCHMARK
Attrition	Incidents of work-related injury or ill-health	#	X	→	↑	↑
	Employee turnover due to wellbeing	%	X%	←	→	→
Absenteeism	Days lost to work-related injuries or ill-health	#	X	←	→	→
	Occurance of individual health risks correlated with poor wellbeing	#	X	→	↓	↓
Presenteeism and Productivity	Participation in performance reviews	%	X%	→	↑	↑
	Hours worked vs. total revenue	%	X%	←	↓	↓
	High work pressure (self-reported)	%	X%	←	↓	↓
Retention	Accrued paid time off taken	%	X%	→	→	→
	Employer Net Promotor Score	#	X	→	↑	↑
Attraction	Sense of belonging (self-reported)	%	X%	→	↑	↑
	Symptoms of burnout (self-reported)	%	X%	←	→	→
Employee wellbeing outcomes	Good holistic health (self-reported)	%	X%	←	↓	↓

- Business Case
- Minimum reporting standards
- Underlying drivers of health
- Positive
- Neutral
- Negative
- ← Lagging indicator for wellbeing (reactive)
- Leading indicator for wellbeing (proactive)

The dashboard includes all three types of KPIs

The sample KPI dashboard tracks metrics against the previous quarter

The dashboard contains both leading and lagging indicators

This is a sample KPI dashboard with illustrative data. Each organisation should select their own KPIs (see guiding principles). See Following pages in this report for a longlist of suggested KPIs

## Exhibit 2

## E) GUIDING PRINCIPLES FOR HOW TO IMPLEMENT KPI MEASUREMENT

First, organisations need to identify their data requirements and set up systems for gathering that data. Many have experts such as functional information managers, data architects and data analysts to provide such support. Where feasible, data architecture should be developed to allow linking from multiple sources in a meaningful way, e.g. data from Employee Assistance Programme (EAP) providers, occupational health support providers and wellbeing app providers. Overlaying data from multiple vendors can be a significant challenge, however, an imperfect solution is likely to be better than none.

Examples of actions that organisations can take:

- **Ensure that their vendors support them in collating their data sources** – setting up a cross-functional working group to agree upon the data sources the company will use. Qualitative data should be included in the set of sources, and used for KPIs as well as quantitative data.
  - **Establish a regular reporting cadence** – organisations could align on a regular schedule for tracking and reporting (e.g. quarterly, bi-annually) to stay accountable and integrated with business and functional reporting/strategy meetings.
  - **Build leadership accountability** – organisations could engage senior leaders throughout the process of developing the KPIs to gain their support for the dashboard and to help share results around the organisation.
- **Show the impact of the work** – people will expect organisations to share the results and/or take visible action to improve the dimensions measured. Not doing so will likely lead to fewer participants willing to share their views next time.
  - **Set guardrails that are achievable and relevant to the business** – organisations may choose to set targets for their KPIs. If so, we suggest choosing targets which are feasible and work with their context and industry. Benchmark against other organisations in their industry to ensure relevance (where benchmarks are available) and re-evaluate them regularly to ensure they're up to date.

Employers may wish to use the same methodology that was used in the Prioritise People report, to calculate the value they could unlock by improving the health and wellbeing of their employees. Suggested data sources for this are included in the appendix.



**HOW TO DEVELOP A  
SET OF INITIATIVES TO  
IMPROVE EMPLOYEE  
HEALTH AND WELLBEING**

Measuring the health and wellbeing of employees is a first step but many organisations will want to also use KPIs to measure the effectiveness of initiatives and/or solutions deployed to improve health and wellbeing.



Some organisations have invested in solutions to improve the health and wellbeing of their employees. For example, BITC’s research found that only 48% of senior leaders think their organisation is effective at planning how to improve health and wellbeing for their employees<sup>13</sup>.

However, many companies fail to see real return on their investment in this area because they do not address the root causes behind poor wellbeing outcomes or because they don’t understand what drives optimal wellbeing<sup>14</sup>.

For example, many organisations invest in reactive initiatives once an employee has fallen into poor health (e.g. offering cognitive behavioural therapy (CBT) services), rather than proactive initiatives to improve health (e.g. implementing proactive recovery breaks, developing wellbeing ways of working or implementing a psychological safety culture). While addressing poor health through an initiative such as CBT is extremely important and impactful, this alone will not *prevent* wellbeing challenges from arising.

This was supported by a recent study by McKinsey Health Institute across more than 30 countries, which showed that poor health outcomes were mostly associated with job and team-level factors. To move employees towards optimal health, the study demonstrated the importance of addressing factors at all levels: individual, job, team, and organisational<sup>14</sup>.

<sup>13</sup> BITC Better Work survey, YouGov 2022

<sup>14</sup> McKinsey Health Institute. “Reframing employee holistic health: The next phase beyond burnout.” November 2023

Whilst there is no quick solution to improve the health and wellbeing of employees, organisations which have done this successfully typically take three steps as shown in (Exhibit 3).

## THERE ARE 3 STEPS TO DEVELOP AND IMPLEMENT YOUR INITIATIVE STRATEGY

### Identify your goals and priorities

**a**

Identify your most impactful opportunities for change

Understand where you are and set the scale of your ambition

Take inventory of the steps your organisation is already taking and how effective they have been

### Select initiatives

**b**

Select a portfolio of initiatives with the goal and intended audience in mind

Ensure your initiatives portfolio addresses both root causes and outcomes relating to employee health

### Implement, track, and iterate

**c**

Identify pilot cells, structuring pilots that learnings can be generalised to support a broader rollout

Implement and measure, choosing timing strategically and with an accountable senior leader

Radiate and scale, choosing clear and memorable KPIs to stay accountable and radiating progress across your organisation to keep the momentum

**Exhibit 3**



## A) IDENTIFY EMPLOYEE HEALTH AND WELLBEING GOALS AND PRIORITIES

The first step, identifying goals and priorities, sets the groundwork. This includes defining an organisation's employee health and wellbeing aspiration, diagnosing the maturity of its current practices and defining the concrete and measurable objectives it wishes to accomplish through its portfolio. These actions are ideally driven by the business, rather than solely by HR.

For example, employees can personally input into the wellbeing strategy via workshops/focus groups, to ensure their voices and needs are being captured.

It is also important to make sure there is a clear link between the initiative and how it will support the strategy. For example, discussing how well the company is meeting its wellbeing ambition as part of its regular cycle of reviewing business performance. The wellbeing aspiration should also align with the business aspiration and purpose.

Setting the aspiration requires an understanding of where the organisation struggles vs where employees are well supported. There are multiple ways of diagnosing an organisation's maturity on employee health and wellbeing, with some indices and surveys available free-of-cost. Select an assessment that can provide feedback on the company's progress against measurable metrics or outcomes, which can be used to track progress and monitor improvement over time. Many organisations also ensure that these assessments are aligned with and/or complement their regular employee engagement surveys or pulse checks.

The Business in the Community Workwell Self-Assessment tool was developed in collaboration with experts from across UK industry to evaluate the level of your organisation's workforce health and wellbeing strategies. This tool can be deployed in your organisation free-of-charge and is designed to suit diverse organisations of different sizes, sectors, and maturity levels. Please click here to visit our [Workwell Self-Assessment tool webpage](#) where you can learn more about the tool and how to translate your results into an action plan of targeted initiatives to support your organisation's health and wellbeing. In addition and complementary to the tool, you can access McKinsey Health Institute's [Employee Health Platform](#) free-of-charge. McKinsey Health Institute offers an employee experience survey that can be leveraged for baselining. The platform also offers a review of academic literature and industry case studies for inspiration into initiatives organisations have deployed. All organisations differ in context, needs, culture, and resourcing which should be considered when reviewing adoption of existing programmes at other firms.

See Mott Macdonald's case study (pg 18) on how they took an evidenced based approach to wellbeing goals and priorities.

## B) SELECT INITIATIVES

The next stage is to select a portfolio of initiatives which aim to address the organisation’s challenges, as well as achieve its overall ambition for employee health and wellbeing.

A good place to start is to consider what meets the immediate needs of individuals in 'poor health' (e.g., high anxiety levels, burnout). For example, infrastructure to support employees in emergencies and an EAP, currently available to 75% of the entire UK workforce, are a valuable means of meeting the immediate mental health support needs of individuals but are not a substitute for medical help<sup>15</sup>.

At the heart of a more proactive approach to wellbeing is behaviour change and behaviour change is hard. Innovation will be required, and it will take a combined effort by employers and expert providers to change behaviours that affect both physical and mental health.

For some colleagues the priority could be mental health and psychosocial risk, while for others their primary needs may be more physical. This can vary according to the age group of the organisation’s employees and could be addressed using different initiatives.

For example, physical health can be proactively addressed through targeting the increasing risks of type 2 diabetes, cardiovascular disease and cancer, by offering easier access to solutions which help colleagues to achieve greater physical health and performance, both at work and at home. An additional example is creating work environments with ample natural light and access to healthy food to help employees struggling with getting consistent, high-quality sleep<sup>16</sup>.

## CASE STUDIES

**nationalgrid**



See how **National Grid** implemented their intervention on Musculoskeletal Health which significantly reduced the need for medical intervention and improved employee physical health.



See how **Mott MacDonald**, improved sickness absence and completion of workstation training following a successful educational campaign focused on Musculoskeletal Health (MSK) in 2023.



<sup>15</sup> EAPA Holding it Together Report, 2023

<sup>16</sup> McKinsey Health Institute. [“Working Nine-to-Thrive”](#) 13 March 2024

To effectively address mental health and psychosocial risks, organisations could offer increased clinical support through psychotherapy. This complements efforts to address the root causes such as negative workplace behaviors, unsustainable working hours, and non-inclusive environments. Evidence suggests that eliminating negative workplace behaviour is crucial to unlocking the effectiveness of other initiatives<sup>17</sup>. Targeted initiatives can be incorporated into the portfolio to address complex factors, such as negative workplace behaviour, which may be a root cause for several symptoms of wellbeing challenges visible in the organisation. For example, establishing a zero-tolerance policy for negative work behaviour and creating anonymous feedback processes through which employees can report it. These proactive approaches will help to address the issues once they occur and stop them at their source<sup>18</sup>.



#### **BITC's Everyday Inclusion: What Really Works?**

report explores the evidence-based tactics employers can adopt to create inclusive working cultures where all employees can thrive<sup>19</sup>.

Other risks include excessive pressure and workload, which are the leading contributors to work-related poor mental health. In 2022, BITC's research highlighted that 36% of UK employees experienced a work-related mental health problem in the previous year. Of those who reported this, the leading underlying causes were excessive pressure, targets, workload or having to work overtime and/or rarely taking leave<sup>20</sup>.

National Grid addressed this through deploying an innovative approach to monitor employee workload through their comprehensive employee engagement survey, aligning closely with the Health, Safety, and Environment (HSE) Management Standards, with a particular focus on the 'demands' aspect to measure workload.

By mapping specific questions in the survey to these standards, National Grid captures and aggregates employee responses into a percentage of favourable answers, providing a clear workload pressure score for each team.

This method is consistently applied across all HSE Management Standards, to allow for more insight. Now in their seventh year of this practice, National Grid have gathered a significant dataset, enabling them to track trends over time and identify high risk teams of workload pressures. This robust, long-term approach not only enhances National Grid's understanding of their employee workload, but also serves as a crucial tool in managing and mitigating workload-related risks across their business.

<sup>17</sup> McKinsey Health Institute. "[Addressing employee burnout: are you solving the right problem?](#)" 27 May, 2022

<sup>18</sup> McKinsey Health Institute. "[Working Nine-to-Thrive](#)" 13 March 2024

<sup>19</sup> Business in the Community. "[Everyday Inclusion: what really works?](#)" 5 November 2020

<sup>20</sup> Business in the Community. "[Revolutionise Your Workplace: Your Job Can Be Good For You](#)". 8 June 2022

When designing a portfolio of initiatives, organisations should seek to fix the challenges first, then focus on going from good to great. To get to this next level, organisations likely need to shift their mindset and start considering employees' performance in line with investing in their mental and physical health, along with their skills. As in any team sport, supporting individual health and wellbeing can lead to collective excellence.

Finally the portfolio should be manageable over time, with initiatives prioritised and sequenced, rather than adopted all at once. The initiative portfolio should be integrated in yearly strategy plans, with the most critical initiatives prioritised near-term to support the rollout of the rest of the initiatives selected.

### **C) IMPLEMENT, TRACK, AND ITERATE TO MAKE THE CHANGE SUSTAINABLE**

Once an organisation has selected its portfolio of initiatives, a structured implementation approach will help to effectively deploy them. There are five key considerations for successful implementation of a wellbeing strategy.

Firstly, implementation should be iterative with built-in opportunities for testing and refinement. Starting with a pilot group is an effective way to test an initiative portfolio in a contained setting. Pilots should be designed in such a way that learnings can be easily scaled. Optimising the pilot design according to scientific standards will help achieve better insights, e.g., using a control group and validated measures, changing one variable at a time. After running a pilot, outcomes can be reviewed, and learnings synthesised before full rollout. The approach can then be iterated and refined before broadening the audience. Learning does not stop after the pilot. If the initiative did not achieve the desired results, this is a good opportunity for an organisation to “cut their losses” and re-prioritise resources towards different initiatives that may be more effective.

Secondly, initiatives should be rolled out at all levels of the organisation. For example, engaging front-line employees to drive initiatives as well as corporate HQ. This ensures initiatives are developed in a user-centric way, maximising engagement and ultimately the success of a wellbeing strategy.

## CASE STUDY



See **Anglian Water's** case study on how they mobilised their lorry drivers to get fit and healthy.



Thirdly, results should be communicated widely to build momentum. This reminds employees that health and wellbeing is valued by the organisation. Organisations can share dashboards or key messages across internal media platforms. In addition, leaders may wish to seek feedback from employees about ways they could improve how initiatives are deployed or add additional initiatives to the pilot. Listening to employees should be an inherent part of any wellbeing philosophy and not be limited to running surveys.

Fourth, initiatives should be tailored to the organisation's specific size and needs.

An example of how a small/medium enterprise (SME) tailored its offering and implementation is provided by MOSL, the market operator for the business water retail market. Historically, the company used engagement surveys to measure wellbeing which it felt lacked sufficient insight on employee sentiment, making it difficult to develop targeted interventions. In response MOSL

developed a dedicated Wellbeing Strategy, with support from its Mental Health First Aiders (MHFAs) and implemented three complementary initiatives. This included the rollout of a dedicated survey tool with self-service capabilities for managers and employers, tailored questions to SMEs, and heatmap scoring across multiple wellbeing areas (purpose, capability, connectivity etc.). Next, MOSL introduced wellbeing sessions focused around the themes surfaced by the tool (e.g., sleep, stress management, and personal connection in a hybrid working environment) and leveraged speakers from partner organisations to provide expertise and resources. At the same time, MHFA training (including Mental Health Awareness and Mental Health Champions training) was offered to all colleagues across the organisation to encourage more open conversations around mental health. The programme was effective, reflected in high attendance of the optional training (MHFA completed by ~45% of employees) and monthly webinars (regular engagement by 30-50 employees). Employee feedback highlighted how learnings can be applied in the workplace but have also been hugely beneficial in colleagues' conversations with friends and family.

Finally, a leader should be chosen with accountability for delivery of the initiative, preferably a senior level (i.e. executive team level) team member other than the CHRO (Chief HR Officer/HR leader). This links initiatives to the business and encourages successful implementation. The organisation's employee health and wellbeing strategy should become a fixed agenda topic in core meetings, with outcomes on the agenda for board and management team meetings. By fostering regular discussion on this topic, awareness will increase within the organisation around the initiative strategy and momentum will be created to support it.



**CONCLUSION**

# CONCLUSION

Measuring current employee health and wellbeing is essential if organisations want to create a business case for investing in employee health and wellbeing, to measure the effectiveness of any initiatives that the organisation chooses to deploy, and to capture the £4,000-12,000 value at stake per employee.

There is no “one-size-fits-all” KPI dashboard that works for all organisations, as it will depend on size, maturity, and industry. However, a good KPI dashboard should include a broad range of metrics that cover the minimum reporting standards, the business case, and underlying drivers of health, as well as leading and lagging indicators. This approach will allow employers to have a well-rounded snapshot of the wellbeing of their employees and allow them to track the financial impact of improving health and wellbeing, as well as the effectiveness and value of investment of the health initiatives implemented.

Similarly, there is no “one-size-fits-all” portfolio of initiatives that works for every company. The portfolio should meet the overall strategy of the business and the specific aims of the health and wellbeing strategy. A well-rounded initiative portfolio for employee health and wellbeing addresses both the causes and effects of poor wellbeing and aims to move employees to more optimal health. Initiatives with a robust evidence base of success should be selected where possible but many valid potential initiatives have not been tested in an academic context and can still be impactful to explore.

A structured implementation approach is required for wellbeing initiatives and should follow an iterative process to ensure that learnings from pilots are integrated into the initiative approach, before being rolled out to the full organisation.

There is a multitude of reasons why organisations may choose not to report, from lack of availability of data through to the fear of the consequences of reporting. Understanding the specific reasons for that organisation failing to report is an important starting point in overcoming that barrier.

While it may seem daunting, there are several great examples from industry of employers taking the plunge and investing in new and innovative ways of supporting their employees during these difficult and unpredictable times. While no company has yet cracked the code to this complex topic, those that focus their efforts on supporting their people through well-balanced programmes are reaping the benefits of improved employee wellbeing through improved productivity, attraction, and retention, as well as reduced attrition, absenteeism, and presenteeism<sup>21</sup>. The best time to start is now.

<sup>21</sup> Business In The Community, with research from McKinsey Health Institute. “Prioritise People: unlock the value of a thriving workforce”. April 24, 2023

# ABOUT THE AUTHORS

## McKINSEY HEALTH INSTITUTE

MHI is an enduring, non-profit-generating entity within McKinsey & Company. It was founded on the conviction that, over the next decade, humanity could add as much as 45 billion extra years of higher-quality life. MHI's mission is to catalyse the actions needed across continents, sectors, and communities to realise this possibility.

## BUSINESS IN THE COMMUNITY (BITC)

BITC and our network of business members are leading a movement to create a fair and sustainable world in which to live and work. Formed in 1982, and with His Majesty King Charles III as our Royal Founding Patron, we are the largest and longest-established membership organisation dedicated to responsible business. We work with our network of businesses that represent more than 20% of the UK workforce to continually grow responsible business practices, uniting their efforts for greater social and environmental impact in our communities.

## BUSINESS IN THE COMMUNITY WELLBEING LEADERSHIP TEAM

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- Vicki Sloan, Head of Wellbeing, Anglian Water Services
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- Enoma Woghiren, Group Head of Safety Health and Wellbeing, National Grid
- Dr Fiona Adshead, Chair, Sustainable Healthcare Coalition




# APPENDIX

## OVERVIEW OF SUGGESTED KPIS

**Business case driver**  
Value at stake to UK economy,  
£ billions (total = £130-370)

 Minimum reporting standards

 Measuring the business case

 Underlying drivers of health

**Total direct costs of poor employee wellbeing**



Attrition ~£12-£36	<ul style="list-style-type: none"> <li># of incidents of work-related injury or ill-health</li> </ul>	<ul style="list-style-type: none"> <li>% rate of employee turnover (due to wellbeing, if available)</li> </ul>	<ul style="list-style-type: none"> <li>% indicating they experience negative behaviour at work<sup>1</sup></li> <li>% reporting they don't know what is expected of them or that the requirements of the job are not clear</li> <li>% indicating they feel there is a good chance they could lose their job</li> </ul>
Absenteeism ~£4	<ul style="list-style-type: none"> <li># of days lost to work-related injuries or ill-health</li> <li>% of long-term vs. short-term absences</li> </ul>	<ul style="list-style-type: none"> <li>% rate of occurring individual health risks correlated with poor well-being (e.g., cardiovascular health, obesity)</li> </ul>	<ul style="list-style-type: none"> <li>% indicating they experience negative behaviour at work<sup>1</sup></li> <li>% reporting interpersonal conflict among the people they work with</li> </ul>
Direct healthcare costs <sup>3</sup>		<ul style="list-style-type: none"> <li>Value of health insurance claims received</li> </ul>	
Presenteeism and Productivity ~£85-£288 <sup>2</sup>	<ul style="list-style-type: none"> <li>% of employees participating in regular performance and career development reviews</li> </ul>	<ul style="list-style-type: none"> <li># of hours worked / total revenue</li> <li>% change year-on-year in total revenue / all-in personnel costs</li> </ul>	<ul style="list-style-type: none"> <li>% indicating they experience negative behaviour at work<sup>1</sup></li> <li>% indicating they feel that they have a heavy workload</li> <li>% indicating they feel under a lot of pressure at work</li> <li>% reporting they don't know what is expected of them or that the requirements of the job are not clear</li> <li>% confident in ability to deal efficiently with unexpected events</li> <li>% reporting opportunities to learn new skills and grow at work</li> </ul>
Retention ~£15-£24	<ul style="list-style-type: none"> <li>% of accrued paid time off taken</li> <li>% of days working &gt;8 hrs</li> </ul>		<ul style="list-style-type: none"> <li>% reporting their job allows them to determine how to carry out their work</li> </ul>
<b>Total benefits created through good wellbeing</b>	Attraction ~£13	<ul style="list-style-type: none"> <li>Employer Net Promotor Score (externally reported metric)</li> </ul>	<ul style="list-style-type: none"> <li>% reporting fit between their job and their knowledge, skills, and abilities</li> <li>% reporting sense of belonging at organisation</li> <li>% who feel a sense of purpose and accomplishment in their work</li> </ul>
	Employee wellbeing outcomes	<ul style="list-style-type: none"> <li>% of employees self-reporting symptoms of burnout</li> <li>% of employees self-reporting good holistic health</li> </ul>	

1. Negative behaviour may include being belittled, put down in front of others, or ridiculed, being the target of demeaning comments, being shut out of conversations, having negative comments being made about them to others, being verbally abused or threatened by clients, customers, or patients  
 2. Incremental value captured from presenteeism is ~£0-£110bn depending on the extent of overlap with increased productivity  
 3. Direct healthcare cost not included in UK Business Case

## SUGGESTED KPIS MEASURING OUTCOMES OF WELLBEING (1/2)

	RELEVANT BUSINESS CASE DRIVER(S)	METRIC	DATA SOURCE	RATIONALE FOR INCLUSION	
Business case component Total direct costs of poor employee wellbeing	Attrition	→ # of incidents of work-related injury or ill-health	HR data and/or analysis of HSE standards	Objective measure of cost of poor employee health and well-being; included in European Sustainability Reporting Standards (ESRS)	● Business Case
	Attrition	← % rate of employee turnover (due to wellbeing, if available)	HR data and/or analysis of HSE standards	Objective measure of cost of poor employee health and well-being	● Minimum reporting standards
	Absenteeism	← # of days lost to work-related injuries or ill-health Alternative: % of long-term vs. short-term absences (with long-term absence to be defined by employer)	HR data and/or health risk analysis	Individual health risks are a leading KPI for well-being outcomes	● Underlying drivers of health
	Absenteeism	← % rate of occurring individual health risks correlated with poor well-being (e.g., cardiovascular health, obesity)	HR data and/or health risk analysis	Objective measure of cost of poor employee health and well-being; included in European Sustainability Reporting Standards (ESRS)	← Lagging indicator for wellbeing (reactive)
	Direct healthcare costs	← Value of health insurance claims received	HR data and/or health risk analysis	Objective and direct measure of the cost of poor employee health and well-being	→ Leading indicator for wellbeing (proactive)
	Presenteeism and Productivity	→ % of employees participating in regular performance and career development reviews	HR and Finance data	Easily understood productivity metric linked back to company value	
	Presenteeism and Productivity	← # of hours worked / total revenue Alternative: % change year-on-year in total revenue / all-in personnel costs	HR and Finance data	Easily understood productivity metric linked back to company value	

## SUGGESTED KPIS MEASURING OUTCOMES OF WELLBEING (2/2)

		RELEVANT BUSINESS CASE DRIVER(S)	METRIC	DATA SOURCE	RATIONALE FOR INCLUSION
Business case component	Total direct costs of poor employee wellbeing	Attraction	→ <span style="background-color: #00AEEF; color: white; padding: 2px;">Employer Net Promotor Score (externally reported metric)</span>	Externally reported	Widely understood metric; easy to find for larger employers
		Retention	→ <span style="background-color: #E91E63; color: white; padding: 2px;">% of accrued paid time off taken Alternative: % of days working &gt;8 hrs Alternative: % of employees self-reporting sufficient recovery time and capability</span>	HR data and employee survey or app data	Leading KPIs assessing effectiveness of current well-being resources and linking to retention Some stress on the job is manageable, as long as there is sufficient time and ability to recover from it
	Employee wellbeing outcomes	All	← <span style="background-color: #00AEEF; color: white; padding: 2px;">% of employees self-reporting symptoms of burnout</span>	Employee survey and HR/ Finance data	Burnout is a key outcome reflecting employee wellbeing
		All	← <span style="background-color: #00AEEF; color: white; padding: 2px;">% of employees self-reporting good holistic health</span>	Employee survey	Holistic health is a key outcome reflecting employee wellbeing

- Business Case
- Minimum reporting standards
- Underlying drivers of health
- ← Lagging indicator for wellbeing (reactive)
- Leading indicator for wellbeing (proactive)

## SUGGESTED KPIS MEASURING DRIVERS OF WELLBEING

		RELEVANT BUSINESS CASE DRIVER(S)	METRIC	DATA SOURCE	RATIONALE FOR INCLUSION
Business case component	Total direct costs of poor employee wellbeing	All downside	← % indicating they experience negative behaviour from colleagues, managers, and/or clients or patients at work <sup>1</sup>	Employee survey	Metrics reflect key items explaining variance in intent to leave an organisation and absenteeism due to health
		Attrition, Presenteeism	→ % reporting they don't know what is expected of them or that the requirements of the job are not clear		
		Attrition	→ % indicating they feel there is a good chance they could lose their job		
		Absenteeism	→ % reporting interpersonal conflict among the people they work with		
		Presenteeism	← % indicating they feel that they have a heavy workload		
		Presenteeism	← % indicating they feel under a lot of pressure at work		
	Total benefits created through good wellbeing	Productivity, Retention	← % confident in ability to deal efficiently with unexpected events	Employee survey	Metrics reflect key items explaining variance in innovative behaviour at work
		Productivity, Attraction	← % reporting opportunities to learn new skills and grow at work		
		Retention	← % reporting their job allows them to determine how to carry out their work	Employee survey	Metrics reflect key items explaining variance in work-life balance
		Attraction	← % reporting fit between their job and their knowledge, skills, and abilities		
		Attraction	← % reporting sense of belonging at organisation	Employee survey	Metrics reflect key items explaining variance in net promoter score and work engagement
		Attraction	← % who feel a sense of purpose and accomplishment in their work		

**Legend:**

- Business Case
- Minimum reporting standards
- Underlying drivers of health
- ← Lagging indicator for wellbeing (reactive)
- Leading indicator for wellbeing (proactive)

**Suggested metrics shown can be substituted by those already gathered through existing employee engagement or wellbeing surveys**

1. Negative behaviour may include being belittled, put down in front of others, or ridiculed, being the target of demeaning comments, being shut out of conversations, having negative comments being made about them to others, being verbally abused or threatened by clients, customers, or patients

# GLOSSARY OF TERMS

- Absenteeism – Any failure to report for or remain at work as scheduled, regardless of the reason<sup>22</sup>.
- Attraction - How an organisation communicates with potential applicants to attract suitable candidates for a job vacancy<sup>22</sup>.
- Attrition – The departure of employees from the organisation for any reason (voluntary or involuntary), including resignation, termination, death or retirement<sup>22</sup>.
- Presenteeism - The act of staying at work longer than usual, or going to work when you are ill, to show that you work hard and are important to your employer<sup>22</sup>.
- Productivity - The efficiency with which tasks and goals are accomplished at an organisation, fostered through creativity and innovation<sup>22</sup>.
- Retention - An organisation's ability to develop a distinct employer value proposition and prevent employee turnover<sup>22</sup>.



<sup>22</sup>Business in the Community, with research from McKinsey Health Institute. “Prioritise People: unlock the value of a thriving workforce”. April 24, 2023  
Available at: <https://www.bitc.org.uk/report/prioritise-people-unlock-the-value-of-a-thriving-workforce/>



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