

# Wellbeing & Productivity

A REVIEW OF THE LITERATURE



AMY ISHAM  
SIMON MAIR  
TIM JACKSON

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POWERING PRODUCTIVITY 1/2  
—Exploring the links between  
wellbeing and productivity

Amy Isham  
Simon Mair  
Tim Jackson

## Executive Summary

Find the full report at: [www.cusp.ac.uk/powering-productivity](http://www.cusp.ac.uk/powering-productivity)

The UK is currently facing two inter-related socio-economic challenges. One is the now well-documented ‘productivity puzzle’; the crisis of persistent low productivity growth across the economy. The other is low levels in the mental and physical health of the working population, in particular. Wellbeing has been considered as a driver of higher levels of productivity and thus a means of solving the productivity puzzle. However, the relationship between productivity growth and wellbeing is complex and involves many moderating or mediating factors.

This report reviews the relationships between the different aspects of wellbeing, productivity, and productivity growth. It is the culmination of a desk-based evidence review, survey, and a mapping workshop held with experts from backgrounds including psychology, sociology, economics, and design. The focus is on wellbeing and labour productivity, although resource productivity and multi-factor productivity are also touched upon at relevant points within the report. Key findings and recommendations for further research are summarised below.

### Key finding 1

#### **Wellbeing is linked to higher levels of labour productivity.**

- Individuals who have been diagnosed with a chronic physical health problem and those who engage in risky health behaviours (e.g. smoking, unhealthy diet, and lack of exercise) in the absence of any formal diagnosis both tend to report reduced labour productivity through presenteeism and absenteeism.

- Poor mental health appears to be more strongly linked with lost productivity through presenteeism (relative to absenteeism), as people are often reluctant to disclose that they are suffering from mental health problems.
- Higher levels of subjective wellbeing has been linked to greater labour productivity, and the causal nature of this link has been demonstrated in experimental studies.
- High levels of stress can lead to burnout and reduced labour productivity, but training resilience has been shown to produce positive effects on wellbeing and productivity.
- Case studies demonstrate that workplace wellness programmes can deliver benefits in terms of enhanced productivity, but this seems to be reliant on certain conditions being met (e.g. tailoring to the specific organisation and senior management support).

#### Key finding 2

##### **Certain factors may be able to explain the positive relationship between levels of wellbeing and labour productivity.**

- Human capital is an asset that is considered to enhance an individual's or organisation's productivity. At the same time, it can enhance wellbeing by facilitating the satisfaction of psychological needs, greater health status and greater social mobility.
- Social capital allows for voluntary cooperation and the effective sharing of human capital, thus heightening productivity. At the same time, it is considered to be a determinant of higher levels of wellbeing in the workplace and everyday life.
- Certain environmental factors have been linked to both greater wellbeing and greater labour productivity. These include air quality, greenery and temperatures.
- Information and communication technology (ICT) has been considered as a key driver of productivity growth and has the potential to support wellbeing in that it facilitates communication, autonomy, and more flexible working conditions.

#### Key finding 3

##### **Productivity growth may have detrimental effects on wellbeing.**

- Attempts to reduce costs and increase labour productivity within the healthcare sector can lead to poorer quality care being provided and thus poorer health outcomes.
- The pursuit of productivity growth in the workplace can heighten a number of workplace factors such as job demands and job insecurity, both are associated with poorer wellbeing.
- Although the adoption of ICT can promote productivity growth, it can also blur the boundaries between work and home life and facilitate sedentary lifestyles, hence reducing wellbeing.
- Sustained productivity growth may increase carbon emissions, raise average temperatures, and deplete forms of natural capital that have been shown to be beneficial for wellbeing.

We conclude that, although wellbeing may be a determinant of higher levels of productivity, the way in which we pursue productivity growth also appears to have the potential to undermine wellbeing. Our key recommendation is therefore for research that takes a critical approach to understanding how wellbeing and productivity growth may influence each other over time and across contexts. Numerous suggestions for specific areas for future research have been made throughout the review and these are summarised below. Once we have a more nuanced understanding of the relationship between these two factors, we will be better able to decide upon the value we assign to productivity growth and if and how we wish to pursue it.

## Recommended areas for further research | Summary

Research area	Recommended topics for further research
Physical and mental health and productivity	<ul style="list-style-type: none"> <li>• Establishment of the specific pathways through which physical and mental health problems influence productivity, including disentangling of their relative effects.</li> <li>• Exploration of the most effective strategies for accommodating the requirements of informal caregivers in the workplace.</li> <li>• Thorough examination of the differential impacts of a wider range of mental health conditions on productivity.</li> <li>• Longitudinal research testing the theory that short-term productivity growth in the healthcare sector can undermine productivity growth in the long term by reducing the levels of care provided.</li> </ul>
Subjective wellbeing and productivity	<ul style="list-style-type: none"> <li>• Comparison of whether targeting health problems or subjective wellbeing is a more effective means of boosting individual and organisational productivity.</li> <li>• Examination of how 'eudaimonic' aspects of wellbeing link to labour productivity.</li> <li>• Further use of experimental studies to infer the nature of any direct, causal relationships between aspects of subjective wellbeing and productivity.</li> </ul>
Stress and productivity	<ul style="list-style-type: none"> <li>• Examination of how an organisation's rate of productivity growth impacts upon staff stress levels.</li> <li>• Location of further individual difference factors that may reduce or increase an individual's susceptibility to work-related stress.</li> <li>• Evaluation of the relative effectiveness of a wider range of interventions intended to reduce the effects of work-related stress on productivity.</li> </ul>
Workplace wellness programmes	<ul style="list-style-type: none"> <li>• Examination of individual difference factors that may make employees more or less responsive to the aims of workplace wellness programmes.</li> <li>• Use of longitudinal designs spanning longer time frames to map the trajectory of any productivity gains achieved from workplace wellness programmes.</li> <li>• Qualitative work with employees to gain an in-depth understanding of their view of workplace wellness programmes.</li> </ul>
Social and human capital	<ul style="list-style-type: none"> <li>• Investigation of how increases in productivity may impact upon levels of social capital.</li> <li>• Examination of the potential causal nature of links between human capital, social capital, well-being, and productivity.</li> <li>• Longitudinal research to determine whether there are limits to the extent to further increases in human and social capital are beneficial for productivity.</li> </ul>

Workplace factors	<ul style="list-style-type: none"> <li>• Examination of whether workplace factors have a direct, undermining effect on productivity, or instead, if this effect occurs through indirect influences on wellbeing and stress.</li> <li>• Systematic or meta-analytical approaches to reviewing different workplace factors to determine which have the most substantial effects on both wellbeing and productivity.</li> <li>• Empirical exploration of the relationship between resource productivity and labour productivity.</li> </ul>
ICT	<ul style="list-style-type: none"> <li>• Exploration of how the adoption of ICT relates to other factors shown to have implications for productivity and wellbeing, for example social and human capital.</li> <li>• Examination of how the impact of ICT on productivity and wellbeing differs across industries.</li> <li>• Investigations of how emerging forms of ICT, in particular artificial intelligence, are able to enhance or undermine our productivity and wellbeing in the same ways or to a greater extent than earlier forms of ICT.</li> </ul>
Natural capital	<ul style="list-style-type: none"> <li>• Further work aiming to specify the exact effects of natural capital on multi-factor productivity, building on recent work using OECD data.</li> <li>• Examination of if and how natural capital can be substituted by technological innovations, and the impact this has on both wellbeing and productivity growth.</li> <li>• Exploration of regional differences in productivity and wellbeing, and how this may relate to regional levels of natural capital.</li> </ul>

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