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What are the effects of poor mental health and physical impairment on presenteeism in the UK?

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Headline findings

- Presenteeism is the phenomenon where a worker's productivity is reduced due to ill-health and is sometimes caused by people attending work when sick.
- A worsening of health over time increases presenteeism. Developing any kind of physical impairment leads to a doubling in the probability of presenteeism while the effect of the onset of clinically poor mental health leads to a threefold increase.
- In comparison, changes to other characteristics, such as working conditions, do not have any effect on presenteeism with the exception of perceived job security.
- Being in part time work and having autonomy over work tasks both help to mitigate the adverse effect of mental health on presenteeism, suggesting that conducive work conditions can help to reduce the negative impact of health on productivity.
- Presenteeism leads to a small reduction in wages of just under 1%.

Implications for policy

- Investing in the health of the workforce both through reducing physical impairment and, in particular, improving mental health will deliver significant benefits to the UK economy through reduced health-related productivity loss (presenteeism). This will have a much greater impact than demand-side interventions such as improvements to working conditions.

- Nevertheless, improvements to working conditions still have a part to play. The adverse effect of poor mental health on productivity is much reduced for part time workers and those who have autonomy over their work tasks, suggesting that promoting certain ways of working (e.g. reduced working hours and more worker discretion) can have a positive impact.

Background

- While the scale of presenteeism can be difficult to quantify accurately, most studies find that the cost to the economy of reduced productivity due to ill-health (often due to people attending work when they are not well) is far greater than the cost of sickness absence. One estimate suggests that the equivalent of 35 days per person per year are lost to presenteeism while another study estimates the cost of presenteeism to business to be over £20 billion per year.
- Presenteeism can be defined in different ways. For our study, we define it as experiencing a significant loss in productivity at work due to health problems.

Findings

- A worsening of health over time increases presenteeism. On average, developing any kind of physical impairment leads to a doubling in the probability of presenteeism, from 7% to 14%.
- The effect of the onset of clinically poor mental health is even higher. We estimate that, on average, a decline in mental health leads to a threefold increase in the probability of presenteeism, from 6% to 18%.
- In comparison, changes to other characteristics, such as working conditions, do not have any effect on presenteeism with the exception of perceived job security. Feeling less secure about one's job does cause people to experience more presenteeism, but the size of the effect is much smaller than for a change in health.
- Poor mental or physical health has a large effect on presenteeism for people in all types of job. However, there are some work situations where this effect is reduced. Specifically, being in part time work and having autonomy over work tasks both help to reduce the adverse effect of mental health on presenteeism. This suggests that conducive work conditions can help to mitigate the negative impact of health on productivity.
- Presenteeism also has a negative effect on wages, predicting a 0.85% fall in real hourly earnings on average, taking account of age and education. Although small in magnitude, this effect is comparable to average real wage growth in Great Britain (1.4% between 2017/18 and 2018/19).

Where does our evidence come from?

- Our estimates come from Understanding Society: The UK Household Longitudinal Study (UKHLS). This survey covers a representative sample of households from across the UK. Most households were first interviewed in 2009 and have been revisited every year since. We use data from the second, fourth, sixth and eighth waves of the survey, covering the period 2010-11 through to 2016-17.

- We focus on a sample of over 25,000 people between the ages of 21 and 55 who were in paid work in at least one of the four waves.
- Our measure of physical impairment is whether or not the individual experienced difficulties with any physical function required for normal daily living, for example mobility, lifting and manual dexterity. Our measure of mental health is derived from the General Health Questionnaire, a 12-question clinical tool used to assess psychological health. We adopt a threshold used by the NHS to split our sample into those with poor mental health and those with good mental health.
- Our measure of presenteeism comes from a set of questions asking respondents to state whether either their physical or mental health affects the amount of work they can do or the quality of their work, and also whether pain interferes with their work. Individuals highlighting problems in any of these areas are deemed to be experiencing presenteeism, and this applies to 9% of the sample.

Further points to bear in mind

- People experiencing poor health may also be disadvantaged in other ways, for example social deprivation or poor quality jobs or relationships at work, and it may be these other conditions that cause them to experience presenteeism. To ensure that we are only capturing the direct impact of health on presenteeism, we take account of other personal and work characteristics in our analysis, and also measure the effect of changes in health over time.
- We make certain assumptions about what counts as presenteeism and what does not. We run the same analysis on a number of different narrower and broader definitions of presenteeism and find similar results.

The full details of this research can be found in: Bryan M, Bryce A and Roberts J. Presenteeism in the UK: Effects of physical and mental health on worker productivity. Sheffield Economics Research papers No 2020005

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