

MIDLANDS ENGINE OBSERVATORY ACADEMIC INSIGHTS

Linking Personal Well-being with Labour Productivity



Theme:

By sustaining a proper balance between work and personal life, the general well-being of people can be improved, which can thus motivate the enhancement of labour productivity.

Area of Focus:

This insight provides evidence of the relationship between personal well-being and labour productivity in the Midlands.

Key Findings:

Through a regression model analysis, this study seeks to determine the relative contribution of personal well-being to labour productivity. It finds:

- Fluctuation in the components of personal well-being can lead to a decline in life satisfaction, feeling life is worthwhile and happiness – demonstrated in the impact of the COVID-19 pandemic on Midlands people. Similarly, the region experienced a notable surge in anxiety levels due to uncertainty stemming from the pandemic.
- The findings suggest that individuals who perceived their life as worthwhile are more likely to be productive. On the other hand, higher levels of life satisfaction may be associated with lower productivity levels. Meanwhile, higher anxiety levels were associated with higher productivity.
- A decline in labour productivity because of a rise in life satisfaction can be prompted by the prioritisation of leisure time over work time. In the same way, people can be motivated to work more due to uncertainty about the future, thereby making anxiety have a positive relationship with labour productivity.
- It is worth noting that about 78% of the variation in labour productivity is accounted for by factors that are not considered in the study's model, which may include technology, skills as well as the type of leaders that constitute the management of an organization among others.



Midlands Engine Impact:

- Many workplaces in the Midlands and across the UK are transitioning towards more of a focus on employee wellbeing and workplace culture, as it is acknowledged that anything other than this can lead to poor performance and high employee turnover.
- The benefits of a healthy workplace cannot be over-emphasised, as poor well-being can adversely affect the workplace leading to underperformance of staff, and absenteeism which can cost the organization crucial loss of valuable time, resources, finance.
- To enhance both productivity and well-being in the region, it's essential to implement career development programmes and work initiatives which align workers values and interest to encourage productivity and improve work-life balance.
- Mental health support should also be provided, whilst other productivity drivers like technology and innovation should be implemented. Further evaluations are needed to focus on the populations needs, promoting social well-being through community interactions and free-to-attend recreational events.

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