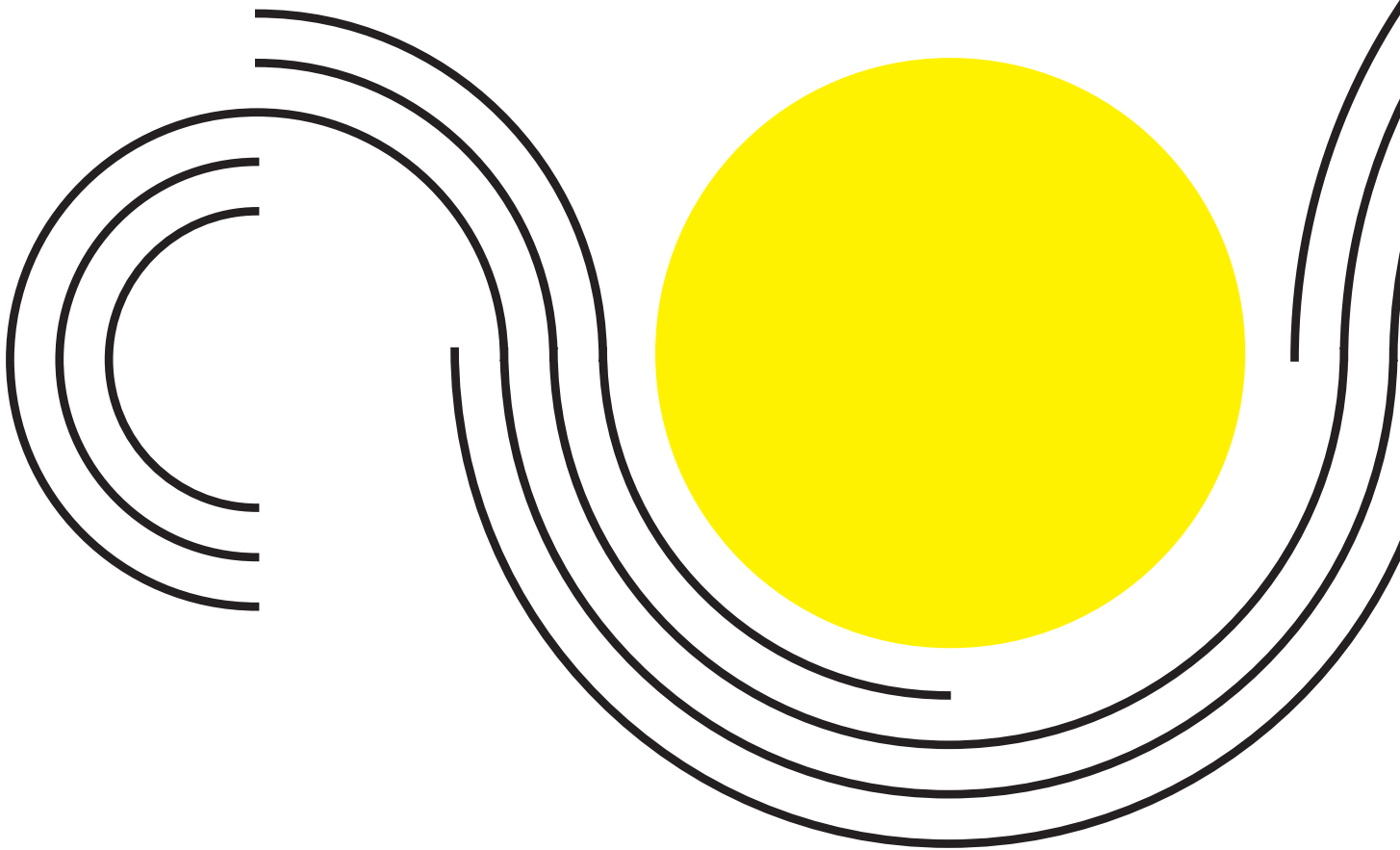


UK EDITION

2023 Alight International Workforce and Wellbeing Mindset Study



alight

Alight's Mindset Study

The 2023 International Workforce and Wellbeing Mindset Study is Alight's second international exploration of employee wellbeing, culture, total rewards and workplace technology.

The goal of the study is to help companies optimise the wellbeing and overall experiences of their employees to improve employee engagement, productivity and performance.

Between March and April 2023, responses were collected from 500 employees in the United Kingdom, France, Germany and the Netherlands, as well as 2,000 respondents in the United States. Respondents were all working full or part-time at companies with at least 1,000 employees.

Our sample is representative of a range of age groups, along with race, gender and sexual orientation. Employees work across a broad array of industries and in a variety of work setups, including at home, in the office and hybrid arrangements.

EXECUTIVE SUMMARY

This report explores the UK findings from Alight's 2023 International Workforce and Wellbeing Mindset Study and draws comparisons from the **2022 edition**. The research highlights the sense of instability and various new pressures facing the UK workforce, and the impact of these changes on daily life.

In general, employees are suffering higher stress levels, with mental wellbeing showing no signs of improving. In fact, 37% say they have experienced low morale as a result of job related stress, while just over a quarter (27%) have suffered from anxiety or panic attacks. Should these metrics decline further, businesses risk not only a detrimental drop in productivity, but a decline in the overall health of their workforce.

To reignite performance and prosperity, companies must avoid cutting wellbeing programmes and instead deliver on growing calls for improved benefits and flexibility. Investment into employees' health and happiness will build trust, improve engagement and help employers support and retain their talent long-term.

The UK has experienced close to a decade of slow economic growth. The aftermath of Brexit and COVID-19, alongside pressures on the National Health Service and the cost-of-living crisis has stirred a sense of unease amongst Britons.

These pressures have sparked new conversations and helped create the conditions for change, from public sector workers striking for more pay to four-day working week trials. They make for a turbulent backdrop to this year's study. Fortunately, companies have a real opportunity to become leaders, rather than followers, if they reimagine their ways of working and embrace calls for greater flexibility.

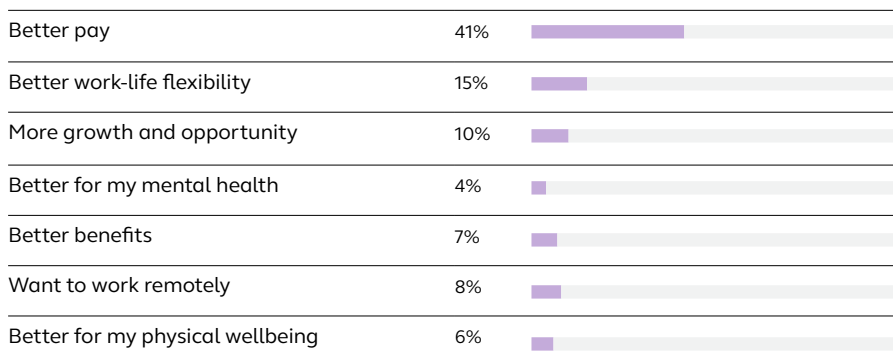
Pay is the top reason to stay with employers

Inflation and the associated cost-of-living increases are impacting employees in our study. One in 10 (10%) of UK employees surveyed say they work an additional job, with two-thirds (67%) saying this is due to the economic situation.

With 17% more of the workforce stating they are concerned about stability this year compared to last, many appear to be taking extra measures to stay afloat. Most employees are prioritising the security of their current jobs over a search for new opportunities.

Of those sticking with their current employers, a quarter (25%) cite the primary reason as satisfaction with their work-life flexibility. Meanwhile, pay is still the top incentive for 40% of employees to consider a new job and for 29% to stay with their current company.

What is the primary reason you would consider a new job with another company if one came up?



In recent months, wages in many sectors have risen across the UK, signalling that companies are prepared to act on the financial challenges being faced by their workforce. However, as wage increases for many have not been outstripping price hikes, the cost-of-living remains high. Therefore, companies that provide financial benefits that go beyond salaries – from short-term loans to expense reimbursement for working from home – can be best placed to support and retain their talent.

Multifaceted communication is crucial for engagement

Aside from economic influences, employees are also suffering poorer wellbeing at work due to internal pressures. Just under a third (32%) of employees feel positive energy in their workplace and less than half (47%) feel that the culture positively impacts their wellbeing, compared with 58% last year.

When it comes to improving engagement, employee-employer communication plays a crucial role. However, there is still work to do in this area. Only 43% feel informed on relevant matters, which is a slight drop from last year's figure of 45%. This is replicated in knowing where to find information on pay and benefits that has also declined slightly from 57% to 54% this year.

Employers can't control external pressures, such as inflation and geopolitical issues. But those who focus on the areas they can improve, such as their corporate culture and engagement levels, will be best placed to prevent further negative impacts on wellbeing. This could involve improving their communication channels to support employees.



Choice is key to supporting work-life balance

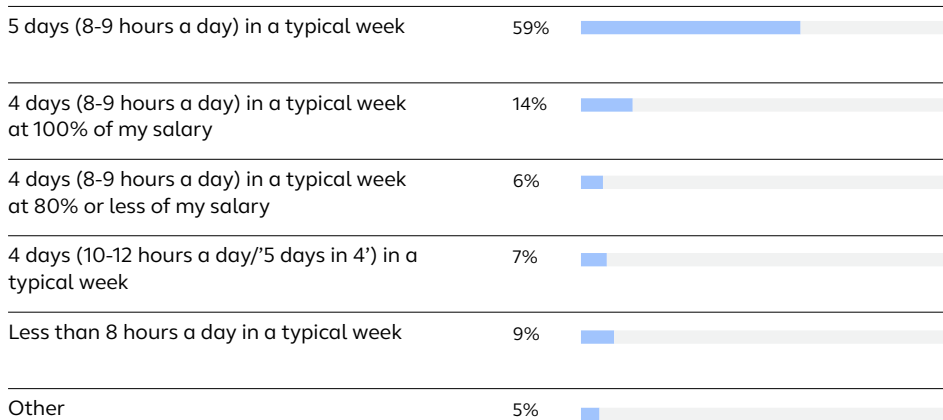
Something that clearly inspires contentment among UK employees is working from home. In fact, 88% of those who work from home full-time say they are happy, aligning with the increased prioritisation of work-life flexibility. This satisfaction may stem from the reduced stress and expense associated with commuting, as well as the empowerment that comes from being trusted to perform their job in a manner that best suits them.

In fact, workers have such strong feelings about flexibility that 41% would resign or look for another job if mandated to return to the office. Businesses would be wise to take this sentiment into account before making the decision to reverse flexible working arrangements.

Among hybrid workers, a third (34%) are happy for the company to choose the days that they work on-site. However, 61% are happiest when allowed to choose their own days, highlighting a desire for control over their individual schedules. Meanwhile, companies who would like to see their workforce return to the office for part of the week should consider offering their people more choice over the days that they come in. This way, they are likely to drive better engagement and help sustain the work-life balance sought after by so many.

There has been a lot of media coverage of 4 day working week trials. There is still only a small minority (14%) of workers working 4 day weeks at 100% salary. It is second only to working 5 days a week. In the future this small minority may start to grow as employers look to support the wellbeing of their workers.

How many days in a typical week do you work?



Mind: Mental wellbeing

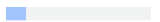
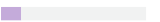
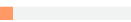



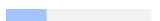
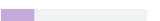
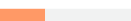
The UK workforce still appears to be in a fragile state when it comes to overall wellbeing. In fact, 64% rate their overall wellbeing as low compared with 61% last year.

Mental wellbeing may be holding steady at present, but it runs the risk of being negatively impacted by dwindling financial and physical wellbeing. With 6% more people believing their companies don't care about them compared to 2022, employers must take action if they are to prove that they have their employees' best interests at heart.

Work-life balance is the most important aspect of mental wellbeing for 59% of employees. However, only 40% believe they have a lot of, or complete, control over it. Since close to half (48%) say that their wellbeing is a priority, it's concerning that less than a third (31%) feel that their company supports them. Amid inflationary pressures such as rising interest rates and housing costs, 72% of today's workers experience moderate or high levels of stress, citing their personal finances (59%) and job (55%) as the top causes.

The amount of money people earn correlates with their stress level as our study seems to show that people who earn a higher income seem to be less stressed than those on lower incomes. With 66% of those earning £50,000 or more experiencing high or moderate stress levels, compared to 72% of those earning less than £35,000. Interesting to note that there seems to be the 'squeezed middle' with those earning £35,000 to £49,999 being the most stressed, as 77% experience moderate to high stress levels.

Rated stress levels segmented by income

| | Less than £35,000 | £35,000–£49,999 | £50,000 or more |
|----------|---|---|---|
| High | 14%  | 14%  | 12%  |
| Moderate | 58%  | 63%  | 54%  |
| Low | 28%  | 23%  | 34%  |

This is concerning for employers as a perceived lack of support and high levels of stress will negatively impact their employees' mental wellbeing and workplace performance. To show they are actively trying to support employees, employers may consider introducing wellbeing hours which is a relatively new concept. These extra hours, in lieu of time at work, can provide more opportunities for employees to switch off, take a break from the screen or travel to the gym for a workout.

WELLBEING PRIORITIES

In addition to wellbeing hours, companies can also show they care by taking time to identify areas where support is currently lacking and resolve any issues that are contributing to elevated stress levels. Given that only a third of employees (33%) feel able to speak openly within the workplace, it is important that companies make the effort to heighten their awareness of concerns.

To gain clarity, companies must first consider why people don't feel comfortable speaking up, as the reasons could indicate a challenging culture or a lack of trust. They must then employ a top-down approach, in which senior executives foster a more open, supportive work environment to combat these issues and secure greater employee engagement.



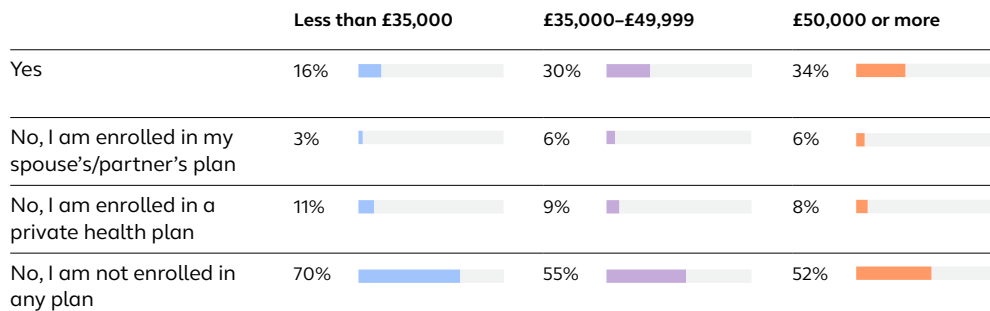
Body: Physical wellbeing

When it comes to physical wellbeing, 46% of employees state that work-life balance is a key component of maintaining it. Yet less than half (49%) say they have a lot of, or complete, control of their body's health using monitoring tools. To help employees, employers might consider offering healthy eating advice, which over half (51%) wanted or support with work-life balance which 46% of people cited could help with their physical wellbeing.

Employers could also distribute educational resources around physical wellbeing, and support employees by allocating time for exercise during the working day. These efforts would not only help to build trust, but also show that they care about the health of their workforce.

Despite the value employees place on physical wellbeing, only a quarter (25%) are enrolled in employer health plans. However, delving deeper into the figures shows that those on the highest salaries are twice as likely to be enrolled on a health plan than those on the lowest (34% versus 16%). While the National Health Service (NHS) delivers a range of vital services, it has been under considerable pressure in recent years, negatively impacting the delivery of these services.

Are you currently enrolled in an employer-sponsored health plan?



Subsequently, employers could look to support their workers with supplementary care, such as private health insurance or a health cash plan. They should also take time to investigate any barriers — whether monetary or technological — that prevent the uptake of health-related benefits.

Wallet: Financial wellbeing

The financial outlook among UK employees is undeniably bleak at present: 47% believe their financial situation will worsen over the next year, and half feel that the current economic situation is negatively impacting their overall wellbeing. Sadly, over a third (36%) believe they will never have the life they want. Considering today's cost-of-living crisis and its tangible impact on people's daily lives, this sentiment is alarming, but unsurprising.

Companies must not underestimate the negative impact of the wider landscape on their people and should, where possible, provide meaningful support. Today, 34% of employees want access to financial tools, compared to less than a quarter (23%) last year, highlighting an increased demand for help during the economic downturn.

Two-thirds of employees state that budgeting is the most important component of financial wellbeing, and a fifth want their employers to assist with creating a budget plan. Meanwhile, 48% agree that saving for an emergency fund is key and 22% would like help establishing one.

Employees do seem to want some help to save for retirement with nearly a third (31%) saying they would seek advice before taking action. Offering access to financial advisors can be seen as a great way for employers to better serve and support their workforce.

In the face of both external and internal pressures impacting the wellbeing of their employees, companies must step up if they are to retain and support their talent. Taking the time to understand concerns and provide the necessary tools and assistance will not only benefit their people, but also set the business in good stead to thrive long-term.



Money talks

With inflation at its highest level since the early 1990s, increasing pay still holds some sway in encouraging people to join or remain with an organisation. Companies have to weigh up whether or not increasing the salary of an employee to retain them is more cost effective than potentially the cost of recruiting someone new.

Using benefits to improve experiences

For UK employees, benefits are an important and increasingly desired aspect of working life. While 37% agree that they make a company more attractive, almost a third (31%) would like to see more robust wellbeing benefits introduced within their company, up from 22% last year.

Employers have work to do here. Currently, less than a fifth (19%) of employees agree that their total rewards meet their families' needs, a 5% fall from last year. Meanwhile, 27% have no access to wellbeing benefits at all. To better serve their employees and support their overall wellbeing, companies must strive to deliver benefits that effectively meet their desires.

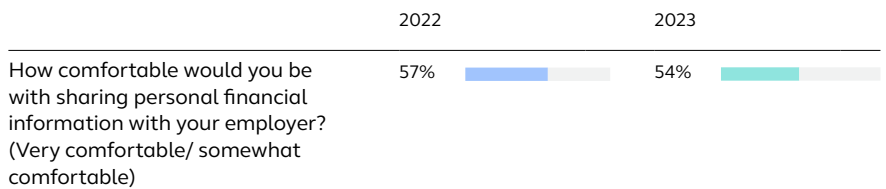
Alight's 2023 [Building a Benefits Strategy Fit for the Future](#) report also found that the flexibility to choose or change benefits based on employees' preferences or needs over time would boost satisfaction for 45% of respondents. Companies should consider how they can make it easy for employees to opt in and out of the benefits available, while introducing new ones that better align with their needs and wants.

Furthermore, it's essential that employers make benefits as accessible as possible. Doing so will help support the 74% of employees who believe that a 'one-stop-shop' benefits hub is somewhat or very important, and the three quarters who desire mobile access to their benefits.

Trust is key to providing personalisation

Another area that requires corporate focus is personalised support, which could not only boost workforce wellbeing but also strengthen trust. For example, over two-thirds (67%) of employees are somewhat or very comfortable with sharing health information with their employer if it means they'll receive tailored guidance. The appetite for a more personal approach seemingly outweighs privacy concerns when it comes to receiving healthcare support.

When it comes to financial information, fewer employees are comfortable with sharing it (54%), a slight decrease from last year (57%). However, there is still a desire to receive financial personalisation, with 58% interested in receiving tailored messages around economic wellbeing.



Employers must prioritise building trust and engagement with their workforce. By doing so, employees may feel more comfortable with sharing information in order to receive personalised support. Employers can then cultivate a virtuous circle in which benefits become increasingly relevant, and employees feel increasingly engaged.



Combatting disengagement in the long-term

Building engagement and trust could also combat the disengagement being experienced by UK employees. Alongside high stress levels and a perceived lack of support, almost a quarter (24%) dread going to work and close to half (49%) don't feel they can be themselves within the workplace.

It's no wonder, then, that people are feeling demotivated. A quarter give only the required minimum at work, believing there is no upside to working harder (42%) or that their line manager does not deserve their best (30%). And with a fifth stating that they've lost trust in employers' wellbeing efforts, there is a sense of fatigue and frustration among the workforce that businesses must address.

Despite positive steps towards more open and transparent work environments, the UK's 'stiff upper lip' culture remains. Equally, some employees may be suspicious of companies conducting forms of 'wellbeing washing', without addressing underlying issues.

Challenging these notions requires companies and managers to reconnect with their people and take action to prioritise their comfort and wellbeing at work. Whether expanding upon existing channels and offerings, or implementing new tools or platforms, companies must be authentic in their strategies by listening to concerns and acting on them in ways that will be genuinely beneficial.



Solutions to support your employees

With socioeconomic instability and financial insecurity impacting the UK workforce, it's unsurprising to see a decline in their overall wellbeing and engagement levels. Though this slump can be partially attributed to external events, employers aren't exempt from accountability.

Many employees seem to feel they aren't being supported as much as they could be at a time when they need it most. Businesses must be proactive with their support, rather than reactive.

Providing employees with a flexible, comprehensive range of wellbeing tools, guidance and benefits will enable them to navigate whatever challenges life throws at them. And once equipped with the resources they need to reinforce their own health and happiness, they can continue to focus on delivering their best at work every day.

Ultimately, UK employers have a choice to make. They can hedge their bets and conserve resources to ward off the impacts of economic challenges, or they can invest in accessible technologies and benefits that positively influence culture and wellbeing — and organically cultivate a thriving workforce, which is protected against internal and external pressures. As the experience of UK employees deteriorates, the time to decide is now.

About Alight

Alight is a leading cloud-based human capital technology and services provider that powers confident health, wealth and wellbeing decisions for 36 million people and dependents. Our Alight Worklife® platform combines data and analytics with a simple, seamless user experience. Supported by our global delivery capabilities, Alight Worklife is transforming the employee experience for people around the world. With personalised, data-driven health, wealth, pay and wellbeing insights, Alight brings people the security of better outcomes and peace of mind throughout life's big moments and most important decisions. Learn how Alight unlocks growth for organisations of all sizes at alight.com

Powering confident decisions, for life.

For more information, visit alight.com/gb