

Research to inform policy from the University of York Management School

Workforce wellbeing: supporting small businesses

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Wellbeing is a societal challenge. Creating healthier workplaces will help businesses. Benefits include higher levels of inclusion, employment, skills and quality as well as greater productivity. Small businesses are critical to regional economies and communities, but can be resource poor and with less access to expertise than their larger counterparts. Here we propose actions to support small businesses to foster wellbeing and strengthen their operation.

THE CHALLENGE

Supporting workplace wellbeing is a societal issue with healthier workplaces helping businesses, the economy, individuals and communities by effecting positive impacts upon productivity as well as socio-economic mobility and inclusion. Improving workplace wellbeing can lead to higher rates of employment through higher quality and skilled jobs, and reduce the burden on public services. Hence, policy makers need strategies that integrate the [prevention, promotion and management](#) of mental health and wellbeing, something that the recent pandemic has served to underline. Supporting wellbeing at the nexus of employment is a key context for pursuing this integrative approach as job quality and positive management is an important driver of wellbeing. [Evidence from the commission for wellbeing and policy](#) identify work and income as a key priority area for policy makers, and includes stable employment, jobs with purpose, challenge, decent income and good social connections, clear expectations and reasonable autonomy and work-life balance. These principles become more important in an economy increasingly shaped by precarious employment, including platforms for 'gig work' and zero-hours contracts. Resulting from the [UK Commission on Modern Employment](#), the RSA's '[A blueprint for good work](#)' puts workplace wellbeing at the centre of [a new collective agenda](#) for work in the post-Covid world, alongside security, personal growth, freedom and nurture. Promotion of workplace wellbeing and healthy workplaces is therefore integral to North Yorkshire County Council's (NYCC) regional policies on economic rejuvenation, unemployment and upskilling.

CONTEXT

In 2018-19, [12.8 million working days were lost](#) in the UK due to work-related stress, depression and anxiety. New [2020 analysis](#) has put the cost to UK business of poor mental health at a staggering £45bn, with the cost of mental-health-related 'presenteeism' at £27bn to £29bn. This same analysis revealed that the total costs to employers of poor mental health (absence, presenteeism, turnover) as a proportion of average annual earnings was the highest in Yorkshire and the Humber when compared to all other regions in the UK. Further to the economic costs are the hidden costs to people's health and domestic lives. Since the start of the Covid-19 pandemic, some [42 percent of employees globally have reported a decline in mental health](#). [Research by the Centre for Mental Health](#) reports that 8.5 million adults in England will need support for their mental health over the next 3 to 5 years as a direct impact of the pandemic; this has doubled from pre-pandemic estimates. Recent evidence indicates that the pandemic has had a differential effect within society with women affected more. With links between financial hardship and mental ill health, the impact of Covid-19 on the economy could lead us towards what Mind has called [a mental health emergency](#). The poor outlook for the economy and uncertainty around jobs can lead to anxiety and poorer mental health. Employees may be worried about the prospect of redundancy. Where redundancies are made there is often an impact on mental health and wellbeing for redundancy survivors too.

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Organisational damage resulting from extreme uncertainty and change is inevitable, across all sectors of the economy, types and sizes of business. This damage is also likely to be systemic; affecting the organisations tasked with supporting businesses and - within businesses - affecting leaders and owner-managers, teams and individuals within the workforce. The damage will necessarily operate at different levels, potentially affecting business growth and/or survival as well as having an emotional impact on leaders and staff. For example, [our research](#) has shown the profound emotional impact of shame for leaders within organisations deemed as 'failing' and the sense of loss, requiring a process of mourning, experienced by those within damaged organisations.

A FOCUS ON SMALL BUSINESS

Small and medium sized enterprises (SMEs) (<250 employees) account for three fifths of UK employment (c16.8 million employees). In the Yorkshire and Humber region 99.3% of the total business population are small (0-49 employees) with a combined annual turnover of £90.1 million in 2020, 42.7% of all private sector turnover in the region. The sectors with the largest employment are construction, wholesale and retail trade, and accommodation and food services; all relatively low skilled sectors although there are many employers in professional, scientific and technical activities (See [Department for Business, Energy and Industrial Strategy, 2020](#) for further statistics).

Small enterprises are drivers of economic growth and recovery and can contribute significantly to broadening employment opportunities, social inclusion, and poverty reduction. It is therefore vital that SMEs are equipped to support mental health and wellbeing amongst their employees, as demonstrated through the FSB's [Guide for Small Businesses](#). As the impact of the Covid-19 pandemic continues, it is more important than ever for small businesses to actively support the mental health of their workers.

Despite evidence supporting the application of health and well-being policies and practices in the workplace, SMEs struggle to manage health at work. [Only 1 in 10 SMEs offer occupational health support compared to 8 in 10 large organisations](#), they are less likely to have mental health policies in place and are less likely to utilise existing government support programmes such as Access to Work and Fit for Work. Small businesses may lack time and resources and fail to appreciate the wealth of health and wellbeing support available.

In our [recent research small and micro business](#) managers used the terms 'juggling act' and 'walking on a tightrope' to describe how they navigated managing an employee through a period of poor mental health. The mental load on managers can be significant, particularly for small business managers who do not have access to the types of support a larger or better resourced organisation might. Additionally, in the Covid-19 era small business managers are likely to be under intense pressure as they are fighting for business survival.

[Engaging small businesses](#) in proactive actions around workplace wellbeing is challenging. UK government interventions to improve information and support for small firms in managing health and work have repeatedly [struggled to engage small employers](#) with microbusinesses [least likely to seek support](#) for employment issues, and where small firms do seek support this is often [reactive](#), or where they face the [pressures of growth](#). [Evidence](#) indicates policy strategies should aim to support SME owner managers to identify employment problems before they become critical, understand the external support system and provide accessible trusted support.

A THREE-PRONGED APPROACH

The government's response to Dame Carol Black's review of the health of the working-age population, [Changing Lives](#), suggests a range of initiatives built around three goals: creating new perspectives on health and work; improving work and workplaces; and supporting people to work. The latest [NICE guidelines](#) (page 14) recommend local authorities take a leadership role in championing mental wellbeing at work as part of their role in public health and wellbeing. The Welsh Government's [Healthy Working Wales](#) initiative reflects a national policy agenda, which integrates workplace wellbeing within an overarching framework. In keeping

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with these current approaches, we suggest NYCC begin with a three-pronged approach: Understanding, Influencing and Working in Partnership.

UNDERSTANDING

Mapping the system

[The Stevenson Farmer independent review](#) of mental health and employers highlights how the mental health core standards and support available to SMEs are promoted through various channels, incentives, regulators, professional bodies, trade unions and large companies using their supply chains to help share resources and influence the behaviour of smaller companies.

Recommendation 1: Map what is currently available in the region and identify strengths and weaknesses in the existing system.

Where individuals and organisations are signposted to support, there is a need to understand who supports the organisations that regional employers are signposted to.

Consultation on local business needs

Recommendation 2: Assess the wellbeing needs of regional employers, across size and sector, as an important initial step.

Support will only be accessed by local businesses if it is seen as relevant to their needs, such as guidance/practical information on finance, HR or health and safety issues.

A good example of this is [data collected](#) to identify the main health and well-being needs of a sample of SMEs across Greater Manchester using a Health Needs Assessment (HNA) framework.

INFLUENCING

Making the social justice case

Recommendation 3: Focus on business education and make the case for investing in wellbeing, quality jobs and good line management to engage business owners and managers.

Public sector institutions have a role to play in encouraging employers to support mental health among the workforce through education. Small businesses may need convincing of the long-term benefits of investment in proactive workplace mental health support and policies to support healthier workplaces. There is a strong business case for employers investing in mental health, with one report estimating [the average return on investment of £5 for every £1 spent](#). The business case needs to be [coupled with social justice arguments](#) that acknowledge employer responsibility for addressing unhealthy workplaces. However, wellbeing interventions and training often focus on improving individual resilience rather than improving working conditions.

Healthier workplaces across North Yorkshire can be leveraged by a focus of situational factors to include flexible working, work life balance, autonomy and participation in decision-making. NYCC should champion removing obstacles to creating healthier workplaces such as poor management, work intensification and unfit workplaces. To do this a cultural change needs to be promoted through different networks and associations to help managers understand the complexity of health at work. NYCC should lead on making the case but avoid solely emphasising the business case arguments. Relaying this message in an accessible way and through trusted channels - including existing business networks - will be important. NYCC should work with business educators and mental health practitioners to provide educational opportunities to business owners. Workshops which integrate business education techniques with practitioner knowledge in

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a bottom-up and co-productive way could generate new understandings and devise new ways of managing through guided thinking and reflection.

Signposting support

Recommendation 4: Consider a single portal where information is curated and signposted.

Support for employers is often financial, however there is a wealth of non-financial support available. This wellbeing and mental health support needs to be gathered, curated and made accessible to key decision makers so that they know where and how to access available guidance.

WORKING IN PARTNERSHIP

Recommendation 5: Facilitate the creation of multi-stakeholder partnerships, informed by the mapping exercise, and in consultation with established networks to provide initiatives to support healthier workplaces.

This will contribute to achieving an effective match of partners who can work together with NYCC to develop interventions and initiatives, which clearly identify and address the range of specific business needs, as well as support services, needed by small businesses. Initially three initiatives are recommended:

Regional support networks

Recommendation 6: Explore how to complement what is already available to facilitate support networks for colleagues, peers and mentors.

Recommendation 7: Leverage large regional employers to partner with smaller companies as practiced through the highly successful Plato Dublin Small Business Networking Programme.

Healthy workplace charter

Recommendation 8: Promote and incentivise the uptake of Healthy Workplace Charters.

For example, standards such as the [2019 Health at Work Commitment](#) can help employers to develop forward-looking, informed and inclusive programmes to develop happier, more person-centred workplaces. The commitment has six standards based on the [Thriving at Work](#) standards developed in partnership with mental health charities, leading employers and trade organisations. [Mindful Employers' Charter for 'Employers Positive about Mental Health'](#) supports and encourages employers to lead from the front on issues of workplace mental health by recognising those employers who are working toward achieving better mental health at work for their employees.

Recommendation 9: NYCC could explore and evaluate the development of a North Yorkshire Healthy Workplace Charter in partnership with mental health charities.

Incentivising engagement with the charter and offering a visual symbol might be attractive for employer branding and be a relatively low-cost intervention for NYCC. A charter focussing on Small Businesses is something that is missing from the current support landscape.

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Subsidised Employee Assistance Programme (EAP) and occupational health (OH) advice

Small businesses may benefit from better access to external mental health expertise - including through NYCC's EAP - including manager training, advice and support.

Recommendation 10: Address perceptions that EAP and OH services are unaffordable or of limited relevance to small businesses, and promote financially accessible options.

For example, [Mindful Employer Plus](#) provides organisations with easy access to an independent and confidential advice line service, for just £1.00 (+VAT) per person per year, a trained advisor will work with employers and staff to provide guidance on a range of employment and life issues.

The pressure on business owners and line managers is often intense, and particularly so over the past 18 months. In addition to resources to help owner/managers support employee wellbeing,

Recommendation 11: NYCC could partner with a mental health charity to pilot and evaluate interventions aimed at line managers and business owners to support their own wellbeing.

ABOUT THE AUTHORS



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Disclaimer

This policy brief represents author views. The authors believe information to be reliable and accurate; if any errors are found please contact us so that we can correct them. We welcome discussion of the points raised.

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