

Workplace Wellbeing: A Simple Guidebook for Leaders

EngagementMultiplier®



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INTRODUCTION

Employee wellbeing is a broad topic and one that's at the forefront for employers and their teams alike.

Traditionally, wellbeing in the workplace referred to an employee's physical health, financial security, career opportunities, feelings of community among coworkers, and the social benefits of the workplace, such as friendships and support among coworkers.

The connection between wellbeing and employee engagement was similarly linear. Career development and connection to one's peers were also core drivers of engagement.

The pandemic of 2020 had a major impact on the workplace, including the expansion of what defines wellbeing.

It increased the focus on safety and accelerated the normalisation of workplace discussions about mental health, stress, work-life balance, and support for employees who are parents or caregivers.

Additionally, [diversity, equity, and inclusion](#) in the workplace became more urgent needs for many and became inextricably related to an employee's experience, engagement, and wellbeing.

THE DEFINITION OF WELLBEING IS EVOLVING

Unsurprisingly, the definition of wellbeing has rapidly evolved away from its traditional definition to a more holistic classification that considers the state of both a person's mental and physical health – plus the impact of factors inside and outside the workplace.

Today's definition of employee wellbeing recognises that who we are at work is affected by our experiences both on the job and at home.

The rapid shift to working from home in 2020, which blurred the lines between the workplace and the home, forced many employers to consider employee wellbeing more holistically. The impact an employee's personal circumstances have upon their engagement, productivity, and performance at work was magnified by the pandemic's effects.

“If executives want to retain top talent—particularly Gen Z and Millennials—they will need to understand employees’ evolving expectations, motivations, and aspirations for 2021.”

“What Employees Expect in 2021” - IBM

What employees expect in 2021

Additionally, the experience of the pandemic drove significant [changes](#) in what employees expect from employers. Topping the list: a sense of belonging and focus on individual mental health and wellbeing.

“Employees now expect senior executives to care far more about their mental health. Forward-thinking companies are responding by using data insights and staff feedback to inform strategies and decision-making at board level,” says John Crowley in an article for Raconteur, [Why staff mental health needs to be a C-suite priority](#).

Notably, employees are demonstrating their willingness to act upon their desires. They are not paralysed by uncertainty. According to the [“What Employees Expect in 2021”](#) report from IBM, 20% of employees voluntarily changed jobs in 2020, and the top four reasons they gave for doing so were:

- More flexibility in work schedule or location (32%),
- Desire for more purposeful work (27%),
- Better support and benefits for their wellbeing (26%),
- Wish to work for a company that is a better fit for their values (25%).

TRENDS IN EMPLOYEE WELLBEING

Employee expectations are changing, and one area in which this is particularly evident is in the myriad ways employees are looking to employers for support. According to [employee wellbeing trends](#) identified by the Academy for Innovation in HR, employers are responding by providing more support for family wellness and non-work-related employee assistance. Popular offerings include coordination of childcare, credit counseling, and basic legal services.

The fastest area of growth in employee wellbeing, however, is in support of employee mental health.

According to a report from employee benefits provider Wellable, employers are investing the most in mental health (88%), with stress management/resilience (81%) and mindfulness and meditation (69%) not far behind.

“With three out of five rising stars closely linked to mental health, it is clear that companies are extremely focused on and dedicated to supporting mental well-being. These programs have been growing in popularity in recent years, and the unique challenges created by COVID-19 have only accelerated the demand for mental health solutions,” stated the Wellable 2021 Employee Wellness Industry Trends [Report](#).

Given the rapid evolution of employee wellbeing, assessing your own organisation’s wellbeing initiatives, and aligning them with workers’ needs, could seem daunting.

First and foremost, remember that you don’t need to be all things to all people. Leaders should concentrate on the elements of wellbeing that align with the company’s culture and objectives.

Few companies have a wellbeing strategy in place



Fewer than 1 in 5 employees give their employers excellent marks for supporting their wellbeing during the pandemic.

According to a [survey](#) conducted by Indeed.com and the Harvard Business Review (HBR), just 19% of leaders responding say they have a wellbeing strategy in place.

This maps almost exactly with findings from IBM’s [What employees expect in 2021](#) report that fewer than 1 in 5 employees rated their employer’s support of their wellbeing during the pandemic as “excellent.”

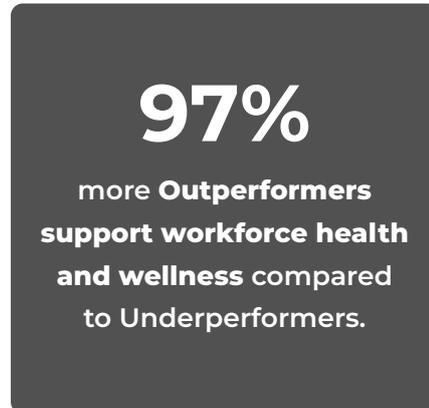
What’s especially confounding is the fact that in the survey from Indeed and HBR, more than 90% of leaders said a happier workplace makes it easier to retain and attract talent, and 87% believe it gives them a competitive advantage.

Companies considering additional investment in wellbeing programs can take heart: when programs are effective, investing in employee wellbeing has a positive ROI.

Investing in employee wellbeing pays off

The [2021 CEO Study](#): Find your Essential from IBM compared Outperformers to Underperformers across multiple dimensions. For employee wellbeing, the difference was stark. The data revealed that leaders that are Outperformers focus more on employee wellbeing, with 97% more of them than Underperformers supporting workforce health and wellness — even when it impacts near-term profits.

However, executives tend to overestimate the effectiveness of the plans companies implement to address employee wellbeing concerns, reducing the return on investment and worse, bypassing the significant improvement in performance and engagement a well-received wellness program can deliver.



Perspectives on wellbeing program efficacy differ

Implementing wellbeing programs isn't enough, however. The programs have to truly work for the people they are intended to serve to achieve positive returns.

A study from IBM entitled [Closing the Chasm](#) shed light recently on the difference in perspective between leaders and employees regarding the effectiveness of company wellness programs and their responses to employee needs during the pandemic. Researchers found that executives tend to overestimate the effectiveness of their company's efforts to support employees. For example, 80% of executives agree or strongly agree when asked if their companies are supporting the physical and emotional health of employees. Of employees asked that question, only 46% agree.

"The message here is that, for many organisations, sensing-and-responding processes are underdeveloped or just plain ineffective," the IBM study authors commented. "If you think you're providing a benefit, and the recipient of that benefit doesn't see it the same way, you've failed. Employee expectations of their employers have permanently changed. There's more work to be done to deliver on the promise of comprehensive employee wellbeing."

How can leaders make a difference?

- **Recognise the opportunity to "reset."** With more than a year's experience in alternative work environments, the opportunity to use what's been learned to revise how we work and interact is at hand.

“We are on the cusp of a reset. How often in life do we get a do-over?” asks author and serial-connector Susan McPherson in [Loneliness may be the biggest threat to productivity right now](#), a Fortune interview. “Now we can go forth knowing how important, how vitally necessary having hugs and meaningful deep conversation is, to gather in groups outside of existing family. We also know the power of technology, good and bad. We have the chance to do it right.”

- **Get a sense of how individuals on your team are really doing.** Routine check-ins are increasingly important, but there’s more to it than simply ticking the box by having regular one-to-one meetings. Leaders at all levels should make an effort to engage employees in discussions about how they’re doing, and be prepared to share some of their related vulnerabilities.

Asking for feedback on whether things like meeting formats or support from a manager are truly working for an employee can be a great conversation starter. It may encourage the employee to discuss their situation and how they’re “really” doing.

- **Create opportunities for employees to connect.** Enable people to reconnect socially by carving out time for them to simply catch up. It can be as simple as setting aside time every week for people to simply have a coffee together. Other ideas include virtual yoga sessions to get people moving, “walking meetings” in which people go for a walk outside while talking, random-acts-of-kindness challenges, book clubs, happy hours, or even team poetry slams.

If your organisation is bringing people back into the office, even as part of a hybrid schedule, investing in creating social connections is wise – remember, people said they were lonely even before the pandemic began.

Creating fresh opportunities for workers to collaborate and socialise can help people form valuable new connections.

One company created “collaboration days,” in which the team devoted a full day to resolving long-standing issues within the business. The exercise proved very satisfying for the team and opened the door to innovation for the company.

MENTAL HEALTH IN THE WORKPLACE

Mental health is a crucial component of employee wellbeing, but according to an [article](#) from People Management, one in four employees had no mental health check-ins during the pandemic, and many companies are failing to assess risk and address employee mental health.

A recent poll of 2,000 workers by Mental Health First Aid England found that 25% of workers said their workplace had not checked in on their mental health since the crisis hit more than a year ago. Almost one-third (29%) of those polled said they have never had a conversation with their line manager about their mental health.

This underscores the challenges employees are facing on a personal level, and how important it is for leaders to check in with their people. Overlooking employee mental health can have dire consequences for an organisation, ranging from reduced productivity to an increase in burnout, which can lead to increased turnover later.

In late 2020, Engagement Multiplier's CEO, Stefan Wissenbach, started to sound the alarm about an impending culture crisis that could derail a company's ability to recover successfully and rebound later this year.

“Leaders have invested endless time, energy, and resources into preserving their businesses throughout the pandemic crisis. Failure to take action to ensure employee mental welfare and their overall wellbeing puts that good work – and the accompanying investment – at risk.”

- Stefan Wissenbach

By encouraging regular wellbeing check-ins, facilitating activities to stay connected, and ensuring managers have the training and resources to support staff, companies can act quickly to ensure their people are in a good place mentally and know where to find support.

Start by asking, “How are you doing – really?”

The simple act of acknowledging the unique circumstances we're all experiencing, and asking someone how they're really doing, is a first step any manager can take.

One of Engagement Multiplier's clients, Capital Asset Management, has doubled down on one-to-one meetings between leaders and their teams and they shared their approach with us.

“It is important for leaders to check up on their teams and not assume they are OK just because productivity levels are high,” notes Chirine Harb, Capital Asset Management's head of operations. “We're looking more at how the employees are coping on a personal level, going beyond productivity.”

Chirine noted that meetings are initiated by leaders, who come well prepared to talk about the employee's development and performance – and how they are faring personally.

“This is the opportunity to ask ‘how are you doing, really.’ It’s a way to take care of employees,” she told us. “We usually have a very personal discussion, asking, ‘What’s going well? What are you struggling with?’ This helps us identify any resources that person may need.”

The meetings have proven to be time well spent.

Chirine tells us the feedback from employees has been overwhelmingly positive, with workers describing the meetings as “lovely,” and “the best one-to-ones I’ve ever had because they’re really specific to me.”

“The team members feel valued in that you’re genuinely looking after their career progression, their development, their mental health, their physical health, their training, and anything else that has to do with them personally.

Chirine also notes that the company has seen a rise in performance and productivity since increasing the focus on individual employees.

“This personal approach and interest in people makes them want to give you that extra above and beyond effort. It’s not about just doing their job,” she said. “They like what they’re doing, and they like who they’re doing it for, and that easily translates into productivity.”



Adaptation vs accommodation

As leaders develop a better understanding of how their employees are doing, and the personal challenges they are managing, chances are good they may find opportunities to adapt policies and procedures to better support employees, such as [flextime](#), hybrid work schedules, or more liberal time-off policies.

A recent [article](#) from HBR made an important point about adaptations, as opposed to legally required accommodations. It states that “...it’s important for managers to know the difference between ‘accommodations,’ which are formal, reactive exceptions to existing policies for a specific employee after a disclosure, and ‘adaptations,’ which are proactive adjustments you can make for everyone that are within the company’s policies, such as flexible hours.”

Adaptations are important tools for managers and can be vitally useful in creating more responsive policies that support new employee needs.

WHERE WE GO FROM HERE

Leaders need to recognise the impact the workplace has on employee mental health, wellbeing, and happiness. Consider, for example, the effects stress has on people. Workplace stress correlates to increased depression and anxiety. Studies have shown it also contributes to physical ailments, such as diabetes and hypertension.

According to multiple surveys, the gap between leaders and employees is growing ever wider.

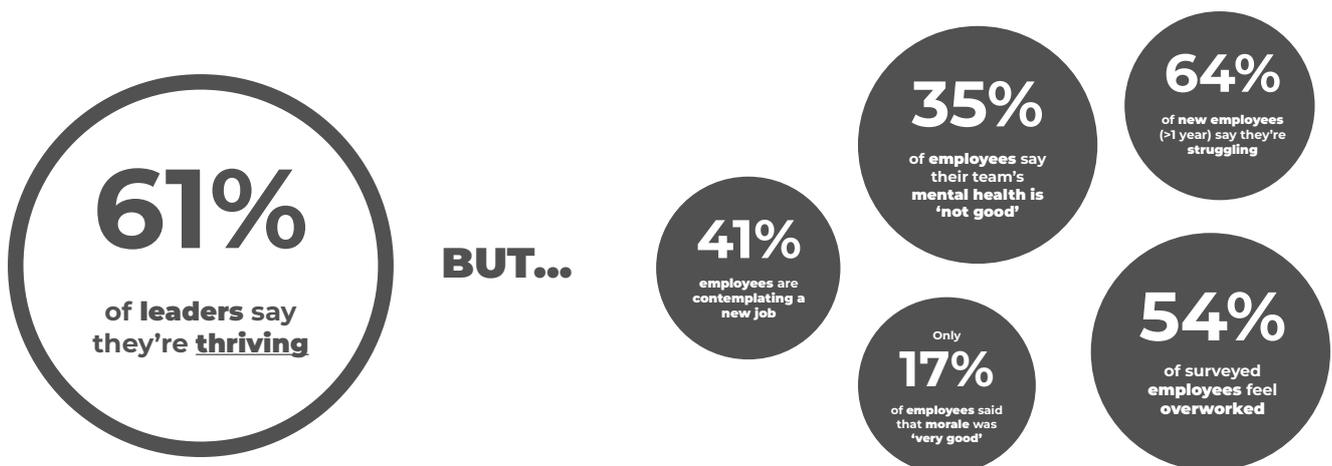
In The [2021 Work Trend Index](#) by Microsoft, 54% of employees say they're overworked, 39% say they're exhausted, and 41% are contemplating a new job.

The same can't be said for the executive suite, however. According to the same study, 61% of leaders report they're thriving, building stronger relationships, earning higher incomes, and taking all or more of their allotted holiday entitlement.

"Leaders are out of touch," says Microsoft Vice President Jared Spataro, in a story by Bloomberg, [Bosses Are Clueless That Workers Are Miserable and Looking to Leave](#). "Sixty-one percent say they are thriving — that's 23% higher than the average worker, so there is a disconnect there. They're like 'this is great!'"

Worryingly, HR leaders are just as likely to be out of sync with employees. [A study](#) of 1,600 employees and HR leaders across England by Westfield Health, [Coping with Covid](#), found:

- 35% of employees said that mental and physical wellbeing across their team was 'not good' or 'not good at all'. However, HR representatives responding to the same question had a much different view, saying just 7% of employees were struggling with their mental and physical wellbeing.
- HR professionals polled also pegged employee morale as being much better than the corresponding answers from employees – 41% of HR leaders indicated morale was "very good," as opposed to employees, just 17% of which agreed.



Data taken from studies by Microsoft & Westfield Health.

What's behind the disconnect

As surprising as these numbers are, there's a relatively simple explanation for this growing disconnect between executives and employees.

"Most leaders have been so focused on mitigating the impacts of the pandemic on their businesses and keeping things going that they have not had a moment to consider what the impact has been on their people," notes Stefan Wissenbach. "Leaders haven't had to consider this – engagement levels have been at record highs, inspired by the threat posed by a common enemy – the coronavirus."

An article from Gallup, [The Wellbeing-Engagement Paradox of 2020](#), sheds more light on the phenomenon, noting two important changes from the norm. First, in 2020, employee engagement and wellbeing – which are normally highly correlated – became disassociated with each other and went in different directions.

Individual wellbeing was under enormous pressure throughout the year. Counter to all expectations, however, employee engagement was more than resilient, reaching record highs throughout the summer (something also observed in Engagement Multiplier's aggregate data) and ending 2020 at a higher level than 2019.

As Gallup notes, this divergence presents critical implications for workplace leaders in the coming year and is one of the reasons why Engagement Multiplier has been warning leaders about [new threats to culture](#) within their organisations.

"Business leaders are about to be hit out of the blue with employee issues they never saw coming," Stefan states. "And the tragedy is that this will occur just as businesses are poised for recovery and need all hands on deck."

Find your organisation's truth

As Stefan points out, leader misperceptions are a strategic liability. Making decisions based on one's assumption is as safe as building a house upon quicksand.

To bridge gaps in perception, prevent a collapse of company culture and an exodus, here are four steps we call **AURA** which leaders should take:

- 1. Accept** that the divisions in perception described above are likely to exist within your organisation. Even if you think your organisation is perfect, it's still a good idea to check. It's better to operate from a position of certainty.
- 2. Understand** where your team stands and how the pandemic has impacted them – truly. Engagement Multiplier has created a short, focused "[Culture Check](#)" survey that will enable leaders to swiftly identify issues present within their organisation that are negatively impacting employees.



3. **Respond** transparently to your team. Share the findings with your team to build trust and accountability.
4. **Act** where it will make a real difference. Armed with the truth, you'll be able to take focused action and resolve the challenges employees are experiencing.

There's no question pursuing the truth about what employees think and feel requires some courage on the part of leadership. The reward is certainty about the team, their resilience, and the health of the culture.

Even if employee feedback isn't ideal, it represents opportunity.

"All feedback represents a source of power," Stefan notes. "It enables leaders to take one of two actions: either correcting a misunderstanding or taking focused action to rectify the situation and make improvements that will be meaningful to employees."

Simple actions that can improve wellbeing

Chances are the insights from the survey will reveal areas where leaders can take meaningful action to boost morale, reduce stress and improve employee wellbeing with no significant expenditure, such as:

- Allowing [flexible](#) schedules and hybrid work arrangements, to take pressure off families, or catering to new employee preferences,
- Coaching managers whose teams are struggling more than others, and help them develop improved leadership skills and habits,
- Providing more clarity around the company's direction and their contribution, to provide more certainty for employees.

There's no question pursuing the truth about what employees think and feel requires some courage on the part of the leadership team. And wellbeing is a broad topic that's new to many leaders. However, leaders need to remember they don't need to be all things to all people. Focusing on connecting with employees, hearing from them directly, aligning leadership actions with employee feedback, and communicating transparently with the team will enable the company to improve employee wellbeing.

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