Early Intervention: reduce absence, increase productivity, keep Britain working

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For every moment, there's MetLife

While in work, an employee was struggling to walk and carry out duties as a warehouse packer because of pins and needles in her feet. She'd read about diabetes and its symptoms and was concerned.

Flagging her difficulties with her manager led to an Early Intervention referral to the business's Group Income Protection provider, MetLife UK, where the Early Intervention case manager identified the cause of symptoms as possible onset of type 2 diabetes. The employee was signposted to her doctor for a formal diagnosis, and further support was then given to both the employer and employee by the Early Intervention provider, with practical, cost-effective advice.

Her condition was turned around before worsening, avoiding any prolonged time off work, and reducing direct and indirect costs for the employer.

This real case provided by Early Intervention specialist, HCB Group, illustrates how effective Early Intervention can be. Early Intervention puts employees at the heart of sickness absence management, keeps people in work or allows them to return to work more quickly.

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A stark headline: Staff sickness reaches 15-year high[1]

The government's current 'Keep Britain Working' review is considering ways to resolve the problem of long-term absenteeism, and the resulting impact on Britain's businesses and economy as a matter of urgency. This whitepaper is MetLife UK's contribution to the debate.

This whitepaper examines how employers of all sizes are impacted by sickness absence, the ways to lessen its effects, and how small and medium businesses in particular, could benefit from Early Intervention.

I wrote this whitepaper with MetLife UK, an Employee Benefits provider offering Group Income Protection combined with Early Intervention services, and HCB Group, which partners with MetLife UK and other insurers.

Why this matters to me

I've spent decades working with businesses of all sizes. Sickness absence is surging and as a small business owner, I personally know the impact it can have on productivity and profitability, as well as on the relationship with customers; all detrimental to a business's success.

For me though, the most important people at the heart of the problem are skilled, experienced, and hugely valuable and valued employees. They have mortgages, rent, and bills to pay. Most people who become unwell and unnecessarily lost from the workplace, would prefer to be in better health and able to remain in work earning their salary.

Government figures show that almost 3 million people are out of work with ill health at a cost to business of £103billion[2]. Employers are struggling with falling productivity and lost skills; the smaller the business, the greater the impact is likely to be.

According to NICE (National Institute for Health and Care Excellence) employees lose confidence and self-esteem when absent from work and the longer they're absent the less likely it is they will go back[3]. If you peruse the parliamentary library, you'll find evidence that governments take the view that people should be encouraged and supported to remain in work, or to get back as soon as possible because it:

- Is therapeutic, giving a sense of fulfillment, structure and purpose
- Helps promote recovery and rehabilitation
- Leads to better health outcomes
- Minimises the harmful physical, mental and social effects of long-term sickness absence
- Reduces the risk of long-term incapacity
- Promotes full participation in society, independence and human rights
- Reduces poverty
- Improves quality of life and wellbeing

At the beginning of 2024, the UK had an estimated and approximate 5.50 million private sector businesses. These are categorised and split as follows: sole traders (non-employers) 3,070,000, micro (1–9 employees) 1,160,000, small (10–49 employees) 1,220,000, medium (50–249 employees) 37,800, and large (250+ employees) 8,250.

My experience tells me that 'large' businesses are better placed to minimise impact and support employees, yet large companies only employ about 7.5% of the private sector.

Micro, small and medium sized enterprises are employing much larger numbers of us, circa 86% across the private sector in the UK, therefore it is those businesses that are higher risk. They are the biggest proportion of employers, they are potentially less resilient both financially and resource wise to cover an absence, and they stand to lose the most. They also seem to carry most responsibility for keeping Britain working.

Sickness absence, as MetLife UK's figures[4] show below, costs all firms astronomical amounts of money but it's the smaller businesses that struggle most. For the smallest with the fewest reserves, losing a skilled person could mean not being able to fulfil orders, operate, or even going bust.

This whitepaper isn't just a study. I am not simply replaying the problem statement we already know exists. It's a wake-up call and a rallying cry to UK businesses.

I'm setting out a solution which could play a vital part in resolving an otherwise untenable situation.

"There's a burning platform. Given the costs we urgently need to act. At the heart of this are the employees. We have to keep good people in the workplace, well and happy, with early access to wellness services."

MetLife UK CEO, Dominic Grinstead

A wake-up call

MetLife UK's research[4] paints a stark picture:

- Long-term sickness costs employers £20,735 per employee per year
- Short-term sickness costs employers £13,800 per employee per year
- 16% of UK businesses don't monitor absence at all
- More than a third have no idea how much sickness absence costs them

Add to that the additional impacts of:

- Reduced service quality
- Lower morale
- Impact on the rest of the team

Research from The Institute of Employment Studies[5] suggests up to 16% of a business's total salary bill may be spent on absence, and only half of that is direct salary costs.

These figures are alarming and must act as a wake-up call to any business owner.

Businesses can't afford to go on carrying these costs. The figures also highlight clearly why the government is determined to address this unsustainable hit to the UK economy.

Tackling the problem – now!

Cracking absence could have enormous benefits for employees, employers, and the UK economy. Because the problem extends further than business and work health, Britain's economy and productivity is affected, health and welfare services are being strained, social challenges are having an impact on all individuals. All this means fiscal impact, creating a loop!

We need effective policies that lead to workplaces where employees feel supported and valued, where health and wellbeing are the priority, leading to increased loyalty and trust, and improved productivity.

Employers are already struggling with the rising costs of doing business and losing employees' time and input to ill-health, and sickness absence is exacerbating the problem.

The government wants practical, evidence-based solutions and knows this needs an employer and government shared role. It will be determined to harness the benefits of reduced absence. It will be vital that the significant contribution of Early Intervention is factored into the recommendations of their own report.

However, governments can't do everything and any policy, however well thought through, can take years to implement through legislation. Tools that already exist are crucial.

The stakes are too great to delay. Industry and business need to work together to inform and drive change.

MetLife UK's research[4] shows that:

- On average, a typical employee is absent for 6.38 days a year
- This costs businesses on average £372 a day per employee
- More than a third of businesses have no idea how much sickness absence costs
- 7 in 10 admit it directly affects their profitability

As Dominic Grinstead, CEO of MetLife UK, explains, firstly it's vital for every business to know what the figures are telling you:

"If I were a supermarket CEO, I'd know how much wastage costs me. It's tangible. Bosses don't know how to measure the costs of sickness absence. A lot is hidden and needs to be unhidden. Dealing with absence sits with HR managers but they don't walk the floor, and smaller firms don't have them, so leaders and line managers need better training. They need to intervene early to get better outcomes."

MetLife UK CEO, Dominic Grinstead

Early Intervention

The more I've talked to people about this, the more I'm convinced that a package of tools that enables an intervention early on is a vital element in reducing workplace absence.

Through multiple partners, MetLife UK's GIP product includes access to a 24/7 GP service, an Employee Assistance Programme, and a wellbeing hub. Plus, a unique element of the proposition is access to a gamified wellness app, provided by YuLife, which takes the concept of early intervention one step further into prevention thanks to the incentives and rewards for healthy behaviour.

Also included is its formal Early Intervention service provided by HCB Group, a market leader in Early Intervention provision. All the above are part of an offering which intervenes early if an employee has declined physical or mental health. It is worth noting that many businesses still think that early intervention means doing something about it before the end of a sick-pay period. For some companies this could be 13 or even 26 weeks which is not true Early Intervention.

Anthony Sly, who has 34 years of nursing experience and is the Lead Medical Consultant at MetLife UK, passionately says:

> **"The earlier the intervention the better – 30% of people get back to work when there's no Early Intervention, 90% get back where there is. It's best not to wait for absence, but refer people who are struggling before they go absent if possible. It's about people's long-term wellbeing, not about pressuring them to stay at work or return when they aren't fit to be there."**
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> MetLife UK, Lead Medical Consultant Anthony Sly

How early intervention works

Group Income Protection (GIP) policies were originally designed to pay a percentage of an employee's salary if on long term sick leave – a truly great financial safety net when workers need it most.

GIP brokers frequently see that salary insurance is the key driver behind the purchase decision. But what if businesses instead saw the payout as the secondary benefit.

Many GIP products, such as MetLife UK's are so much more than just income insurance, they are Early Intervention services first.

Jim Harris, CEO of HCB Group, has been working in Early Intervention for decades. He says medical professionals, including physiotherapists and nurses, are key to preventing workers going off long term.

“Being able to speak early and confidentially to a medical professional trained in Early Intervention is the secret, and doing what’s right for the employee is the cornerstone of the service.

“Intervention sometimes only comes after 26 weeks (the standard time that an employee is entitled to enhanced sick pay from their employer, beyond minimum statutory sick pay (SSP)) but there’s only a 5% chance of an employee absent that long getting back to work. By intervening earlier, ideally as soon as the person shows signs of illness or distress, but certainly by 4 weeks’ absence, there’s a 90% chance they’ll either get back to work or experience some other kind of sustainable outcome.”

HCB Group, CEO, Jim Harris

According to Jim it’s crucial to identify the cause of the absence from the start.

“We must treat absence early and appropriately. Occupational Health departments in big firms habitually refer to doctors who respond with medical treatments.

But the problem may be stress caused by poor management or bullying. Seven in ten absences are at the BioPsychoSocial end of the scale so expensive medical solutions aren’t the answer.

Early Intervention by trained nurses gets to the bottom of that.”

HCB Group, CEO, Jim Harris

MetLife UK found that only 39% of firms say they act in less than 7 days of someone going off ill[4]. To improve this statistic, we need to get better information to businesses on the benefits of Early Intervention.

The real "cost" of GIP

Smaller business owners usually think all but essential insurance is out of their reach because of cost.

GIP will indeed cost more for those who opt for a traditional level of Income Protection, which would provide a high percentage of their salary from the start of their absence up until their state pension begins if needed.

However, what many don't know is you can choose cover for lower salary percentages and shorter durations, known as limited term GIP. Limited term is a contemporary solution to a more dynamic workforce, and significantly more affordable.

It makes more sense too. When we shift to mindsets that prioritise retaining well employees over financially supporting sick ones, the need for extended Income Protection terms naturally decreases.

Looking at MetLife UK's GIP flyer[6] it shows how choosing a shorter duration of cover can massively reduce costs. As an example, if I ran a small business with 25 employees and an annual payroll of £2.5m, and I bought GIP cover for 50% of their salary for a whole year of sickness absence, the policy would cost me £1,600 a year in total - £5.33 per employee per month!

That's more than twelve times less than the potential cost of just one employee on long-term sickness leave.

"Early Intervention by a provider independent of both the employer and the insurer, and trained to spot the root cause of absence, is best placed to intervene early and engage both employee and employer. Because they are impartial, they can work out the return-to-work plans and build relationships, to ensure both parties get the best outcome.

Without this, employees could be left feeling that they don't matter, and once their Income Protection kicks in they are unwell and alone at home. Meanwhile, a business is left trying to fill the resource gaps needed for their business to continue and believing that they have supported the employee to the best of their ability. With a siloed approach – no one "wins".

HCB Group, CEO, Jim Harris

Jim nicely illustrates that the financial cost of GIP isn't the cost a buyer should be considering. Both parties losing what they value most if they don't use Early Intervention is the real cost of an Income Protection led focus.

The impact of Early Intervention

Adrian Matthews, MetLife UK's Deputy CEO, has years of experience of Employee Benefit schemes in the UK and observes:

> **"When a business buys Group Income Protection they need to be clear on what it provides and use all aspects of it. Don't only focus on income protection as the key benefit to your employees. The impact of Early Intervention is the hero. Employees need to be reminded regularly what's available, how to access it and how it benefits them.**
>
> **We need better conversations to lead to better outcomes. Workers staying in work or being returned in good time is what real success looks like."**
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> MetLife UK, Deputy CEO, Adrian Matthews

UK government figures show more than 100,000 people leave work following a spell of long-term sickness absence each year[7]. The UK's sickness absence rates are at their highest in more than 10 years and welfare costs are among the highest in the OECD (Organisation for Economic Cooperation and Development).

Between 2015 and 2024 the UK saw a surge in health-related absence:

- 1.2m more workers aged 16–34 and 900,000 more older workers (50–64)[8].

Given MetLife UK's figures for the cost of sickness absence, no business can afford to ignore those costs and that hit to profitability.

In summary, I've outlined likely benefits of Early Intervention to all those impacted by sickness absence to help readers make the case for GIP with Early Intervention.

For employees[4]:

- MetLife UK's data shows that with Early Intervention within four weeks of absence, 96% report a positive outcome, often returning to work sooner
- Staying in work, even part-time, means you've got income and can keep up your pension contributions
- Half of employers regularly check in with employees when they're off, 44% allow people to work shorter hours, and 39% arrange more work-from-home days
- There's less likely to be additional pressure on other employees and they're less likely to be put off asking for help sooner

For employers[4]:

- Early Intervention reduces the costs of long-term and short-term sickness absence
- Just over a fifth of businesses offering Early Intervention report increased productivity, and nearly as many see improved morale
- Keeping skilled employees in work avoids hidden costs like recruitment and training
- Caring for employee wellbeing is good for reputation as a good place to work, do business with and invest in
- GIP ranks highly with employees as a particularly valued Employee Benefit, helping attract and retain top talent

Benefits to the economy[9]:

- Government warns that by 2030 an extra 600,000 people could be out of work and not paying tax
- Preventing long-term absence could help reduce a likely £25bn increase in welfare spending by 2029/30
- £150bn could be added to the economy by bringing people with health-limiting conditions back into work

"In many cases intervention will come too late resulting in a business without a valued employee and a person dealing with poor health for a long period – a bad outcome for Britain's economy too.

"At MetLife we aim to turn that on its head. A proactive approach leading to better outcomes for workers, employers and the economy – a true benefit to all."

MetLife UK, Lead Medical Consultant, Anthony Sly

Recommendations and next steps

We need to get sickness absence figures and the costs down for the good of business, employees and the economy. It feels urgent that:

Employers:

- Track absence patterns, invest in insurance that includes Group Income Protection at a level and cost appropriate for your business. Take time to research the services that have genuine embedded Early Intervention services with demonstrable and evidence-based outcomes
- Build healthier workplaces where everyone is confident about asking for help, knows Early Intervention services are available, how they work and how to access them
- Train leaders and line managers, as well as HR professionals, to understand the benefits to their teams
- Look at their policies so that their Occupational Health services don't simply auto-deploy the medical model on employee referral, and consider the fact that a significant number of absences turn out to be socially determined with no medical basis

Policymakers:

- Shift mindset, incentives and funding towards prevention and retention
- Look for ways to make Early Intervention and prevention affordable for small and micro businesses
- Learn from countries that spend more on prevention, retention, and rehabilitation, which, according to the OECD, achieve better outcomes

Insurers:

- Think about how the benefits of GIP with Early Intervention are communicated so everyone understands the benefits and the costs
- Engage with a wide range of organisations that are working with businesses, and in particular small businesses, to engage more of those businesses with the insurance sector and build trust

As I reflect on the findings in this whitepaper, I agree with Adrian Matthews at MetLife UK who says:

> **"We can't afford to continue to do nothing. Early Intervention works and we need more businesses to use it more effectively. We need to make employers aware of it and that it can be affordable for their businesses. This is for the good of those businesses, their employees and UK Plc."**
>
> MetLife UK, Deputy CEO, Adrian Matthews

As a Non-Executive Director on boards of companies, I talk a lot to employees about what they want from their employers. I hear that they often value the security of income protection more than a higher salary itself. But of even greater value would be the peace of mind of knowing that if they were to become ill, they'd be supported back into good health and able to earn their full salary.

My final conclusions

The fact that the government is clearly taking all this seriously is welcome, and their Keep Britain Working Report is long overdue.

However, even if the report recommendations are on the money, action will be down to businesses too – especially the 5.5 million small and medium sized businesses which employ so many.[10]

I urge micro, small and medium businesses especially, not to wait for government to come up with all the answers, when a solution already exists.

If businesses chalk the cost of GIP up against really owning their duty of care it becomes even better value for money. They will get more engaged workers who feel valued, and in return, value their employer, leading to healthier employees.

A happy "side effect" is Early Intervention minimising absenteeism, with income protection in place if really needed.

Businesses should be proactive about taking action to protect themselves by protecting the people who work in them, or risk losing their skills and more.

Saving money by neglecting to protect your workforce is a false economy that puts a company at risk of a £21,000 bill for every person who goes off sick in the longer term[4].

Businesses should research options thoroughly, speak with advisers and providers about both the best type of cover for them and how to make it affordable*, This is about safeguarding employees and getting the best outcome for the business.It will be the businesses with skilled, experienced, valuable and valued employees which keep Britain working.

I'll end on another real case study from HCB Group intervening for a MetLife UK GIP customer:

Joan, 55, a Strategy Director in property sales data, experienced two lengthy absences due to depression and anxiety caused by personal issues.

After her second absence, her case manager created a wellness plan to help her identify triggers and manage her mental health.

When Joan's symptoms resurfaced a third time, she flagged it early to her manager herself, leading to a referral back to MetLife UK's Early Intervention service, this time before she needed time off. With ongoing support and recommendations, including GP and counselling referrals, Joan remained at work, reducing disruption for colleagues and the business and mostly importantly herself.

This case highlights how Early Intervention doesn't just minimise claims, it supports employee wellbeing and business sustainability.

Sources

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*Know that level of GIP cover (the percentage of the employee's salary paid) along with term length (the duration of the cover paid from a year to pension cease age) can be selected by the employer to ensure the premium price point is best and affordable for the business.

For the purpose of this white paper the definition of short-term sickness is up to four weeks and the definition of long-term sickness is over four weeks. https://www.gov.uk/taking-sick-leave

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