

# A HEALTHIER MANUFACTURING WORKFORCE

WELLBEING AND WORK IN  
UK MANUFACTURING



# INTRODUCTION

Health and wellbeing have become an increasingly important part of manufacturers' investment in their workforce. Against the backdrop of an ageing workforce and – since the COVID-19 pandemic – high staff turnover and growth in long-term sickness absence, businesses have prioritised increasing their investment in the health and wellbeing of their staff.

Health and wellbeing have also become a prominent part of a wider debate about the labour market, availability of skilled workers and economic inactivity since the pandemic. The Health and Safety Executive (HSE) puts the total cost of work-related ill health at more than £13 billion, with 1.8 million workers suffering from work-related ill health in 2022/23, highlighting the extent of the impact of health and wellbeing at work on both employers and government.<sup>1</sup>

Government policy is increasingly geared towards addressing the persistently high number of people identified as 'economically inactive' as a result of ill health. In the context of the manufacturing sector's ongoing struggle to recruit and retain talent at all levels, both industry and policy-makers are looking to find solutions to maximise the number of skilled individuals available to work. Investment in health and wellbeing – whether to make workplaces more accessible to those with health conditions, enable people to return to work after long-term absence, or offer measures like flexible working arrangements to support employees with different needs – is a clear priority.

Our research shows that many manufacturers are evolving away from a 'reactive' model of health and wellbeing to a 'proactive', or interdependent, model. This involves a shift in focus from using tools such as occupational health to manage sickness absence and employee performance, to also considering early-stage interventions to prevent

sickness, as well as cultural change in areas such as flexible working to improve mental and physical wellbeing.

Overall spending by manufacturers on health and wellbeing initiatives has grown over recent years. The proportion of manufacturers spending between £10,000 and £50,000 per year on health and wellbeing has grown from a third to more than half in under three years. Many report significant benefits in reduced sickness absence and improved productivity from higher levels of investment. This investment is expected to increase further in the coming years as employers try to counteract the pressures of their ageing workforce and increased competition for skills by keeping hold of talent and maximising the output of their existing workforce.

Survey data shows the extent to which manufacturers take steps to prevent accidents and injuries in the workplace – often going beyond the strict requirements for regulatory compliance to participate in a strong culture of employee safety that spreads across the whole sector. This understanding of risk management and prevention has begun to move beyond safety to wider health and wellbeing as employers see the impact of losing skilled staff to sickness absence. However, there is more that could be done throughout manufacturing to ensure that the workforce remains at its healthiest and most productive.

<sup>1</sup>Health and Safety statistics: 2022 to 2023 annual release - GOV.UK ([www.gov.uk](http://www.gov.uk))

An important part of this requires developing the culture of the organisation towards one that prioritises health and wellbeing throughout the business. This starts with senior leadership, but importantly, also requires adequately equipping line managers to respond to employees' health and wellbeing concerns, and to support teams to work in ways that support reduced risk of mental and physical ill health arising as a result of working conditions.

From a policy perspective, there is also more support that the Government can give to enable industry to safeguard employee wellbeing – helping to create a healthier and more productive workforce, and reducing economic inactivity and government spending on social security.

There are positive steps already being taken with the creation of a voluntary standard for employers, but now the Government must move forward urgently with expanding the limited tax benefits for businesses investing in occupational health and wellbeing.

It should also consider how to reform statutory sick pay to help to prevent growing long-term sickness absence and broaden support for leadership and management skills training, empowering leaders and line managers to support the wellbeing needs of their people.

To thrive in the future, manufacturers need a resilient and sustainable skilled workforce. Improving the health and wellbeing of all staff is a crucial part of achieving this.





# SUMMARY OF RECOMMENDATIONS



## INDUSTRY RECOMMENDATIONS

- 1. Understand and review your organisational culture.** Reviewing organisational culture is critical as it shapes the values, behaviours, and attitudes of employees. This includes ensuring the senior leadership team understands its responsibility for workforce health and wellbeing; conducting regular wellbeing surveys of staff; and agreeing tangible and achievable goals.
- 2. Empowering work-life balance through flexible working.** Flexible working arrangements accommodate diverse needs and preferences, fostering inclusivity and catering to the evolving demands of today's workforce.
- 3. Prioritise wellbeing to drive performance and innovation.** Investing in employee wellbeing is not just a moral imperative; it's a strategic business decision. Prioritising employee wellbeing reduces absenteeism, turnover, and healthcare costs while increasing retention rates, talent attraction, and overall competitiveness in the marketplace.



## POLICY RECOMMENDATIONS

- 4. Implement expanded tax relief on occupational health services.** To address the challenges that employers face in retaining staff and help those who have become inactive as a result of ill health back into the labour market, the Government should now implement the expanded tax reliefs on occupational health that were consulted on in 2023.
- 5. Continue the partnership between government and industry on improving employer understanding of high-value health and wellbeing interventions.** The Government is introducing a voluntary framework to guide business investment in health and wellbeing. Continued work with industry on implementing this and raising awareness is crucial.
- 6. Make statutory sick pay available from the first day of absence with a rebate for SMEs.** Evidence from manufacturers suggests that the three-day qualifying period for SSP is contributing to presenteeism, with employees attending work despite being unwell in order not to lose pay, leading to a greater risk of long-term sickness absence and reduced productivity. To address this, the Government should enable employees to access SSP from the first day of sickness with a rebate for small employers.
- 7. Introduce tax relief on accredited leadership and management training.** Strong leadership and management skills are essential to supporting the health and wellbeing of the workforce, yet this is a prominent skills gap across manufacturing. Expanding existing tax relief on workplace training to encourage greater upskilling and retraining could help manufacturers to invest more in leadership and management training.

# HOW HEALTHY IS THE MANUFACTURING WORKFORCE?

## DRIVERS OF ILL HEALTH

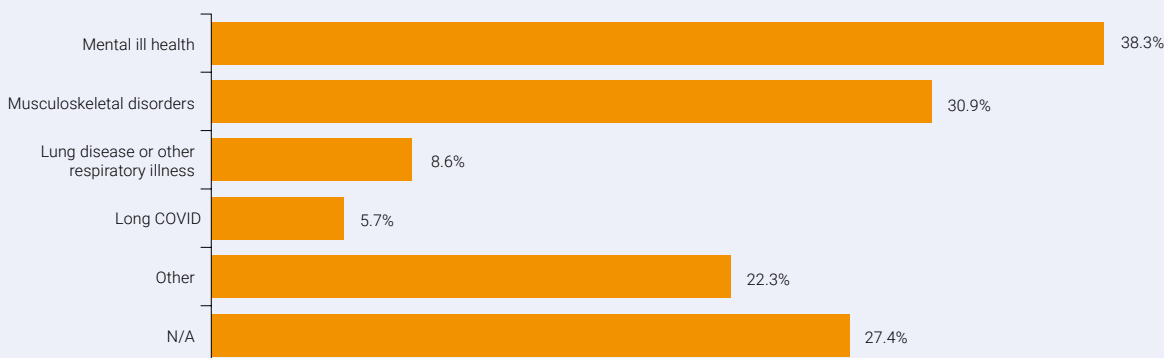
Make UK's annual Absence Benchmark report for 2024 found that long-term sickness absence had increased compared with 2023 and 2022.<sup>2</sup> Manufacturers report that worsening mental ill health is a significant driver of this increase, with nearly 40% of employers identifying this as the main cause of long-term sickness absence in their business. This figure has increased significantly over recent years; in 2017, less than a quarter of manufacturers had found that stress and other mental ill health conditions had caused long-term absence from work.

Among physical health conditions, manufacturers identify a number of issues. Chief among these is musculoskeletal (MSK) conditions, which almost a third (30.9%) of

manufacturers reported as a main cause of long-term sickness absence. This has also increased compared with earlier years. Indeed, while the proportion of MSK-related absences had decreased between 2009 and 2017, seven years ago it stood at 18%.

A small proportion of manufacturers (5.7%) report long-term absence caused by long COVID. The nature of this illness means that there is not a reliable historical picture over recent years of how this has changed since the onset of the pandemic, but it is clear that it has had some impact in the sector despite our Absence Benchmark data indicating that the number of sick days lost to COVID and self-isolation overall have declined rapidly in the last 12 months.

**Chart 1: Mental ill health is the biggest cause of long-term sickness absence among manufacturing employees<sup>3</sup>**



<sup>2</sup>Absence Benchmark Report 2024 | Make UK

<sup>3</sup>Make UK wellbeing survey, April 2024

## IS EMPLOYEE ILL HEALTH WORK-RELATED?

A majority of manufacturers believe that most employee ill health is not directly related to their work. The vast majority – more than 8 in 10 – attribute 10% or less of their total sickness absence to working conditions. Meanwhile, only 4% of manufacturers believe that more than a quarter of their absences relate to factors at work.

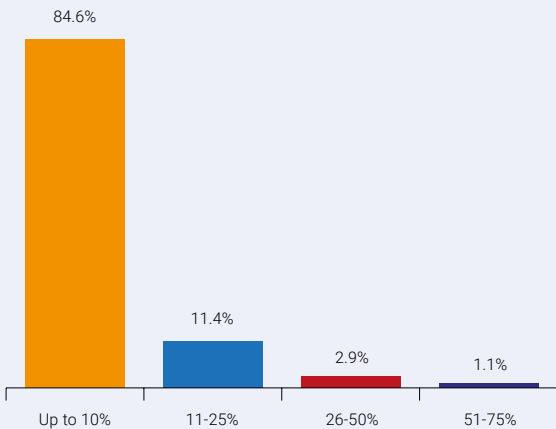
## RELATIONSHIP BETWEEN AGE AND HEALTH AT WORK

Data from Make UK’s annual Labour Turnover report shows that nearly half (46%) of manufacturers have seen

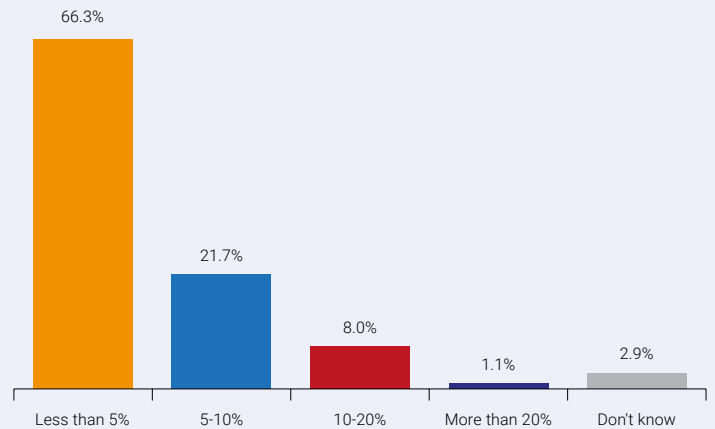
members of their workforce retire in the last 12 months. Although a majority have seen only a small proportion of their workforce retire in the last five years, this is due to increase over the next five years and beyond.<sup>4</sup>

Most people retire when they reach state pension age. According to manufacturers, this is the case for two-thirds of staff, with bosses identifying it as the main reason for employees deciding to retire. However, it is notable that physical and mental health are cited as reasons by some – indeed, nearly one in five say that employees have retired as a result of physical ill health.

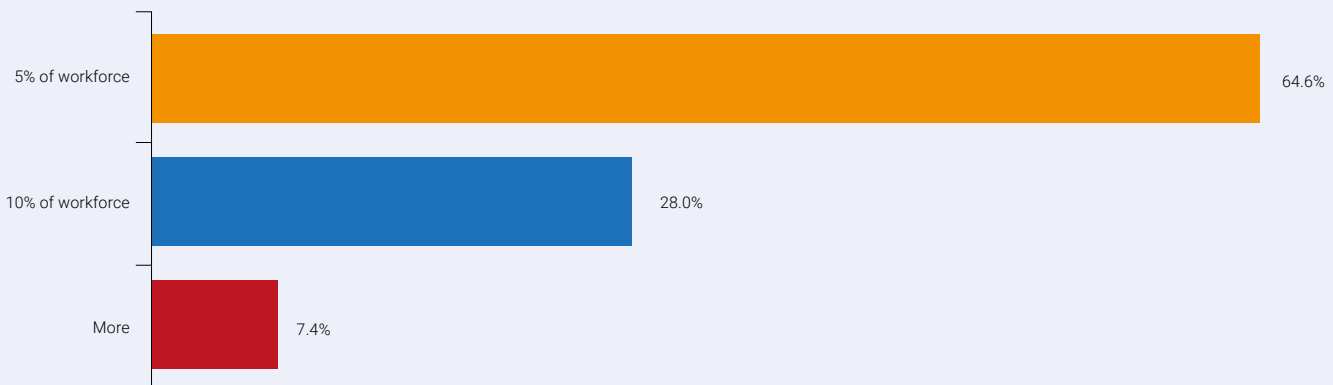
**Chart 2: Only a small minority of manufacturers believe employee ill health is caused by work<sup>5</sup>**



**Chart 3: Two thirds of manufacturers have seen less than 5% of their workforce retire over the last five years<sup>6</sup>**



**Chart 4: More than a quarter of manufacturers expect to lose 10% of their workforce to retirement in the next five years<sup>7</sup>**



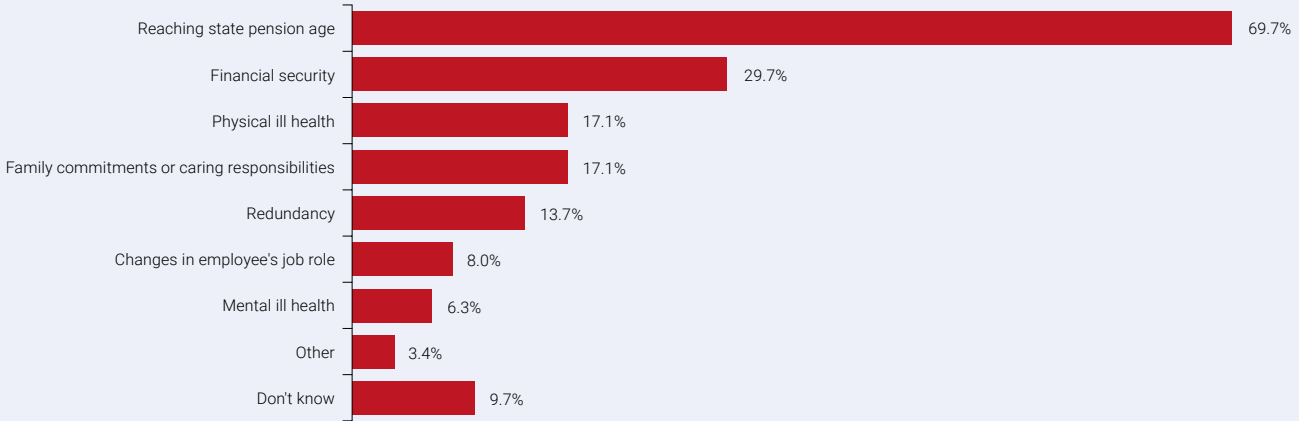
<sup>4</sup>Labour Turnover Report 2024 | Make UK

<sup>5</sup>Make UK wellbeing survey, April 2024

<sup>6</sup>Make UK wellbeing survey, April 2024

<sup>7</sup>Ibid

**Chart 5: Physical and mental ill health are contributing to the increasing retirement rate in manufacturing<sup>8</sup>**

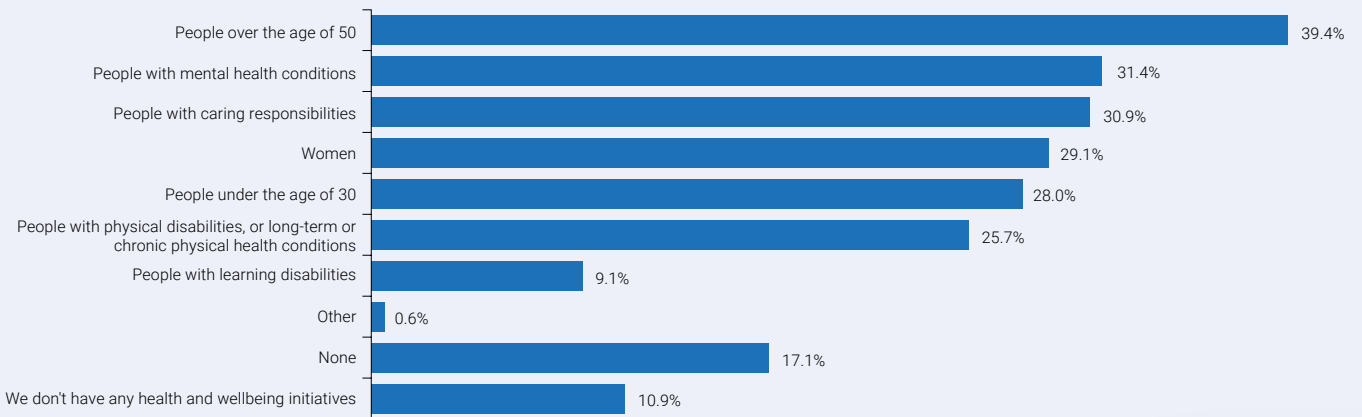


One of the key challenges that manufacturers have often identified in managing an older workforce has been engagement with employees over the age of 50. It can be particularly difficult for employers to have sensitive conversations with this age group about health and wellbeing, as well as wider factors that play into their decision-making about retirement such as

financial health, family commitments and caring responsibilities, and ability to perform certain tasks on a day-to-day basis.

However, the benefits of doing so are clear. When considering which parts of the workforce has most benefitted from increased investment in health and wellbeing, it is the recruitment and retention of older workers where there is the most impact.

**Chart 6: Health and wellbeing investment primarily benefits the recruitment and retention of people over the age of 50<sup>9</sup>**



<sup>8</sup>Ibid



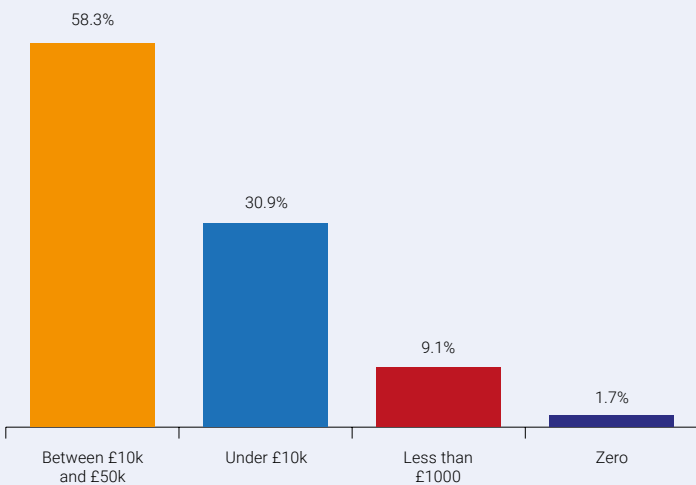
# MANUFACTURERS' INVESTMENT IN HEALTH AND WELLBEING

Despite considerable economic and trade challenges, the amount that manufacturers are spending on the health and wellbeing of their staff has not only remained consistently high over recent years, but has also notably increased. In 2021, a third of manufacturers were spending between £10,000 and £50,000 per year on health and wellbeing – now, it stands at well over half.

Over both 2022 and 2023, manufacturers largely increased their level of investment or at least held it at the same level as the previous year.

Make UK's annual Executive Survey found that in 2024, most manufacturers expect to see a substantial increase in employment costs over the course of the year.<sup>10</sup> Despite this, many manufacturers will again increase their investment in health and wellbeing initiatives, recognising their importance to staff retention and productivity.

**Chart 7: A majority of manufacturers are spending between £10k and £50k per year on health and wellbeing<sup>11</sup>**

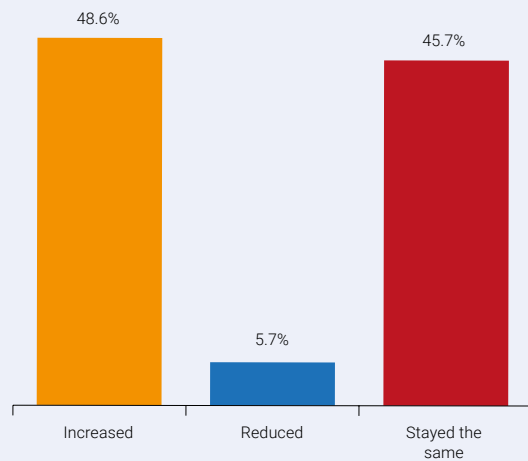


<sup>10</sup>Make UK and PwC Executive Survey 2024 | Make UK

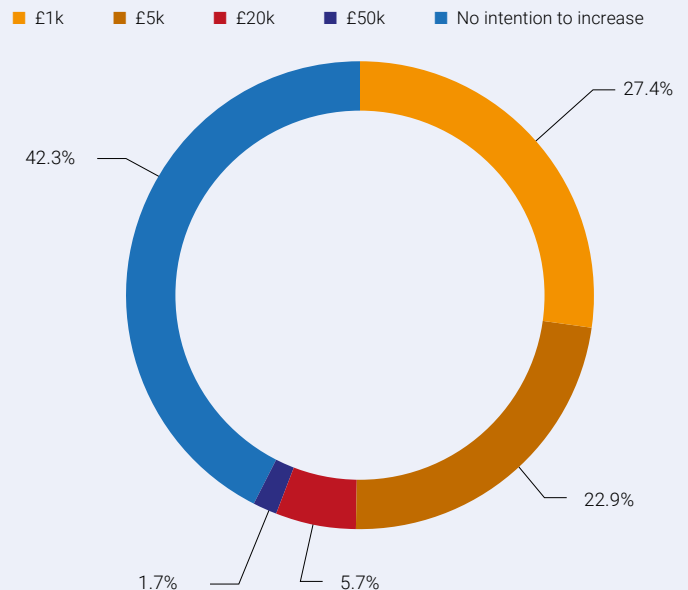
<sup>11, 12</sup>Ibid

<sup>13</sup>Make UK wellbeing survey, April 2024

**Chart 8: Nearly half of manufacturers have increased their spending on health and wellbeing initiatives over the last year<sup>12</sup>**



**Chart 9: A majority of manufacturers will increase their spending by between £1k and £5k in the next 12 months<sup>13</sup>**





# HOW MANUFACTURERS ARE ADDRESSING AND PREVENTING ILL HEALTH IN THE WORKPLACE

## OCCUPATIONAL HEALTH

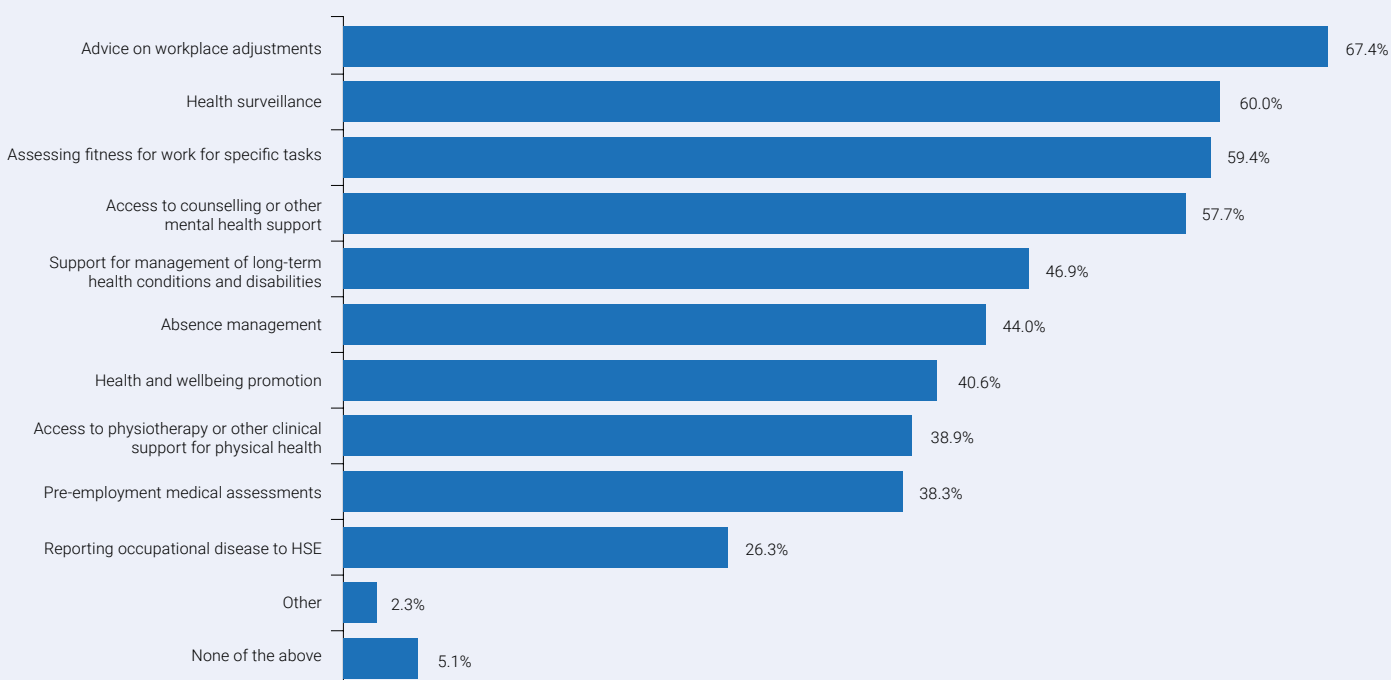
There are a range of interventions typically offered through manufacturers' occupational health (OH) services. Depending on the business, these can be provided directly by the employer or by an external provider. Feedback from manufacturers is typically that occupational health services are expensive, whether they are procuring services from a specialist provider or recruiting in-house professionals such as physiotherapists.

As such, concerns about value for money and the upfront cost of providing services - particularly at a time when other employment-related costs for manufacturers continue to increase - risk dissuading businesses from making this investment.

Anecdotally, manufacturers often share that occupational health can be used primarily as either an absence management tool or to meet regulatory requirements, for example on health surveillance. However, the chart below shows perhaps a more nuanced picture, particularly in relation to areas like mental health.

While there is often a perception that occupational health is better suited to meeting physical health needs than mental ill health, a majority of manufacturers who have some form of occupational health service provided in-house or externally include counselling or other mental health support within this offer.

**Chart 10: Advice on adjustments, health surveillance, assessment of fitness for work and access to mental health support are among the most popular occupational health services offered to employees<sup>14</sup>**



<sup>14</sup>Make UK wellbeing survey, April 2024

Data from Make UK’s annual Absence Benchmark report shows more specific initiatives where employers tend to invest. A number of the most popular are areas where there is either a relatively small financial outlay or where current tax relief on employer-provided health services as benefits in kind exempt from national insurance contributions makes a return on investment in occupational health more obvious.

Additional data from our annual Shift Premia and Benefits Benchmark 2024 shows that 60% of manufacturers also offer employees private medical insurance as a benefit in kind.<sup>15</sup>

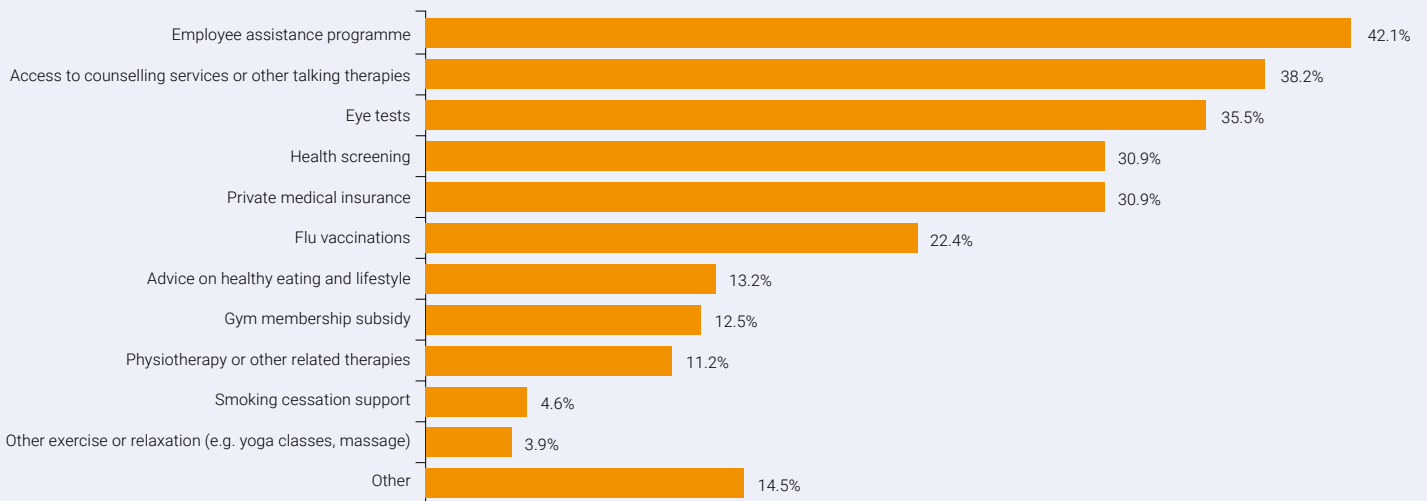
There is unhelpful inconsistency in how the tax system incentivises – or disincentivises – employer investment and employee take-up of different health and wellbeing interventions. Some services provided by the employer as benefits in kind are exempt from both employer and employee national insurance contributions, whereas others are only exempt from one class of NICs, and some are not exempt at all.

One of the key barriers to employers investing more in occupational health has been a lack of employee engagement with the provision on offer. While tax relief is not the only solution to this, providing an incentive to the employee to take up the offer of occupational health services, as well as to the employer to provide them, can be part of helping to unlock additional business investment in health.

Make UK has long called for the Government to expand the scope of tax reliefs on occupational health services provided as benefits in kind, and, in the summer of 2023, the Treasury consulted on doing so. While this is a positive step forward, it is important that the Government now takes action and implements more generous tax reliefs on occupational health to enable more employers to adopt a wider range of preventative interventions to support health and wellbeing.

This should also be kept under review and consideration given as to how to simplify the approach to taxing health and wellbeing services to maximise support for employers to provide these services to their workforce – and for the employees to take them up.

**Chart 11: The most popular health and wellbeing offers typically correspond to upfront cost to the employer<sup>16</sup>**



<sup>15</sup>Shift Premia and Benefits Benchmark 2024 | Make UK

<sup>16</sup>Absence Benchmark Report 2024 | Make U6

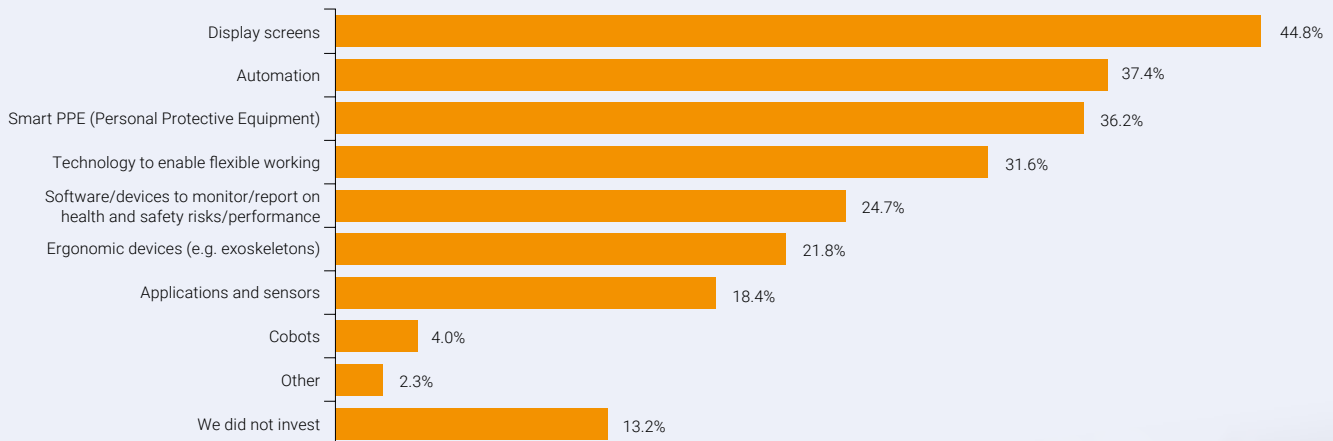
# INVESTMENT IN TECHNOLOGY

Manufacturers' investment in new industrial technologies is the key driver of how workplaces – and the demands placed upon all employees – are evolving. Deployment of technology is helping to create safer and healthier working environments across the sector.

Manufacturers have shared that this investment in technology is not only important in keeping the workforce safer, but making the workplace more accessible for those

with specific needs; for example, employees with physical disabilities or long-term health conditions may benefit from some automation where it assists with difficult manual tasks. Combined with occupational health provision often being used to determine workplace adjustments for those returning to work or entering work with health conditions, this can help make manufacturing employers more inclusive of those skilled workers who might otherwise have been prevented from working to their full potential.

**Chart 12: Nearly half of manufacturers have prioritised investment in display screens to support improved health and safety in the workplace<sup>17</sup>**



<sup>17</sup>Make UK wellbeing survey, April 2024



# FLEXIBLE WORKING

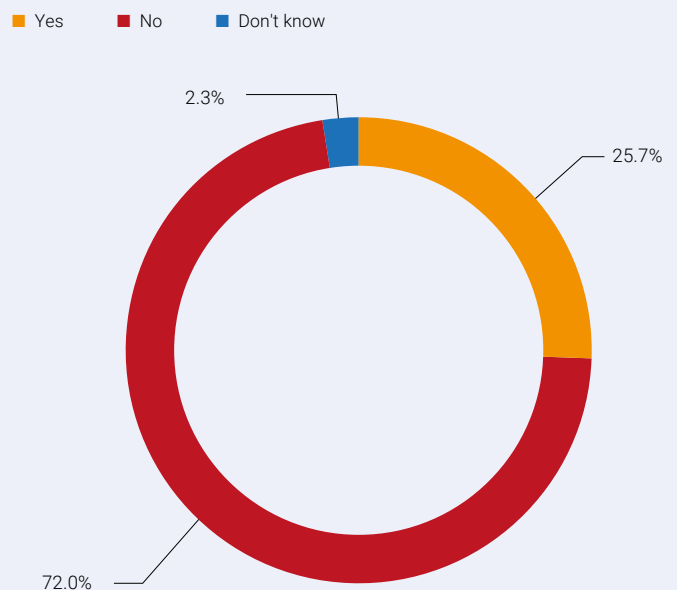
Accommodating increasing demand for flexible working has inevitably become a major part of the employment landscape in manufacturing in the years following the pandemic. Although in the short term there has been a relatively small impact from the recent change in the rules around flexible working requests, the last two years have seen many more manufacturers looking to accommodate requests from employees for different types of flexible working – whether remote or hybrid working, compressed hours or other forms of flexibility in relation to working hours and location.

Where manufacturers are accommodating requests for flexible working, whether remote or hybrid, employers should consider the requirement to specifically protect these employees. Anyone working from home should be considered a lone worker and may therefore require a specific risk assessment to be carried out and the appropriate controls to be put in place.

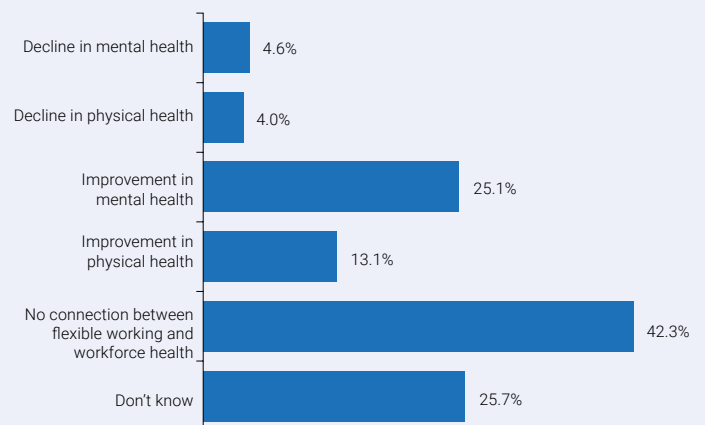
For many manufacturers, there has not been a notable impact on either physical or mental health from an increase in flexible working arrangements. For those who have noticed a health and wellbeing impact, it is more likely to have led to improved mental health – around 1 in 4 manufacturers identified this as a positive.

A very small number of manufacturers have shared concerns that increased flexible working – largely remote or hybrid working – could lead to health and wellbeing issues arising. In relation to physical health, this could be as a result of external working spaces not being set up well, and employees and employers alike being unaware of the application of regulations or best practice for ensuring healthy working from home. For mental health, concern typically stems from a belief that employees may become socially isolated from colleagues, or that there is a greater difficulty for some employees in maintaining work-life balance in working from home.

**Chart 13: No notable increase in flexible working requests yet, following the new rules from April 2024<sup>18</sup>**



**Chart 14: Manufacturers are more likely than not to see improved health and wellbeing from flexible working<sup>19</sup>**



<sup>18</sup>Make UK wellbeing survey, April 2024

<sup>19</sup>Ibid

## **CHANGES TO FLEXIBLE WORKING RULES FROM APRIL 2024**

From April 2024, employees now have a legal right to request flexible working arrangements from their first day of employment (previously this took effect after 26 weeks of continuous employment). In addition, employees are now able to make up to two requests in the same 12-month period (previously this was only one); employers must respond to requests within two months (previously three) unless there is an agreement to extend this; employees do not have to explain the impact their request would have on the business and employers now must consult with employees before declining a request.

Employers retain the same ability to decline a request according to the eight business reasons provided.



# THE RETURN ON INVESTMENT IN EMPLOYEE HEALTH AND WELLBEING

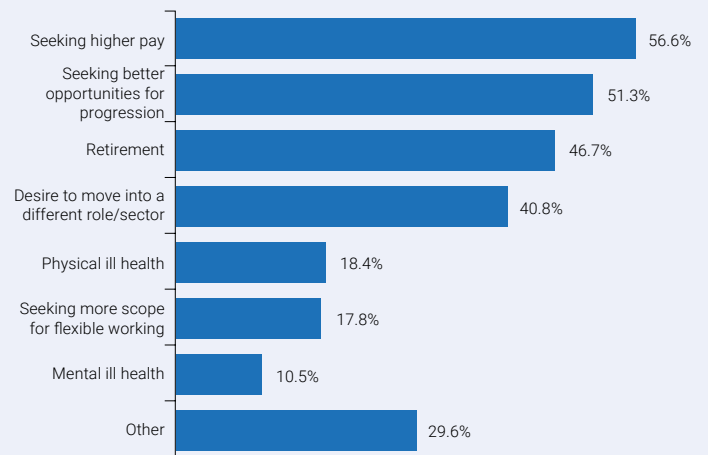
The fact that most manufacturers do not attribute employee ill health to their working conditions can raise a difficult question for businesses – why should it be the employer’s responsibility to address the causes or effects of sickness if these have occurred outside of the workplace? Given some of the concerns about quality, value for money and high costs, is there a return on this investment?

Many manufacturers have reported the direct impact of physical and mental ill health on their workforce since the pandemic. They have noted impaired productivity from employees being present in the workplace despite being unwell, short-term illness becoming long-term absence, and sometimes long-term absence becoming leaving the workforce altogether, whether before or close to retirement age. While it is far from the only cause of the well-documented labour and skills shortages the sector is suffering, it is contributing to the pain that manufacturers are feeling from a wide range of staffing pressures.

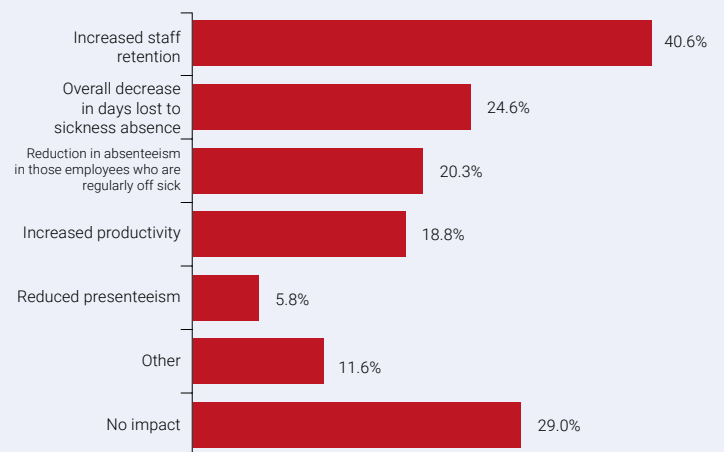
A large proportion of manufacturers see a tangible return on their investment in health and wellbeing in the form of improved retention and productivity, fewer days lost to sickness absence and reduced presenteeism. As noted above, in areas such as occupational health, it can sometimes be difficult for employers to invest when there is some doubt about quality and the value for money an intervention can provide. However, it remains clear that those manufacturers who are investing in the areas discussed in this report are seeing the benefits to their business from doing so.

Support for employees’ health and wellbeing is important for retention because it enables employees with health concerns to continue working and to be more productive, and because it helps to demonstrate an employer’s sense of responsibility to, and investment in, its workforce. In each of these ways, this support contributes to improving the efficiency, productivity and external appeal of the business – attracting and retaining more skilled workers in a competitive labour market, and gaining more output from a healthier labour force.

**Chart 15: Nearly one in five manufacturers have seen people leave work altogether as a result of physical ill health in the last 12 months<sup>20</sup>**



**Chart 16: Increased staff retention is the main benefit of increased spending on health and wellbeing<sup>21</sup>**



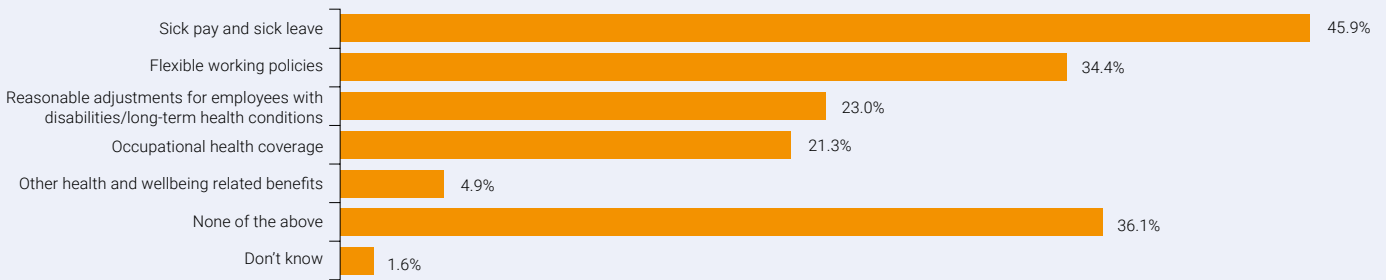
As noted earlier, there are a number of health interventions such as EAPs, eye tests and access to counselling which are considered to offer a good return on investment in terms of prevention, aiding productivity and improving retention.

<sup>20</sup>Labour Turnover Report 2024 | Make UK

<sup>21</sup>Absence Benchmark Report 2024 | Make UK

# ORGANISATIONAL CULTURE

**Chart 17: Employers with recognised trade unions find that sick pay and leave are the main health and wellbeing response included in negotiations on pay and conditions<sup>22</sup>**



## REACTIVE VS PROACTIVE

The segmentation terms used in this analysis originally come from a 1995 study often referred to as the Bradley Curve. Whilst this study was aimed at understanding the ‘safety culture’ of an organisation, we now understand that these results are inextricably linked to the bigger issue of ‘organisational culture’ in today’s workplaces.

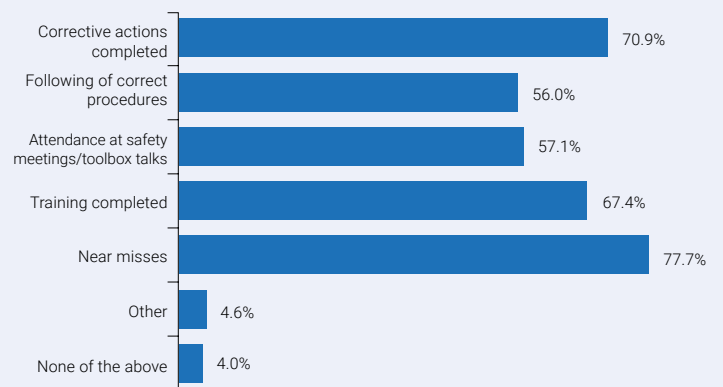
Organisations that currently rate themselves as reactive will not only find it difficult to successfully land a proactive occupational health and wellbeing programme, but will also find it difficult to drive any organisational change.

Those who say they are dependent tend to rely on supervisors to act as ‘enforcers’, spending an inordinate amount of time and resource on reminding people to follow the rules. In this type of culture, an organisation can spend a lot of money for little sustainable change.

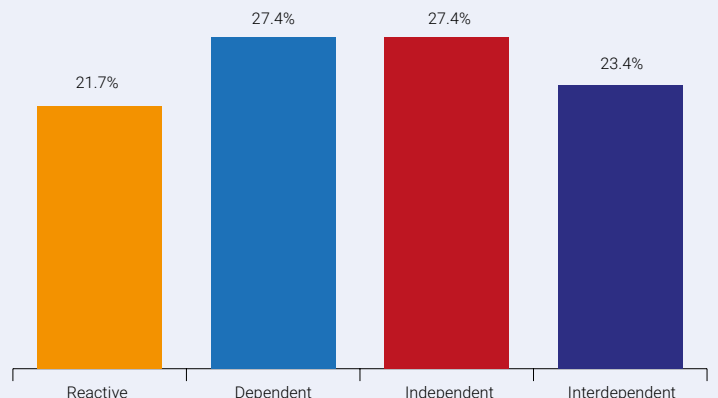
If organisations can make the change to an independent culture and join the 27.4% already there, they will start to see a significant increase in return on investment. Supervisors, managers and other leaders are no longer required to ‘police’ the workforce, but now act more as a conduit for employees to access the support that the employer provides, most of which is legally required.

For those organisations that reach the interdependent stage, real impacts on employee attendance and long-term retention can be realised. In this state, all employees understand that the organisation actually cares about them, and where to find help and support if it is required. This drives a culture of shared responsibility, and leads to early detection of issues and the opportunity to intervene at a much more effective stage.

**Chart 18: Manufacturers measure and report internally on near misses, corrective actions completed and other safety metrics<sup>23</sup>**



**Chart 19: There is a split between reactive, dependent, independent and interdependent cultures<sup>24</sup>**



<sup>22</sup>Make UK wellbeing survey, 2024

<sup>23</sup>Make UK wellbeing survey, April 2024

<sup>24</sup>Ibid

## ACCESS TO TRAINING

Previous Make UK data has indicated that investment in health and safety - related skills has been a priority for manufacturers. A survey in 2023 found that this accounted for, on average, 30% of spending from manufacturers' training budgets – a higher proportion than apprenticeship and other technical skills training.<sup>25</sup>

The training offer to employees can be another useful indicator of the organisational culture in relation to health and wellbeing. Therefore, developing the right training offer that enables the business not just to react to health and wellbeing needs or focus on regulatory compliance, but adopt a genuinely proactive and interdependent approach, is essential. The chart below suggests that the best value is found in specific areas of training and NEBOSH and IOSH accredited training, but that there is also a priority attached to wider training around the culture of the organisation.

## LEADERSHIP AND MANAGEMENT

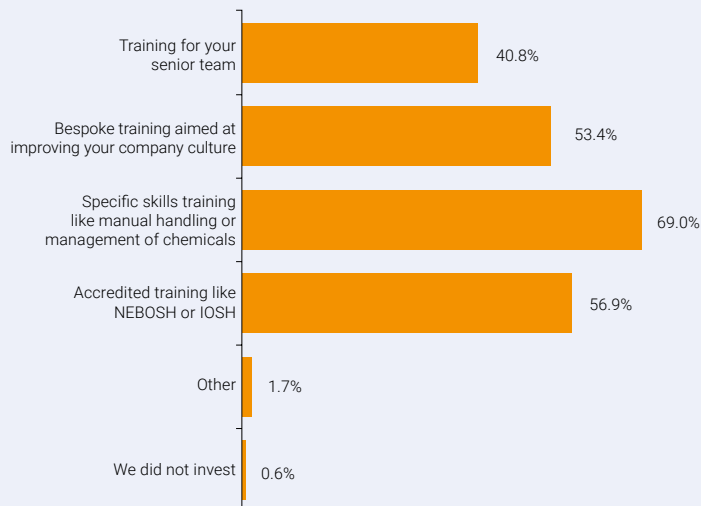
The role of managers and leaders is essential in forming a workplace culture that supports all employees not only to access the support their mental and physical health needs require, but ensure that their working conditions are not causing them to become unwell.

However, manufacturers typically identify a significant skills gap when it comes to leadership and management – both at a senior leadership level in the business, and in relation to line manager positions. Our data has consistently shown that leadership and management skills are the priority for employer investment in training, typically surpassing areas like technical and trade skills when it comes to the priority attached to allocating resource for upskilling existing members of the workforce.

Both senior leadership and line management roles are of critical importance when it comes to ensuring that health and wellbeing are not only prioritised, but that effective strategies are put in place and employees are able to access the support that they need either within the business or externally. While the senior leadership of a business might be responsible for setting the overarching strategy, it is line managers who arguably make the most meaningful difference to employees' ability to find and access the right health and wellbeing support.

From a senior leadership perspective, internal reporting might provide a useful starting point for discussions to happen at this level. We have already seen where businesses are reporting against various metrics in relation to workplace safety – there

**Chart 20: More than two-thirds of manufacturers are prioritising specific skills training in health, safety and wellbeing<sup>26</sup>**



may be scope for expansion of this to cover wider health and wellbeing.

Some budget-holders may even use environmental, social and governance (ESG) frameworks to determine where and how to invest in health and wellbeing, and demonstrate the value to their senior leadership of doing so. At a time when ESG is of increasing importance to companies and their customers, supply chains, investors and other stakeholders, demonstrating a company's social value and positive employment practices through support for health and wellbeing could be an effective way of establishing health and wellbeing as part of the culture of the business.

## ACCESS TO SICK PAY

Recent Make UK data shows that a significant majority of manufacturers offer occupational sick pay (OSP) at some level – usually up to 100% of usual earnings over a defined period of time. Only a minority offer their staff statutory sick pay (SSP), taking effect from their fourth consecutive day of sickness absence.<sup>27</sup>

Anecdotally, manufacturers who do not offer some level of OSP to all staff have shared concerns that some employees – particularly those suffering from mental ill health – tend to continue working until SSP access kicks in as a result of concerns over lost income. This has particularly been the case over the last two years during the cost of living crisis.

<sup>25</sup>HR Bulletin Q1 2023 | Make UK

<sup>26</sup>Ibid

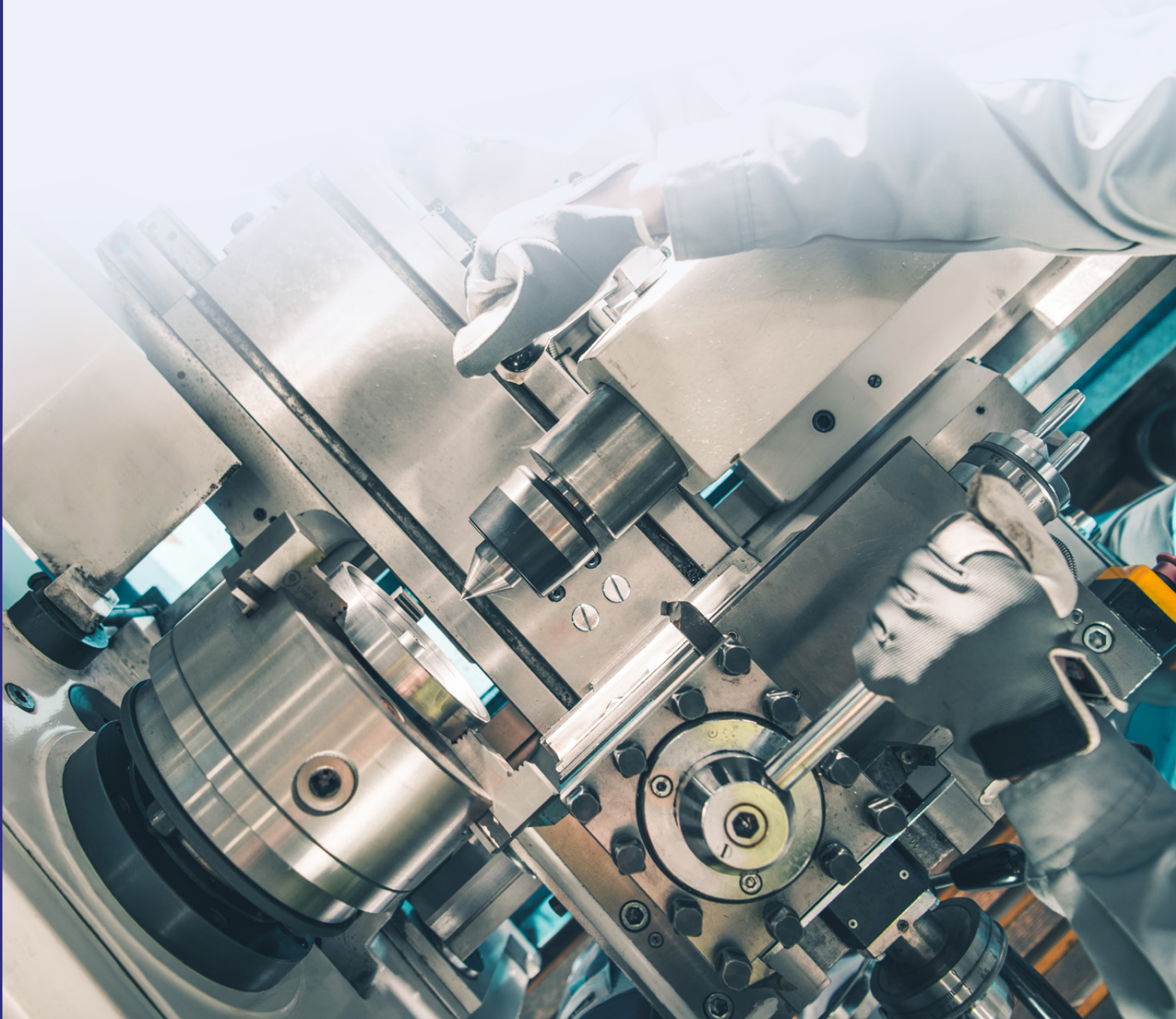
<sup>27</sup>Shift Premia and Benefits Benchmark 2024 | Make UK



In practice, this has meant that there has been a challenge with presenteeism – employees who are unwell are attending work but increasing the risk of exacerbating their illness and having to take longer-term absence.

Since the pandemic, Make UK has called for SSP to be made available to employees from their first day of sickness absence, with SMEs entitled to a rebate to avoid a significant cost burden on employers with limited resources. While it is

important to acknowledge that there should be safeguards against potential abuse of the system – which is the intention behind having a three-day qualifying period for access – there is also concern from employers that the current approach is not effective enough at supporting prevention of more serious, long-term health needs arising. Making this change to SSP would better align the UK with support given to employees in other countries, and help to move towards a greater focus on prevention.





## INDUSTRY RECOMMENDATIONS – THE BUSINESS CASE FOR PRIORITISING WORKFORCE WELLBEING

**Understand and review your organisational culture.** If employers want to introduce effective Occupational Health and wellbeing programmes, reviewing organisational culture is critical as it shapes the values, behaviours, and attitudes of employees. A supportive organisational culture is the bedrock of employee wellbeing. Companies that prioritise empathy, open communication, and mutual respect create an environment where employees feel valued, heard, and supported.

Thinking about the Bradley Curve, described earlier in this report, culturally robust organisations are usually those in the independent and interdependent states, where employees actually believe their organisation cares about them and wants to help. Employees in culturally immature organisations may be cynical about the provisions on offer, leading to a lack of engagement, one of the key barriers mentioned earlier.

Senior leaders play a vital role in cultivating a positive culture by modelling desired behaviours and communicating a clear vision. It is vital that the senior team fully understand their responsibility, both legally and morally, as well as the importance they play in any business-wide culture change programmes. Training aimed specifically at senior leaders can help gain top level commitment to drive change.

Additionally, it is important to establish position and agree goals. This should involve agreeing where you are currently, where you want to be, and by when. Typically, manufacturers will use surveys or an audit to benchmark current position enabling them to identify and prioritise improvements.

Furthermore, conducting regular wellbeing surveys is essential for gauging employee satisfaction, identifying pain points, and implementing targeted interventions. By leveraging the findings of wellbeing surveys, companies can tailor their policies, programs, and resources to address specific needs and priorities.

Forward-thinking companies are increasingly recognising that fostering a culture of support and prioritising employee wellness not only enhances morale but also drives productivity, innovation, and long-term sustainability. From implementing flexible working arrangements to cultivating a supportive culture and conducting comprehensive wellbeing surveys, investing in employee wellbeing yields multifaceted benefits that extend far beyond the bottom line.

**Flexible working: empowering work-life balance.** Embracing flexible working arrangements is a cornerstone of modern workplace culture. By affording employees the autonomy to manage their schedules and work environments, companies empower individuals to achieve a healthier work-life balance. Whether you offer remote work options, flexible hours, or compressed workweeks, flexibility not only enhances employee satisfaction but also increases retention rates and attracts top talent. Moreover, flexible working arrangements accommodate diverse needs and preferences, fostering inclusivity and catering to the evolving demands of today's workforce.

**Driving performance and innovation.** Investing in employee wellbeing is not just a moral imperative, it's a strategic business decision. Numerous studies have demonstrated the positive correlation between employee wellbeing and organisational performance. Happier, healthier employees are more productive, creative, and committed to achieving shared goals. Moreover, prioritising employee wellbeing reduces absenteeism, turnover, and healthcare costs while increasing retention rates, talent attraction, and overall competitiveness in the marketplace. In an era where talent is the most valuable asset, companies that prioritise employee wellbeing gain a distinct competitive advantage.



## POLICY RECOMMENDATIONS

**Implement expanded tax relief on occupational health services.** A number of occupational health services benefit from national insurance exemptions. Make UK was among the first to call on the Government to expand these tax reliefs ahead of the 2023 Spring Budget. While the Treasury has consulted on expanding the scope of the existing reliefs, no further action has yet been taken.

To address the challenges that employers face in retaining staff and help those who have become inactive as a result of ill health back into the labour market, the Government should now implement these measures and continue to review where effective interventions such as EAPs and private medical insurance could also be better supported.

**Continue the partnership between government and industry on improving employer understanding of high-value health and wellbeing interventions.** The Government's work on creating a voluntary framework for employers is a welcome step forward in helping employers to understand what effective and high-value health and wellbeing offers look like, especially for SMEs with limited resources to invest. As this is rolled out from summer 2024, industry is ready to continue working in partnership with Government to ensure that the framework is available to employers of all sizes, and remains up-to-date and relevant to give businesses the confidence to invest in workforce health.

**Make statutory sick pay available from the first day of absence with a rebate for SMEs.** The UK compares poorly internationally on the generosity and coverage of sick pay entitlement. Evidence from manufacturers suggests that the three-day qualifying period for SSP is contributing to presenteeism, with employees attending work despite being unwell in order not to lose pay, leading to a greater risk of long-term sickness absence and reduced productivity.

To address this, the Government should enable employees to access SSP from the first day of sickness. However, this should only be introduced on the basis that it is accompanied by a rebate scheme for SMEs, similar to that which operated during the pandemic. This is important to avoid a disproportionate cost impact on small employers at a time of increasing employment costs.

**Introduce tax relief on accredited leadership and management training.** Developing strong leadership and management skills throughout the business – from the senior leadership team of a large company to the line manager in an SME – is essential in creating the conditions for a healthier and more productive manufacturing workforce.

Manufacturers identify this as a prominent skills gap in their businesses but there is a dearth of support for effective leadership and management training from the Government. Expanding existing tax relief on workplace training to encourage greater upskilling and retraining could help manufacturers to invest more in leadership and management training.

If you would like support with improving employee wellbeing training, consultancy or implementing a wellbeing survey, contact [enquiries@makeuk.org](mailto:enquiries@makeuk.org)

[Winning the Battle for Talent | Make UK](#)

[Health & Wellbeing Services | Make UK](#)

[Safety Culture | Make UK](#)

# MAKE UK KEY PARTNERS AND THEIR SUPPORT SERVICES



Make UK partners with industry experts to provide our members with a robust framework for businesses to enhance employee well-being and operational efficiency. By leveraging these partnerships, businesses can ensure a healthier, more satisfied, and more productive workforce, which is crucial for long-term success and competitiveness in the manufacturing industry.

## 1. EMPLOYEE BENEFITS

Through the Employee Benefits scheme, Make UK offers businesses access to a range of incentives collectively contribute to a more motivated and loyal workforce, reducing turnover and increasing overall productivity.

- Discount schemes for everyday purchases, helping employees save on essential and leisure expenses.
- Access to financial advice and planning services, assisting employees in managing their finances more effectively.
- Well-being initiatives that promote a healthy work-life balance.

## 2. HEALTHCARE

The Make UK Healthcare partnership provides businesses with access to comprehensive health services; reducing absenteeism, enhancing employee performance, and fostering a healthier workplace culture.

- Private medical insurance options, offering quicker access to treatments and specialist care.
- Health assessments and screening services, identifying potential health issues early and improving long-term health outcomes.
- Mental health support services, addressing a critical aspect of employee wellbeing in today's high-pressure work environments.

## 3. WORKPLACE CHRONIC ILLNESS SUPPORT FOR MANUFACTURERS

Support for managing chronic illnesses in the workplace helps businesses maintain a productive workforce by enabling employees with chronic conditions to manage their health effectively while continuing to contribute to their roles.

- Tailored health management plans for employees with chronic conditions, ensuring they receive the care & accommodations needed to remain productive.
- Training for managers on how to effectively support employees with chronic illnesses, fostering a more inclusive work environment.
- Access to specialised healthcare professionals who can provide ongoing support and advice.

## 4. RECRUITMENT SERVICES

Our recruitment services offer support for members to attract and retain top talent, and build a skilled and committed workforce, essential for sustaining growth and competitiveness in the manufacturing sector.

- Access to a pool of qualified candidates tailored to the manufacturing sector, reducing the time and cost associated with recruitment.
- Specialist recruitment consultants who understand the unique needs of manufacturing businesses.
- Support with developing effective recruitment strategies, ensuring businesses attract the best candidates.

If you'd like to learn more, please contact Make UK Advantages Team: [Advantages@makeuk.org](mailto:Advantages@makeuk.org).



Make UK is backing manufacturing – helping our sector to engineer a digital, global and green future. From the First Industrial Revolution to the emergence of the Fourth, the manufacturing sector has been the UK's economic engine and the world's workshop. The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges. Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward-thinking, bold and versatile sector, manufacturers are engineering their own future.

**makeuk.org**

**@MakeUKCampaigns**  
**#BackingManufacturing**

---

For more information, please contact:

**Make UK Central Policy**  
MakeUKCentralPolicy@makeuk.org

---

