

# **BUPA health debate**

Working Britain: 2020 vision

Research study conducted for BUPA, January -  
February 2002

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## **Introduction**

### **Background and objectives**

This report contains the findings of a research study conducted by the MORI Health Research Unit on behalf of BUPA.

BUPA was interested in exploring the following issues among both employers and employees:

- views on who should take responsibility for the health and wellbeing of people in this country
- views on future work patterns
- expectations of retirement age now and in the future
- current and proposed levels of support and benefits in the workplace
- current levels of health benefits and support in the workplace, and what these should be ideally
- views on who is responsible for health and wellbeing in the workplace
- views on how mental health issues are approached in the workplace

### **Methodology**

700 hundred interviews were conducted among Human Resources Directors by telephone in January 2002.

Interviewing was stratified by industry sector, region and company size.

A further 1,034 interviews were conducted among a representative sample of the working British public (adults aged 16 and over in full or part time employment), across 197 sampling points. These interviews were conducted face-to-face in respondents' homes in January 2002.

## **Executive summary**

### **Background population statistics**

This research is driven by a desire to understand the implications of the ageing nature of the population and of the workforce. It is estimated that by 2020, over one in four of the UK population will be over the current pensionable age. As the average retirement age and the number of people taking pensions rise, both employers and employees need to think about the impact these changes are likely to have.

The number of people of working age\* in the United Kingdom was 36.9 million in 2000<sup>1</sup>. There were 6.6 million people over the age of 50 in employment and just under a million people already over the state pensionable age were still in employment (822,000)<sup>2</sup>.

The number of people of working age is projected to rise by 6 per cent to 39.0 million in 2011. Allowing for the planned change in women's state pension age from 60 to 65 between 2010 and 2020, the working age population will increase further to 40.8 million by 2021.

In the United Kingdom in 2000 there were over 10.8 million people of state pensionable age. This number, taking account of the change in women's retirement age, is projected to increase by 11 per cent from 10.8 million in 2000 to 11.9 million in 2011, and by a further 3 per cent to 12.3 million by 2021<sup>3</sup>.

The MORI research looked at a number of key themes within this context:

- perceptions of changing working patterns
- employer/employee predictions for individual and average employment ages
- perceptions of where responsibility lies to provide for individuals both during working life and after retirement

\*Working age is currently defined as between ages 16 to 64 for men and 16 to 59 for women)

<sup>1</sup>Source: National Population Projections, National Statistics

<sup>2</sup>Source: Labour Market Trends, National Statistics

<sup>3</sup>Source: National Population Projections, National Statistics

## **Key research findings**

### **Working Britain in 2020**

Neither employees nor employers indicate that they believe people will work into later life in 2020 - only 9 percent of employees cite working into later life as a future trend and employers do not cite an ageing working population as a trend.

Longer working hours and more home working are expected to be greater features of future working life (top mentions by both employers and employees). Beyond this, however, there are somewhat different perceptions of the changing face of working Britain. Employees mention longer hours (14 percent compared with 4 percent for employers) and less job security (21 percent compared with 3 percent). Employers, on the other hand, predict people will be achieving a better work-life balance (8 percent compared with no employees).

### **Retirement**

Both employers' and employees' perceptions of retirement seem unrealistic. 59 percent of employees expect to retire before reaching 65, and 67 percent of employers expect those in their own companies to do the same.

There is a large gap between the likely reality of retirement age and expectations held. Individuals and companies are over-optimistic about the future and this highlights a potential source of high dissatisfaction amongst employees, as their expectations prove unrealistic.

Employees accept the likelihood that they will have to work into their 60s, but find it harder to accept working into their later 60s (42 percent 'unhappy' against 35 percent 'happy'). There is resounding unpopularity for the prospect of working into the 70s (73 percent 'unhappy', 15 percent 'happy'). Those who do believe they will have to work into later life (the over 55s) are less than happy about the prospect. 43 percent are unhappy working to 65 and 73 percent are unhappy working to 70.

Awareness among young people, the group which will be most affected, that working to these ages is a likelihood is extremely low. 11 percent of those under 34 expect to retire before the age of 55. The expectations of the younger generation in particular are considerably more optimistic than the demographic and economic trends indicate are realistic.

The group most likely to appreciate the necessity to work later into life are those who are nearing retirement; this group is most accepting overall, but less than happy about delayed retirement.

Looking into retirement, more than half of employees are confident that their employer will be willing and able to provide 'at least some of the help and support I require', while 14 percent of employers themselves are more sceptical. It should be noted that when asked what benefits they think their employers should provide for them, employees mention fewer than employers - employers have higher expectations of levels of provision.

However, this again betrays a mismatch of expectations, in that employers are less confident that they will be able to satisfy their employees' needs in the future. They are

particularly restricted by financial limitations in the extent of the support they are able to offer ex-employees.

### **Health, Wellbeing and Financial Security**

In terms of responsibility, employers and employees have similar views on employers taking responsibility for health and wellbeing. One in four from each group spontaneously mentions employers when asked who should take responsibility for the health and wellbeing of people in the UK.

Employees place more responsibility on Government and the NHS than employers do. Around seven in ten employees mention each one compared with one in two employers mentioning Government, and one in ten mentioning the NHS. However, employers are unanimous - 68 percent believe that individuals are responsible for their own health and wellbeing.

Both employers and employees hope to see an increase in employers providing for those who work for them both financially and in relation to health and lifestyle. In certain areas employers' predictions of support that may be offered in the future exceed the expectations of employees. An example is health-related benefits, such as general health screening and stress management. 56 percent of employers would like to offer health screening in the future compared with 35 percent of employees who would like it to be offered.

In general, then, there is a tendency towards providing a broader range of personal health support for employees, in addition to occupational health support.

There is some consistency in certain expectations of both employers and employees regarding health related support. Issues such as stress management and relaxation, help to stop smoking and exercise and fitness are increasingly considered to be areas in which employers should be proactive. Larger employers in particular are conscious of the need to provide more support for those suffering from stress.

There is widespread recognition by employers that mental health is a real issue in the workplace and a driver of employee performance. Consequently, it is an immediate concern for employers. This point is relevant to both large and small companies, although the larger the company, the more likely they are to envisage becoming more proactive. In general, employers are less forthright in their recognition of the problem, than in their confidence that they are tackling it - 64 percent would like to offer stress management to employees, but only 8 percent currently encourage employees to seek advice on issues such as stress.

On many issues, employers' plans for the future seem to meet, if not exceed, the expectations of employees. This is the case in terms of both conventional benefits such as pensions and flexible working hours for parents and in terms of more lifestyle-related benefits such as help with sensible diet or drinking. On the issue of alcohol and sensible drinking, for example, 56 percent of employers think they should be offering support in the future, compared with a mere 16 percent of employees.

This indicates a further mismatch of expectations as employers see conventional benefits such as pensions becoming less common, and benefits such as stress

management and time for volunteering in the community rising. However, fewer employers seem to be taking immediate action to increase stress management, than envisage doing so in the future.

## **Summary of findings**

### **Health and wellbeing**

Individuals themselves and Government are clearly identified as being primarily responsible for the health and wellbeing of people in the UK by both employers and employees.

There is a striking difference in the relative importance attached to Government/NHS and individuals, as can be seen in the chart below. Employers tend to take the line that people should look after themselves, and attribute only secondary responsibility to Government or the NHS; the working general public, on the other hand, rank both Government and the NHS above individuals being responsible.

26 percent of employees and 29 percent of employers think that employers have some responsibility for people's wellbeing. The employers most likely to accept some responsibility are those with over 250 staff. Amongst the working general public, those aged between 45 and 54 are most likely to think their employers have responsibilities to look after their health.

### **Work patterns now and in the future**

Employers and employees agree on increased home working and flexible hours as the key changes likely to shape future work patterns, but there are differences in expectations on some other potential changes.

Employees are more likely to have concerns about less job security, and having to work longer hours - problems that are rarely identified by employers. Older employees (those over 55) in particular perceive job security to be decreasing. Interestingly, job security is not a class-specific issue - ABC1s and C2DEs are similarly likely to mention it. However, longer working hours are more of a specific concern to ABC1s or those in higher paid jobs.

Employees are also more likely to list changes such as more on-line working/use of the Internet by businesses, and to think skills requirements will increase in the future, or that people will have to do more than one job. Employers, on the other hand, very rarely mention these changes.

Some employers suggested that people might achieve better work-life balance in the future - a positive outlook not shared by employees at all.

Contrary to what might have been expected, the probability of working into later life receives very few mentions by either employees or employers. Since demographic trends and projections indicate that working into later life is highly likely to be a key feature of future employment, this indicates the issue is not as top of mind for either employers or employees.

Employers were also asked what they thought would be the biggest challenges facing them over the next 20 years. Responses are wide-ranging, but the most common include legislation, recruitment and retention, skills shortages and finding the resources to deal with the ageing population as being the greatest challenges facing employers over the next 20 years.

For example:

*Legislation! Every time you open a letter these days it's about another thing you've got to do*

*Organising pensions for employees in the future*

### **Workplace benefits and support**

Respondents were asked what support or benefits they gave, in the case of employers, or were offered, in the case of employees. While employers tend to list greater numbers of benefits than their employees, there are generally encouraging levels of benefits reported on both sides. Predictably, company pensions, maternity and paternity leave, private medical insurance and subsidised canteen facilities are the most commonly reported benefits.

As might be expected, part time workers and C2DEs list fewer benefits than average. Individuals in the middle age band (25 to 54) list the most benefits.

Pensions and private medical insurance are most likely to be reported by those in higher paid jobs. In terms of ideal benefit packages for the future, there is an expectation amongst both employers and employees that some benefits are offered to adequate levels already, but that others will need to be offered more frequently. There is not complete agreement on where the priorities should lie, however.

For employees, flexible working hours for parents, crèche facilities and private medical insurance are key priorities. While employers do not disagree, they also attach greater importance to giving employees more time to undertake volunteer work in the community - something for which employees show minimal interest. As can be seen from the chart below, employers see a substantial increase in volunteer work, while employees see only a marginal increase.

Conversely, for employees, private medical insurance is an important priority for the future (up 11 percentage points), while employers actually predict its decline (down 22 percentage points).

Both parties are in agreement, however, that company pensions are likely to decrease in the future (down 22 percentage points). This is also to an extent the case for maternity leave (down 14 percentage points). Paternity leave on the other hand is a potential source of a mismatch in expectations, employers seeing it as becoming less necessary (down 7 percentage points), and employees thinking it will become increasingly important (up 11 percentage points).

There are also differences between employers of different sizes in their approach to offering benefits in the future. Larger employers are, perhaps unsurprisingly, more optimistic than others that they will be able to offer increased benefits. Smaller employers are less likely to envisage providing, for example, time to support work in the community, but do predict increases in more standard benefits such as paternity leave and pensions.

## **Health related support now and in the future**

More interesting divergences between employers and employees are highlighted in opinions on health related benefits. At present, the most common types of health related benefits offered are primarily linked to occupational health, including eyesight testing, Repetitive Strain Injury treatment, general health screening, back care and help to stop smoking.

Employers are clearly feeling pressure to provide for employees' personal health as well as financial needs, seeing health related benefits (although interestingly not private medical insurance itself) increasing over the next few years; employees agree that this should be the case, but their expectations are considerably lower.

The perceived increase in offered benefits applies to employers of all sizes, but the shift between current provision and likely future provision is particularly striking for smaller employers.

Stress management is clearly a top priority for both employers and employees - both would like to see an increase in the level of support offered by employers. Both parties echo the ethos of 'a healthy happy workforce is an efficient one'.

Alcohol advice, help to stop smoking and other personal health issues all attract sharp increases in mentions when employers are asked about benefits they would ideally like to offer in the future. This indicates the increased importance to employers of providing for the personal health problems of employees. Employees agree that they would like employers to offer these types of benefits more than at present, but on issues such as exercise and fitness, for example, the contrast is less stark.

Employees believe that their employers have a duty to look after the people working for them, that they have a right to work in a safe, healthy environment, and that a healthy workforce is likely to be more productive, as illustrated by comments made by respondents:

*If you are in a job which is stressful they should be accountable for it*

*A lot of jobs are stress related. People are working longer hours, which is a growing health hazard in this country*

## **Why look after health?**

Employers are clearly aware of the need to increase health and lifestyle provisions for employees. When asked what their company objectives are in investing in the personal health needs of employees, the reasoning is clear - the need to attract a good workforce, keep them healthy and on good terms, and to fulfil legal obligations.

Amongst all employers, there is a desire to maintain a happy healthy workforce. Smaller employers are less likely than their larger counterparts to say that they aim to 'provide support' or 'keep the workforce happy'. Instead, they aim simply to fulfil their legal obligations.

Interestingly, very few employers spontaneously cite reducing absenteeism as an objective. When asked by what criteria they judge the success of these objectives, the

main one is 'time spent off work due to ill health'. This discrepancy perhaps reflects the increasingly widespread attitude that keeping employees happy is as much to do with optimising productivity as reducing absenteeism, and that the latter is less an aim in itself than one way of measuring the overall wellbeing of employees in a company.

### **Mental health in the workplace**

Employers were asked how much they agreed or disagreed with a series of statements about the mental health of their employees. The findings to an extent mirror those of the previous questions about health related benefits.

Most employers recognise that their employees may and do suffer from stress, and that this is a problem that needs to be faced. However, it appears current actions on the part of employers have yet to match their good intentions. While 64 percent of employers would like their companies to offer stress management in the future, only 8 percent agree that they encourage employees to seek advice if suffering from stress or mental health problems, as can be seen from the chart below.

Awareness of stress as a workplace issue tends to increase with company size. Moreover, larger employers are more likely to feel confident that they are being proactive on the issue - agreeing that 'my company encourages employees to seek advice if suffering from stress or mental health problems'.

Smaller employers are more likely to agree that they 'let employees deal with issues of stress and mental health in their own way'.

*People are becoming more aware of health related issues in the workplace and as a consequence not being very happy about the situation  
new technology meaning different office environments and making it more difficult for managers to monitor stress levels*

Employees make similar observations about the need for employers to address the issue:

*Employers are responsible for some of the stress, and it's also in their interests to retain healthy employees*

Employees were asked where they think the balance of responsibility for wellbeing lies between employers and individuals.

Individuals are expected by all to take responsibility for their own health and wellbeing, although by women slightly more so than by men (88 percent mostly/completely compared with 79 percent), and by ABC1s more than C2DEs (87 percent mostly/completely compared with 77 percent). It is C2DEs who are also the most likely to cite governments and the NHS, when openly asked where responsibility lies.

Levels of responsibility attributed to employers is consistent across sub-groups, although are slightly lower amongst those over 55.

## **Retirement age**

Employers were asked to estimate the national average age of retirement, and then to estimate the average age for their own company. Employers of all sizes tended to underestimate the future projections for retirement, believing employees in their own companies would retire earlier than predictions suggest.

59 percent of employers estimate the national average age of retirement to fall between 55 and 64.

For their own companies, however, they were more likely to give a figure between 60 and 69. This under-estimation of the national average is consistent across different company sizes.

Expectations on the part of both employers and employees are significantly far off the mark according to realistic projections that the young people of today will have to work into their 70s.

Employees were asked at what age they expected to retire, and then how happy they would feel at having to retire at 65 and 70 respectively.

Women are more likely to expect to retire in their early 60s, while men more frequently envisage having to work into their later 60s or 70s. Similarly, when asked how happy they would feel at having to work until 65, men are more accepting than women.

Those under 34 are the most optimistic. They give lower ages generally, and as many as 11 percent hope to retire before they reach the age of 55. In the context of projections that they will have to work into their 70s, it is younger people whose perceptions are farthest from the likely reality.

Those already over the age of 55, on the other hand, plan to work until their 60s. They are also the least happy at the prospect, but are more realistic.

This apparent gap in expectations and reality indicates that working into later life is perceived as becoming more of an undesirable necessity. The younger generation hopes to take early retirement, and the older generation would like to be retired by their mid-50s. The reality is unpopular but clear to those nearing retirement, but somewhat less than clear, although presumably equally unpopular, to those nearer the start of their careers.

## **Provision for retirement**

The perceptions of responsibility for health and wellbeing discussed earlier are mirrored in perceptions of where responsibility lies for both financial security and health and wellbeing in older age. Indeed there is marginally more agreement between employers and employees on the relative responsibilities of individuals and the Government when thinking about those in retirement.

Individuals themselves are clearly identified as being primarily responsible for both their financial security and health and wellbeing.

As before, employees are much more likely to perceive responsibility to belong to governments than are employers, but particularly so in relation to financial security. Both groups agree that Government has a high level of responsibility for health and wellbeing; employees say the same about financial security, whereas employers are more cautious, sticking to the view that individuals should take primary responsibility for their own financial affairs.

Employers are mentioned as having responsibility for people's financial security by less than might be expected given the high expectations of employers' abilities to provide for employees in all respects, including health, during employment.

Also in a similar pattern to previously, the NHS is top of mind for members of the working public, particularly C2DEs, but less so for their employers.

To measure the perception of employers having some responsibility for employees after retirement against expectations, both sets of respondent were asked how far they expected employers to be able to provide the necessary levels of support.

Here again there appears to be a mismatch of expectations, in that employees are generally more confident about the levels of support their employers will be able to provide after they retire than employers are themselves. Around a half of the working general public is optimistic, compared with less than one in five employers.

This could perhaps be due to the fact that employees' expectations of the role of employers are generally lower than those of their employers. For example, employers envisage having to provide more health related benefits than employees hope for themselves.

Older people tend to be the most cynical however, indicating that public expectations exceed what is realistic. This mirrors expectations of retirement age, in that those who are in the best position to have a grasp on reality are the most pessimistic. Those who are further away, base their hopes on possibly false expectations.

For employers, financial constraints are by far the greatest obstacle in delivering on employees' needs after retirement (mentioned by 32%). A few employers argue that 'the responsibility stops when the employee retires', but this is not the mainstream view.