

Why leading businesses are investing in work wellbeing for the sake of employees and profits

The importance of wellbeing at work extends not just to employee retention and hiring but also to increasing your business value. [New research](#) shows companies who prioritize wellbeing see higher valuations, return on assets, and better profits. We'll share the latest data and explore the impacts of work flexibility, pay transparency and leadership's role in worker wellbeing.

In uncertain times, wellbeing is a candidate's priority.

- In our latest [Labor Market Update](#), the market remains tight in June 2023, with particular challenges when it comes to hiring staff for low-paid, in-person positions. We also found that while vacancies steadily decrease, they remain high. Hybrid or [flexible work](#) is still popular among employees, despite efforts to encourage them to return to the office. This is further confirmed by findings in our guide to which [employee benefits matter most among generations](#): top benefits included unlimited holiday pay and working from home full-time.
- According to [Forbes](#), burnout is a global issue, 70% of people experienced burnout in 2022. [Gallup's](#) 2023 State of the Global Workplace report showed that 59% of workers are 'quiet quitting' or not engaged with their job, and 18% are 'loud quitting', and actively voicing their concerns in the workplace.
- High stress, lack of satisfaction and happiness may be the leading reasons people are looking for new opportunities. But these are symptoms of a larger problem.

The bottom line: people expect more from work

Flexibility and fair pay are now table stakes. [Analysis shows](#) that trust, belonging, and achievement are actually more important to employee wellbeing than pay and encouragement only where pay is at or above market levels. When employees are paid fairly employers can focus on what really has an impact on wellbeing – creating a more inclusive environment that energizes employees.

A change is necessary. Just consider this: [86%](#) of employees with high wellbeing plan to stay with their employer. So it goes to show how much wellbeing (as a factor on its own) can contribute to business efficiency when attracting and retaining talent.

Investing in your employee's wellbeing drives business performance

While it might seem difficult to quantify at first glance, wellbeing essentially ensures that employees have the proper physical and psychological resources to handle their day-to-day life, personally and professionally.

This isn't the same for each individual, which means that wellbeing support for one employee could be quite different to that of another. Integrating wellbeing into your company culture can take various forms.

The Indeed [Work Wellbeing Insights Report](#), conducted in partnership with Forrester Consulting, identified eight signals of a strong wellbeing strategy. For companies looking to compete in a tight labor market—demonstrating a clear approach to wellbeing may be an effective way to stand out to future talent. Plus, the heat is on, with [47%](#) of people reporting their work wellbeing expectations are higher than they were just one year ago.

In our report, [The Business Case for Employee Wellbeing](#), we found through extensive research in partnership with the University of Oxford that businesses have huge incentives for their bottom line.

Greater employee wellbeing can increase the value of your company

So why is it crucial businesses spend more time and resources honing their wellbeing strategy? According to that same [report](#), Indeed and the University of Oxford discovered evidence for strong financial gains for businesses that prioritize wellbeing.

Dr. Jan-Emmanuel De Neve, economist and professor at the University of Oxford where he directs the Wellbeing Research Centre, said “There is no question that caring for how employees feel at work is the right thing to do. Both the moral and business cases are now settled, especially given our [most recent field research](#) showing that employee wellbeing drives productivity as well as recruitment and retention of talent which, in turn, has a measurable impact on a company's overall financial performance.”

The research also shows that organizations with higher levels of employee wellbeing also have better valuations, asset returns and profits. The study found that in January 2021, if you invested \$1,000 in the top 100 wellbeing companies, by March 2023, you would have \$1,300, making this 20% higher than the S&P 500 and 30% higher than the Nasdaq.

The case for increasing wellbeing to increase retention and productivity is strong. Not only for the benefit of employees but for its effect on increasing profits and returns on assets.



With wellbeing expectations on the rise large scale assessment is vital

With expectations rising amongst employees and candidates, work wellbeing is being measured on a much larger scale. Industry leaders are taking note, and action. The world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, S&P (Standard and Poors) Global, now includes questions on the four key dimensions of workplace wellbeing into their large-scale Corporate Sustainability Assessment (CSA). This is a meaningful update to the assessment in its nearly 25 year history. Since 1999, the [CSA](#) and the collaboration with Dow Jones Indices (now S&P Dow Jones Indices) has been used to create the foremost global sustainability benchmark.

Developed by Indeed and experts at the Wellbeing Research Centre at the University of Oxford the [S&P Global CSA](#) will start to look at 4 new metrics: Job satisfaction; Purpose; Happiness and Stress. This means more than 13,000 of the world's largest companies will now be asked to report, often for the first time, on whether they track these four measures alongside other indicators of their Environmental, Social and Governance (ESG) performance.

Other companies are already starting to invest in wellbeing; don't get left behind

The [Work Wellbeing Insights Report](#), found that more than 85% of U.S. adults believe it's important to find companies that care about how you feel. But while wellbeing leaders are emerging, others are simply falling behind when it comes to partaking in actions that can have an impact on their employees' wellbeing, including less than half of them even measuring it.

Just consider the companies that tried the [4 day work week](#), workers reported that they were less stressed, with 71% of employees reporting lower levels of burnout. Some 40% reported having better sleep, while 54% said it was easier to balance work and home responsibilities. [The 4 Day Week](#) pilot also found that almost every company that took part in their original trial planned to continue using a four-day working week, citing reduced levels of anxiety and fatigue among employees.

In another [study](#) of a Chinese travel agency, researchers found that working from home boosted productivity by 13% due in large part to a decrease in breaks and sick days. And in 2022 a randomized controlled trial in an Indian garment factory found that when workers were asked to complete a survey on job satisfaction, their supervisors' performance and job condition, they were 20% less likely to leave the company within five months.

With corporate investments in work wellbeing skyrocketing, the opportunity to emerge as a leader and set your company up for the future is now.

How to improve wellbeing in the workplace

Creating a culture of wellbeing means moving beyond “standard perks.” It involves being transparent about your efforts to identify and act on the things that matter. We've outlined a few central tenants of work wellbeing that can help set you apart when making this important investment.

Be proactive in your approach

The first step to improving wellbeing in the workplace is to measure it. [Measuring work wellbeing](#) allows organisations to identify their strengths as well as areas for improvement, while also offering the ability to track the impact of resulting changes. Employee engagement surveys can be a valuable source of information, but they are often reactive. Pairing them with a proactive approach by assessing levels of stress, happiness, satisfaction and purpose through “stay interviews” with segments of your population and acting on that feedback can build trust with those across different demographics.

Adapting processes to shine a light on [belonging](#), underscoring the importance of psychological safety and focusing on [unconscious bias](#) can have a wide-ranging impact. Consider creating an environment where [positive assertiveness](#) can be used to reduce conflicts, frustration, and increase the quality of relationships.

Learn about the nuance of employee struggles

Being able to identify the differences between burnout and stress might be key to employers recognising what interventions are necessary for their employees. As [Forbes](#) discovered this year, work stress and job burnout are two different types of issues. The way to solve the issue of burnout isn't necessarily to decrease working hours, but to improve the quality of those working hours – through fair treatment, communication, role clarity, and a manageable workload.

Decouple work flexibility from remote work

[A study](#) between the University of Oxford, Harvard University and the Wellbeing Research Center found several studies have shown introducing workplace interventions to encourage family-supportive behaviors and manager support, decreased turnover intentions and objective quit rates, while increasing various measures of employee wellbeing.

In 2020 [GitLab](#) found that 34% percent of employees found the ability to care for family a top benefit of remote work. It was also found that 43% are able to spend more quality time with family. In that same study 14% of remote workers surveyed have a disability or chronic illness and 83% of those workers were able to work because of remote work.

So by definition work flexibility isn't one single thing. Rather, it refers to a movement away from the nine-to-five office-based model of work that's been dominant for the last century. Flexible work fosters a better sense of work/life balance and creates opportunity where everyone can contribute in the workplace.

Recognize leadership's role in driving wellbeing

From the above, it's clear that business leaders themselves must drive the structural changes within their companies in order to promote wellbeing successfully. One such way is by investing in educating managers in appropriate conflict management and leadership skills training – giving them the maturity and confidence to resolve disputes between employees and handle incidents of workplace bullying effectively. What's more, [leaders that look after their own mental health are better equipped to handle the pressure of dealing with economic uncertainties.](#)

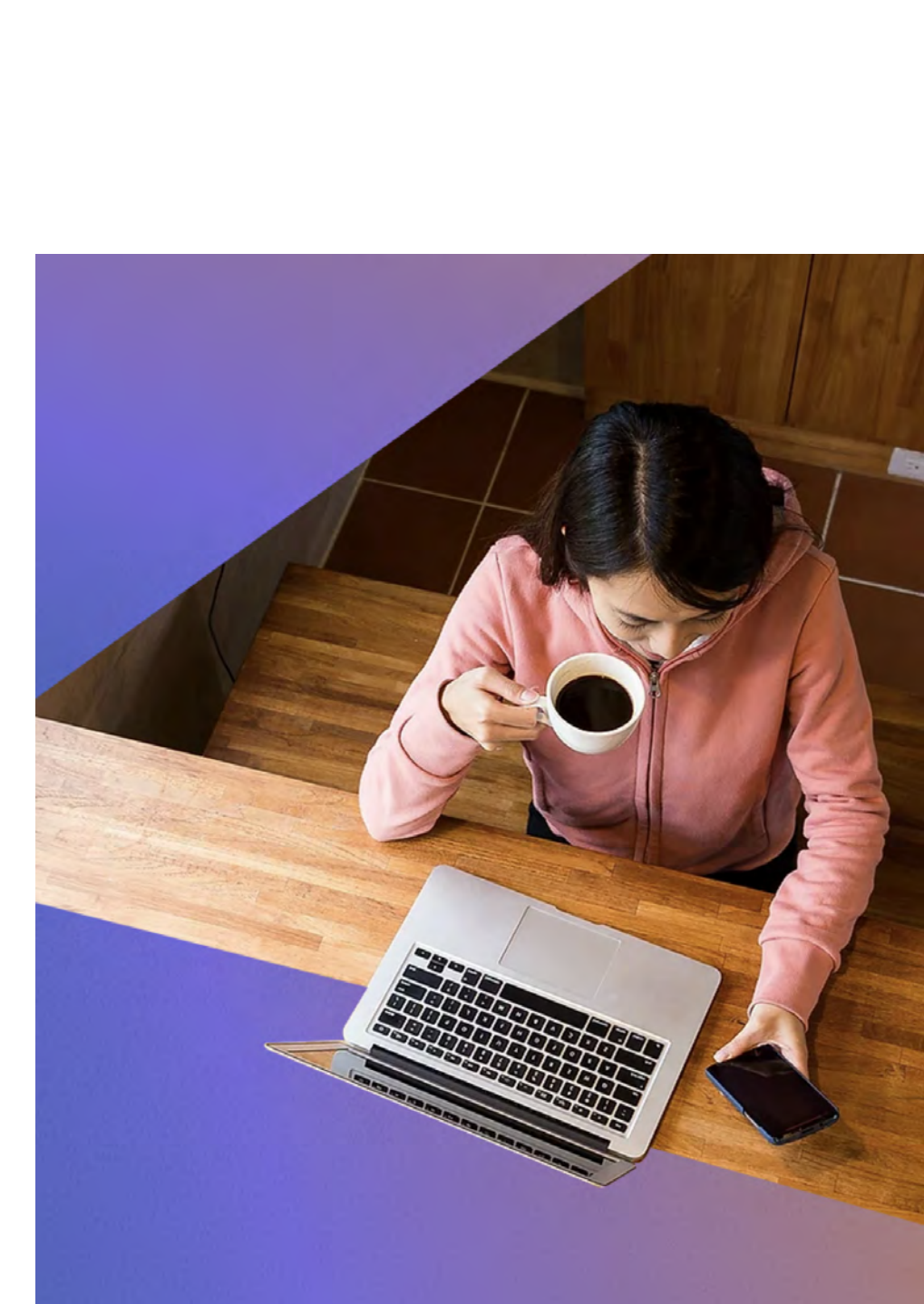
By also offering managers mental health wellbeing training, managers can become more aware of how to spot mental health issues in the workplace and respond with the right workplace accommodations.

Enact pay transparency and pay equity policies

In a [Glassdoor survey](#) on what employed and job-seeking professionals are looking for, [81%](#) of employees emphasized the importance of fair and equitable pay and [82%](#) of workers say they're more engaged with and fulfilled by their work when they're paid fairly.

[One study showed](#) that the higher a woman rises through the ranks of a company, the more difficult it becomes for her to negotiate a salary assertively. By developing systems that encourage women to negotiate their salaries, companies also stand a better chance of retaining talent across the board, regardless of gender. [Pay transparency](#) and negotiation policies provide employees the resources to achieve pay equity at a time when women and people of color still experience wage discrimination.

When people are confident they're being paid fairly and competitively for their work they're [more productive and loyal to their employers.](#)



The future of wellbeing

The evidence is clear: promote wellbeing in concrete ways, and see results in the form of increased retention, hiring, and business value.

- Start measuring wellbeing through [Indeed's work wellbeing survey](#) and “stay interviews”
- Move to a more flexible working model for knowledge based and [front line](#) workers. Consider offering unlimited PTO, no email after-hours policies and the ability to work from home where possible.
- Create a sense of community, clarity, and promote fairness through pay transparency and negotiation policies.
- Train and leverage your managers to ensure every employee has role clarity, a manageable workload and gets fair treatment.
- Invest in leadership skills and mental health wellbeing training to spot and respond to employees needs and offer workplace accommodations.

To sum up, wellbeing shouldn't be an afterthought. Taking an active step towards developing a strong work wellbeing strategy is a business imperative.