

**COI LIVE EVENTS AND BROADCAST FACILITIES
TRANSCRIPT OF GOOD JOBS, GOOD HEALTH CONFERENCE
HELD AT THE INSTITUTION OF CIVIL ENGINEERS
IN LONDON
ON TUESDAY, 10 OCTOBER 2006**

FACILITATOR

It gives me great pleasure again as part of our afternoon to welcome Will Hutton. Many will know Will Hutton from a range of his exciting and expansive background, but he is here today in his role as Chief Executive of the Work Foundation. Welcome Will and we look forward to hearing what you have got to say.

MR WILL HUTTON

Thank you very much. I was just musing on this, this is the third occasion in the last ten working days that I have addressed a conference about this broad issue of what constitutes good work and the relationship between the hard dimensions of successful workplaces and the soft dimensions of successful workplaces. The first was at the Labour Party Conference and the second, to my surprise and I would say to some thousands of Conservative Party delegates, was at the Conservative Party Conference last Tuesday, and I did think that life moves in mysterious ways as I went to the rostrum to talk to the Tories about the Work Foundation and the case for good work and the case for taking the soft dimension of work seriously. Interestingly one of the earlier speakers was Julia Cleverdon who spoke to you again today. And the reason I mention it, this is the third time today here in front of this great day actually by the Health and Safety Executive - congratulations Bill - is because I think there is a definite change in the mood. Andrew Neil on his Politics Programme described me taking the rostrum at the Tory Party conference as a bit like a Pol Pot re-education exercise, but that is the sense in which the world at large actually thinks about the way in which a large part of the business community have actually related to these soft questions. And David Cameron, George Osborne and other members of the Tory leadership taking it seriously, has been an enormous source of legitimisation. And on the radio this morning, those of you hearing the Today Programme will have heard about BP launching their own campaign on mental health in their workforce on the grounds that at any moment on any day there are round the world in aggregate 500 BP employees suffering some form of mental illness or distress that has led to them being absent from work and BP want to alert their managers to it, want to be more sensitive in their management of it and they actually want to destigmatise it.

And I think when we began the Work Foundation four and a half years ago we first started making this case, alongside the Health and Safety Executive and others, we were regarded as a bunch of softies, a kind of nice to have part of the business story, but not an essential part of the business story, and I think that is really dramatically changing. I was just talking to the CEO of Costain's here who was repeating to me what he has already told you, that it really is a no brainer both in terms of competitive advantage, in terms of retention and motivation, and actually in presenting yourself as a good employer to people who procure off you.

Now I am just going to say thirty seconds about this hard and soft. Everyone in the room I guess would know what I mean by hard, working lean, working flexibly, meeting your numbers and all the rest of that; working soft has always been something that you do once you have met the hard criteria, that

has been the way we have conceptualised it in Britain for most of my working life and I am now in my 50s. But the soft dimensions of work, how people are led, how they are managed, how much autonomy they have in their workplace, their sense of belief that their careers are being developed, that a relationship of mutual respect exists between them and their employer is actually an essential co-dimension of providing effective and fulfilling workplaces, hard and soft, co-mingle, interact, of equal importance, and of course the healthy workplace is an indispensable component of that soft equation. And what is happening in Britain in 2006 is that I think we have arrived at a tipping point in which the kind of case that you have all been making has moved to centre stage.

It has not yet done it politically as much as I would like in this respect, in that the Labour government has talked about promoting full and fulfilling work ever since it took office, it has a good record, it has made actually a number of important initiatives on this soft dimension, but it has done it by stealth. It has not made in my judgment enough for example of the parental right to request, that only 10% of men with children under 6 have actually made the right to request, and the cultural stigma of asking for flexible working if you have a child under 6 for men and actually for women, because only 37% of women exercise their right to request still exists. I don't believe our politicians on either right or left, they have begun to tiptoe towards this agenda, there has been the tipping point, now I think they are on the point and need to embrace it.

In your neck of the woods it is just worthwhile reiterating before you break for the afternoon some of the numbers which I think attend this question. 25% of the UK workforce have a longstanding illness or injury which affects their capacity to work; 16% of the workforce has a mental health problem and only a small minority ever receive treatment; and on any one day between 3 – 5% of the workforce is away from work through illness, and a further 25% are at work but performing sub-optimally because of physical or mental illness.

Now the Work Foundation's contention, and we have a substantive amount of evidence to support this contention, is that that actually is associated with low performance, and not just that but it spills over into the lack of wellbeing of citizens' lives. Well led organisations with well designed jobs and good work, they are far less likely to have high levels of sickness absence and workplace stress. So effective and enlightened management of these issues is in our view not just a key to high performing organisations, but actually to what Gordon Brown would call the good society, and what David Cameron would call greater wellbeing.

We have actually begun to open up a research project on this and I just thought I would take a few seconds to tell you about it. Over the next 12 months we are really trying to gain evidence using randomised control trial methods to explore the relationship between workplace health promotion initiatives, ie if you promote workplace health, do you get a payback, a measurable payback in terms of individual job performance, and we hope within 12 months to be able to say categorically to what degree that

proposition is true. We are also developing a wellness management profiling tool, and what we are trying to do with this is we are trying to see to what extent – this is quite an interesting proposition – healthy managers are able to manage healthy workforces, can we identify whether managers are healthy enough to get the outputs from their workforces and recognise actually when there are problems, is there a correlation there? In other words, where is the best point to begin if you want to get outputs? And we want to do a third thing, we want to really define what good work practices are in this context and how actually they can improve wellbeing and performance, and it is part of a larger campaign, I guess you would call it, that we are going to launch in the early part of next year, January/February of next year, working good, or good work. We really want to at the Work Foundation develop a national conversation about these propositions about hard and soft, we want to work on not just an evidence base actually in the workplace health issues, which I know preoccupy you, but across the piece on what I call the soft agenda. I said to one of my colleagues, I wonder whether we should call ourselves the soft revolutionaries, and she said well that is fine, Will, but (tape turnover) dimension too.

Government wants to become more joined-up. Bill and the Health and Safety Executive, they are doing a good job with the Department of Health and a good job with the DWP. I think it is a matter of regret that the overtly economic Ministries, the DTI and of course the Treasury, don't take this agenda much more seriously than they do. I have gone to some lengths to try to explain to the Productivity Performance Unit at the Treasury that the X-Factor when economists try to look at the productivity gap between Britain and the competitors in Europe and America, the equations look at technology, they look at capital and they look at human capital attainment, and you can explain between two-thirds and three-quarters of the productivity differential that way, but there is a large and growing element, what the economists call the X-Factor, which is inexplicable through the formal equations and I argue that actually what is contained in an X-Factor are the bunch of propositions around leadership, management and taking what I have called in this brief address to you the kind of soft agenda much more seriously.

So that is what we are going to be doing at the Work Foundation. I repeat the basic point that in order to make progress on this, and I know you have been debating this during the course of today, but I was thinking about the analogy between where we have got to on smoking in Britain and the way we started in the '50s and early '60s establishing a scientific evidence-based linkage between smoking and cancer, then they grew a cultural prejudice against smokers and being in rooms with smokers, then began getting cigarette manufacturers to alert smokers on their cigarette boxes of the dangers of smoking, and finally we have arrived at the regulatory position of actually prohibiting smoking. And my argument is that in all these things there is a culture change and then you finally find legislation follows on from the culture change.

Now here is my proposition. I think that we have arrived at a tipping point where we are beginning to see genuine cultural change around workplace

health issues. I think if you like in the smoking debate, kind of 30 years before we actually got the regulation and the prohibition, but you don't get to that point without actually having the cultural change and having the evidence to support the fact that the culture is right to want to change. Now that is where I think we are. And I think that what will happen over the next 10 – 20 years is that gradually what becomes good practice will become more and more enlarged, and finally good practice will harden into minimum regulatory standards which will be backed by the force of law, and employers would be better advised to be actually ahead of this curve than behind it.

So that is where I think we are in this debate about you know is it a culture, is it regulation, where does responsibility fall between employer and employee. I think we are in a process of iteration over it which I think is going to become more and more high profile. See the priority that the Today Programme gave this morning to that BP story I told you about.

So workplace health, health and safety in the round, a key component of that cluster of soft issues that makes up the soft component of the dynamic, productive and effective workplace from which you get satisfied, fulfilled workers and you get the wellbeing of citizens. Congratulations to the Health and Safety Executive on pulling you all together, congratulations all of you on making the time to come and I wish you a very good year ahead before the next conference in implementing what you have to do.