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# **The price of fear: estimating the financial cost of bullying and harassment to the NHS in England**

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## Abstract

Using a spectrum of measures, this article estimates some of the financial costs of bullying and harassment to the National Health Service (NHS) in England. By means of specific impacts resulting from bullying and harassment to staff health, sickness absence costs to the employer, employee turnover, diminished productivity, sickness presenteeism, governance and industrial relations costs, we conservatively estimate bullying and harassment to cost the taxpayer £2.281 billion pounds per annum.

*Keywords: Bullying, Harassment, Financial costs of bullying and harassment, NHS England, Bullying in the Public-sector.*

## Introduction

Workplace bullying, and harassment have established themselves as some of 'the' contemporary issues of modern workplaces (Einarsen *et al.*, 2011). Although Brodsky wrote of the 'Harassed Worker' in 1976, bullying and harassment gained notable traction in the early 1990's starting in Scandinavia (Leymann, 1990; Einarsen *et al.*, 1994) and quickly spreading to the U.K. (Lewis, 1999; Hoel and Cooper 2000), other European countries (Zapf *et al.*, 1996; Salin, 2001) Australia (McCarthy *et al.*, 1996) and the USA (Namie, 2003). Since then, a wealth of research has emerged to show how bullying impacts on individual employees who encounter feelings of guilt and shame (Lewis, 2004), symptoms of post-traumatic stress disorder (Leymann and Gustafsson, 1996) as well as psychiatric distress (Matthiesen and Einarsen, 2004) as well as other health impacts. Bullying and harassment has also been shown to affect all aspects of the modern UK economy (Fevre *et al.*, 2009) including small and medium sized enterprises (Lewis *et al.*, 2017) with UK economic impact costs estimated at £13.75Bn in 2007 (Giga *et al.*, 2008).

The UK public sector appears to suffer disproportionately more bullying and harassment compared to other parts of the economy (Fevre, *et al.*, 2009) with health and social care reporting a range of negative behaviours including unreasonable management pressure, incivility between co-workers and violence from patients, relatives of patients and from service users (Fevre *et al.*, 2012). Research has shown how doctors (Quine, 2002), general NHS staff (Burnes and Pope, 2007) and nurses (Lewis, 2006) operating within the National Health Service (NHS) regularly encounter bullying and harassment. The most recent data available for NHS England (2017) showed a high proportion of NHS staff reporting being bullied or harassed with 13% reporting bullying by managers, 18% reporting bullying by co-workers and 28% reporting bullying by patients/relatives. More worrying is that only 48% of incidents of bullying were ultimately reported, suggesting the scale of the problem is much greater than conveyed (<http://www.nhsstaffsurveys.com/Page/1064/Latest-Results/2017-Results>).

Against this backdrop, our article examines the likely costs of bullying to the NHS in England by utilizing a spectrum of data sources for the impacts of bullying and harassment to sickness absence, sickness absence costs to the employer, employee turnover, diminished productivity, sickness presenteeism, employment relations and governance. We also outline likely additional costs but are unable to quantify these due to a lack of published data.

## Research Context

The NHS, although often regarded as a singular body responsible for healthcare delivery in the UK, is in fact four discrete systems. Since devolution in 1999, England, Northern Ireland, Scotland and Wales have demonstrated policy divergence for healthcare (Bevan et al., 2014). This also extends to capturing evidence from staff about their exposure to workplace bullying with all four nations adopting different approaches. For example, the NHS in Northern Ireland have no survey results since 2015 and the NHS in Wales only surveying a sample of 50% of staff in 2016. In England all 1.1 million staff were invited to take part in a survey in 2017 whilst in Scotland the most recent data available (2017) was captured in a bespoke survey on workplace dignity and included 5% non NHS workers employed in social care within local authorities in Scotland (<http://www.gov.scot/Publications/2018/03/5142>). This makes direct comparison between the devolved nations of the UK impossible. Our focus is on the NHS in England as the largest of the devolved healthcare countries and with the most comprehensive data available to scrutiny.

In 2013, the Francis Report into the Mid Staffordshire NHS Foundation Trust emphasized the damage a culture of bullying can have upon an NHS organization, including an inability of staff to do their jobs which directly impacted upon patients. The same report showed how inappropriate pressure reported by staff went uninvestigated. It is notable that many bullied staff working in health care settings globally are less likely to speak up, less likely to admit mistakes and less likely to be effective in teamwork settings, all of which have the potential for direct and adverse consequences to patient safety and care (The Joint Commission, 2008; Victoria Auditor-General's Report, 2016). In his 2015 report – 'Freedom to Speak Up' - Francis commented how bullying was frequently reported as a consequence of NHS employees speaking up and how isolating the process can be with reprisals, disciplinary action and counter allegations made against those who speak up. As Francis (2015:13) reported, 'Quite apart from the unacceptable impact on victims, bullying is a safety issue if it deters people from speaking up'. Unsurprisingly then, bullying and harassment adversely effects organizational effectiveness and resource deployment specifically because of, increased sickness absence, reduced productivity, employee turnover, potential for new entrants into the NHS labour market, litigation costs, organizational reputation and ultimately patient experiences (Francis, 2013; Giga *et al.*, 2008).

Researchers have consistently demonstrated the connections between the general work environment and bullying/harassment, typically through established stressors such as lack of job role autonomy, poor management of change, intense workloads, excessive job demands and insufficient resources to carry out work (Lewis et al., 2017; Baillien *et al.*, 2011; Notelaers *et al.*, 2010). Evesson *et al.*, (2015:5) in their Acas discussion paper on bullying concluded from the international evidence that 'Poor job design, work intensification, job stress, workplace conflict, job insecurity, cultures of self-interest, and institutional power imbalances have all been identified as organisational factors that can underpin and perpetuate work climates conducive to ill-treatment and bullying.' Such operating environments are common to NHS workplaces where excessive service demands, increased stringent targets and diminishing resources are increasingly familiar (Illing *et al.*, 2013).

## Estimating Financial Costs of Bullying and Harassment to NHS England

Evesson *et al.*, (2015) outline a spectrum of direct and indirect economic costs stemming from bullying and harassment. These include impacts on those directly targeted for bullying, but also including bystanders and witnesses of bullying as well direct/indirect organizational costs. Central to these are costs of sickness absence, employee turnover (including recruitment, training and staff development costs), reduced productivity, including sickness presenteeism and diminished organizational performance caused by weakened morale and commitment, lower efficiency of replacement employees, occupational health, employee assistance costs such as counselling/rehabilitation, litigation and financial settlements and organizational resources and management time lost to carrying out investigations, grievance and disciplinary procedures. Additionally, we are mindful of research from Rayner and McIvor (2008) and Porath and Pearson (2013) regarding the importance of recognizing presenteeism as a contributing factor.

We also recognize but are unable to place a financial cost upon witnessing bullying in the NHS because of a lack of reliable evidence. Witnessing bullying comes with attendant costs of absenteeism, employee turnover and reduced productivity (Hoel and Cooper, 2000; Hoel *et al.*, 2011; Illing *et al.*, 2013). Additional, but unsubstantiated, costs could also reasonably include: NHS reputational damage resulting from loss of status as a 'good employer'; damage caused to patients and the relatives of patients; investigation costs and resources for bodies such as NHS Improvements (NHSI), Care Quality Commission (CQC) and other investigation agency work; communication, reporting and attendant media costs; costs of healthcare to those experiencing or witnessing bullying and harassment; training costs for replacement staff; injury benefits and early retirement costs; increased likelihood of mistakes, poor quality of work and ineffective work practices; and finally additional insurance premiums incurred by the NHS caused by settlement outcomes. **Examples of costs of major inquiries where bullying is a feature include:**

- 1998-2001 Bristol Royal Infirmary Public Inquiry at £14 Million
- 2010-2013 Francis Inquiry into Mid Staffordshire at £19.7 Million
- 2013-2015 Morecambe Bay Investigation at £1.1 Million

In sum, there are very considerable costs that we are unable to estimate but, were data available, would increase our cost estimates by substantial margins.

We have subsequently drawn upon, but also expanded upon, previous models for estimating the costs of bullying and harassment, most notably the work of Giga *et al.*, (2008). The only previous attempt at estimating the cost of bullying to the NHS ([http://www.jml-diversity-training-services.co.uk/The Cost of Bullying in the NHS March 2005.pdf](http://www.jml-diversity-training-services.co.uk/The_Cost_of_Bullying_in_the_NHS_March_2005.pdf)) obtained by a BBC Freedom of Information request, estimated a modest £325 million annual cost due to sickness absence and employee turnover, but this was subsequently rejected by the Department of Health. There is unsurprisingly therefore, no consensus on the precise costs of bullying and harassment for the reasons summarized above.

For this article we have adopted the definition of bullying used by Acas (2014) where bullying is defined as 'offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or

injure the recipient'. Note, the NHS staff survey does not provide respondents with a definition of bullying but simply asks 'In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from' and includes three response categories: a) patients/services users, their relatives or other members of the public; b) managers; c) other colleagues. Such an approach is problematic as it leaves the respondent to interpret for themselves what they understand harassment, bullying and abuse to mean. It also makes the disentanglement of each term impossible such that those interpreting the data must use all three terms as coterminous. As a result, we have adopted the commonly used label of bullying.

The majority of our data is derived from NHS Digital including: staffing numbers (both whole time equivalents (WTE) and headcount); average wages of WTE NHS employees; absenteeism rates; employee turnover rates (including those exiting the NHS and those leaving their direct NHS employer but remaining within the wider NHS). NHS Digital is the national information and technology "partner" for the health and care system, collecting, processing and publishing data and information from across the health and social care system in England against over a thousand indicators. We have used the NHS national staff survey data for prevalence rates of bullying.

## **1. Calculating the Costs of Sickness Absenteeism**

The UK's Health and Safety Executive (HSE) in their most recent estimates using the Labour Force Survey for work-related stress, depression or anxiety (2016/2017) report over half a million UK workers suffer from such conditions (new and long-standing) with 12.5 million days lost per annum to the economy as a result (<http://www.hse.gov.uk/statistics/causdis/stress/>). The highest industrial sector for this is Health and Social Work with other public-sector workplaces such as Public Administration and Defence and Education in second and third places for stress. Data from the HSE shows the trend for self-reported worker stress has been largely flat since 2001/02 but with some minor fluctuations, thus indicating a consistent trend that has not been satisfactorily addressed by employers or managers. The employment category of 'professional occupations', which includes nursing, midwifery and many NHS occupational groups, had statistically some of the highest rates of stress, anxiety and depression of all occupational groups.

The costs of absenteeism to the NHS because of poor health is estimated at £2.4bn per annum (Public Health England 2015 Wellbeing Initiative - <https://www.gov.uk/government/publications/workplace-health-applying-all-our-health/workplace-health-applying-all-our-health>), although this figure does not include costs of agency staff and any overtime costs to plug staffing gaps. In the 2017 NHS staff survey, 38% of NHS staff reported feeling unwell because of work-related stress (up 1% from 2016). Data from THOR (The Health and Occupation Research network) analyses General Practitioner (GP) data on sickness. One third of cases over a six-year period were of negative mental health attributed to work-based stressors. GP's gave a mean absence of 24 days per absence for this type of ill-health and when mental ill-health is combined with the length of absence, makes up 58% of sickness absence days certified by a doctor. GP's attribute a workplace stressor in their diagnosis including workload, management conflicts, threats of redundancy and interpersonal relationships, the latter being the second most common source of mental ill-health. Of the days off work with sickness absence, 35% are interpersonal difficulties

with a manager, 14% interpersonal difficulties with other workers and 24% for bullying and harassment (<http://cmpresolutions.co.uk/bullying-and-harassment-evidence-it-accounts-for-sickness-absence/>). We estimate that these categories are more likely, on average, to cause staff to take longer periods of sickness absence (NHS sickness absence due to interpersonal relations incurring 16 days of absence compared to the NHS average of 9.36 days). Studies have shown that sickness absence in nurses resulting from bullying usually ends up in lengthy periods of absence – sometimes six weeks or more (Ortega *et al.*, 2011). We also recognize there may be under-reporting of bullying as a cause of mental ill-health because of the stigma associated with self-labelling oneself as bullied (Lewis, 2004). Using NHS digital data, we therefore calculate days of sickness absence related to bullying as:

- The average rate of NHS staff sickness to April 2017 was 4.16%.
- Assuming an average working rate of 225 days per annum (based on 5-day week, 27 annual leave days (using Agenda for Change 5 years of service estimates) plus 8 public holidays).
- The average daily pay (WTE divided by 225) is £140.12. Mean annual earnings per WTE were £31,256 in the 12-month period to June 2017. The mean annual basic rate of pay per WTE was £26,855 to June 2017.
- The average rate of NHS staff sickness to April 2017 was 4.16% and assuming 225 working days (inclusive of leave and public holidays), average sickness leave is 9.362 days per staff member.

Estimates of absence because of bullying varies by research, ranging from 26% more absence (Kimivaki, 2000), 71% more absence (an additional 7 days of absence) (Hoel and Cooper, 2000) to 277% more absence (THOR, 2016 estimates described above). We are conservatively estimating (using Hoel and Cooper as a UK data source mid-point), for additional days lost to the NHS as a result of bullying at 71%, or 7 additional days. Therefore:

- Proportion of bullied staff (24% across the NHS) x additional days of sickness lost to bullying compared to average days lost x average days lost per non-bullied staff are  $0.24 \times 1.71 \times 9.36 = 3.30$  days

Subsequently,  $3.30 \times £140.12$  (average daily pay rate) x WTE NHS staff employment in NHS England (1.046M) equates to £483.66 Million.

This estimate excludes bullying by patients, their relatives or from the general public and also those witnessing bullying.

## **2. Calculating the Additional Cost of Sickness Absence to the Employer**

The majority of NHS staff are entitled to six months full pay and almost all staff are entitled to at least one month's full pay for sickness. With bullying related sickness absence estimated at an average of 16 days, the majority of staff will therefore receive full pay. However, absenteeism in the NHS can also include additional costs, dependent upon whether sickness absence pay is paid and the relevant rates of pay, contingent upon the conditions of employment/service. The greatest additional costs to an NHS employer for covering bullying related absences will be

agency/replacement staff, even if the first few days of sickness absence are covered by existing staff. Premium rates of pay are made for agency workers and even pro-rata cover by existing employees will often incur overtime payments.

Researchers have previously calculated the annual direct cost of NHS sickness absence at £1.7Bn (Boorman, 2009) with agency workers and other temporary staffing costs at £1.45Bn. The ratio of the cost of cover (85%) compared to direct costs is similar to other estimates into sickness absence costs at Royal Mail (Marsden and Moriconi, 2008). However, evidence indicates stringent efforts have/are being made to reduce/control agency costs – see for example <http://www.nhsemployers.org/-/media/Employers/Documents/Plan/Reducing%20Agency%20use%20in%20the%20NHS.pdf>. Marsden and Moriconi (2008) found that the cost of managing sickness absence in eight organizations varied between 2% - 19% but was at the lower range for organizations comparable to an NHS Trust. We have therefore assumed a modest management cost for sickness absence at 2.5% of the total cost of sickness absence.

Our calculations are based on:

- Length of absence. With bullying related absences lasting longer than non-bullying related absences (16 compared to 9 days), we assume that 50% of bullying absences will require agency/temporary overtime cover with costs varying based on expertise. A sample of NHS Trusts contacted estimated the premium at 20% and this is supported by Bevan and Hayday (2001) at the Institute of Employment Studies.
- We have adjusted the ratio of the costs of cover from 85% down to 50% to recognize the attempts made by the NHS to reduce agency costs.
- Combining these assumptions, the cost of cover is 60% (50% of staff covered at a premium of 120%) of the cost of staff who are absent because of bullying.
- Management of absence costs at 2.5% (Marsden and Moriconi, 2008)

We estimate this at 62.5% of the total salary cost of staff who are taking sickness absence because of bullying. With our previous calculation of the cost of bullying in lost wages at £483.66 million, the additional cost to the NHS employer of bullying-related sickness absence for paying agency/overtime is £302.2 million.

### **3 Impact and Costs of Employee Turnover due to Bullying**

NHS Digital reports labour turnover in NHS hospital and community health services in the 12 months to November 2015 was 11.3%. In 2016, Health Education England (HEE) reported a shortage of 29,000 Full Time Equivalent (FTE) staff – one in ten of all nursing posts (Buchan *et al.*, 2017). A key contributor to shortages being the ‘high rates of nurses leaving the NHS before retirement age’ (Buchan *et al.*, 2017:5) with projections suggesting 84,000 nurses will leave before retirement age by 2021. Buchan *et al.*, (2017) report the costs of three years of nurse training at £78,000 with an additional cost impact of two years’ salary when a nurse leaves the organization. These estimates indicate an average working life for a NHS nurse at only 16 years - compared to 24 years for other health professionals (Buchan *et al.*, 2017). HEE’s own 2016/17 Workforce Plan for England shows staffing shortages are not simply in nursing but also includes paramedics and emergency medicine. Valuing, engaging



and supporting staff are seen as central to addressing demand and supply issues for staffing according to HEE.

Research estimates on the likelihood of bullied staff leaving their employment unsurprisingly varies. A meta-analysis (Bowling and Behr, 2006) of bullying and labour turnover showed positive relationships between intention to leave and actual employee turnover and an Irish representative study discovered 60% of respondents considered leaving whilst 15% actually left their employment (O'Connell, *et al.*, 2007). In healthcare settings Robinson and Perryman (2004) in their Quality of Working Life in the London NHS showed that harassment leads to double the levels of turnover, reduced levels of goodwill and higher disillusionment while Hogh *et al.*, (2011) reported turnover intention increases as exposure to bullying increases. Estimates on the costs of employee turnover caused by bullying are largely ignored although Rayner (2000) estimated that for every 1,000 employees, £1M is a realistic assumption for replacement costs, i.e. £1,000 per employee employed.

NHS Digital reported staffing numbers in NHS England of 1,185,599 at June 2017 (note these are not WTE figures). Researcher estimates on labour turnover because of bullying varies between 15% (O'Connell *et al.*, 2007), 25% (Hoel and Cooper, 2000) to 36% (Trades Union Congress, 2015). We have taken a conservative lower estimate point of 15%.

Based on a June 2017 headcount of 1,185,599  $\times$  0.036 = 42,681 staff leave because of bullying and harassment.

Replacement costs of recruitment (including advertising and selection), induction, training and development and administrative costs are estimated at £5,614.00 based on the average of five non-NHS occupations comprising unskilled, semi-skilled and professional staff (Oxford Economics, 2014). Oxford Economics estimate that an employee earning £25,000 carries an average financial impact of £30,614 when turnover is accounted for. The difference is arrived at by sub-optimal productivity of a replacement employee and the costs of recruitment and selection. Many NHS employees are highly skilled with doctors, consultants and executives earning significant salaries, yet we have taken the Oxford Economics value as a modest comparator.

As such and based on our estimate of 42,681 staff leaving NHS England because of exposure to bullying the costs of replacing them would be £5614  $\times$  42,681 = £231.9 Million.

#### **4 Impact of Bullying on Productivity**

There is significant data on the impact of bullying to job satisfaction, employee engagement, organizational citizenship behaviours and general commitment. Cowie *et al.*, (2000) reported how 58% of staff affected by bullying suffered reduced motivation and morale while McCarthy *et al.*, (1995) described a decline in work quality ranging from between 19% to 28% for staff exposed to bullying. McTernan *et al.*, (2013: 321) reported significant job strain and depression symptoms amongst workers exposed to bullying with mild forms of depression costing the Australian economy \$AUD693 million in "preventable lost productivity costs". Porath and Pearson (2009)

demonstrated a range of productivity impacts from 80% of those bullied taking sickness absence, 78% reduced their commitment, 66% indicated declined performance and approximately 50% decreasing their work effort, including the time they spend at work.

In health care settings, Yildirim (2009) related how diminished concentration and poor relationships with patients, managers and colleagues were outcomes experienced by nurses exposed to bullying. In another nursing study, cognitive demands were impaired, and management of workload affected amongst newly qualified nurses exposed to bullying, with 47% reporting decreased productivity (Berry *et al.*, 2012). Importantly, Berry and colleagues reported how a single workplace bullying event had the potential to negatively impact on productivity. Newly qualified nurses were also the subject of a study by Laschinger *et al.*, (2010) that found that when resource support was diminished, due to busy hospital environments where patience with newcomers may be pressured, bullying flourished. In contrast, when work environments 'encouraged discretion and flexibility and promoted effective alliances within the organization, they were less likely to experience bullying' (Laschinger *et al.*, 2010: 2739).

Using the same Oxford Economics (2014) modelling of worker productivity, workers in their analysis took 28 weeks to reach optimum productivity. Oxford Economics (2014) estimated that those workers relocating from within the sector take less time (15 weeks) to reach optimal productivity compared to a worker from another sector (32 weeks) or a graduate (40 weeks). Their analysis of the period in the lead up to optimum productivity showed that the lost (sub-optimal) productivity cost on average was £25,181 (across 5 economic sectors). The salary costs ranged from £16,240 for new workers in the retail sector to £35,307 in the legal sector – the average NHS salary in 2016 was £31,526.

Presenteeism, or the lost productivity occurring when staff come to work whilst unwell (such as because of stress) and are not fully functioning, impacts upon productivity by impairing performance, additional training time, errors and mistakes (Brun and Lamarche, 2006). Cooper and Dewe (2008) estimated that the impact of presenteeism is double that of absenteeism. More recently, Conway *et al.*, (2016) found that regular exposure to bullying, such as daily or weekly encounters, was associated with reporting eight or more days of sickness presenteeism in the preceding year. Conway and colleagues argued that attendance at work whilst being bullied could be an attempt to prevent exacerbating the situation further, such as status loss or changes to working patterns, and to prevent gossip and rumours whilst absent. Such behaviours are very realistic concerns given the evidence that bullying can lead to ostracism and social isolation (Hoel *et al.*, 2011) and to expulsion from working life (Glambek *et al.*, 2015).

Our estimates for calculating productivity loss as a result of bullying assumes that employee turnover is distributed across the workforce, thus reflecting normal salary distribution. The calculation is as follows:

- Reaching optimal productivity takes 15 weeks, treating all staff as coming from within the sector.

- We have assumed no staff from outside the NHS as graduates or from other sectors as this would increase optimal productivity times.
- We use our earlier estimates of 42,681 staff who leave because of bullying and are subsequently replaced.
- We have used the Oxford Economics average productivity cost of £25,181 as the cost of reaching sub-optimal productivity. We recognize that this is, in all likelihood, a significant underestimate given average NHS salary rates and the increasing reliance on new graduates and overseas staff in nursing, midwifery, paramedics, allied health professions and medicine.
- We have also assumed no size premium. Oxford Economics estimated an additional cost premium of 16% for employers with 500 or more staff.

The productivity cost associated with bullying is assumed to be 15/28 weeks x £25,181 = £13,489 per person.

The productivity cost arising from turnover relating to bullying is therefore £13,489 x 42,681 = £575.7 Million.

For sickness presenteeism we have assumed that presenteeism due to bullying is twice that of sickness absence due to bullying. Our earlier estimate was that sickness absence related to bullying costs the NHS as an employer £302.2 Million and therefore, the cost of bullying-related sickness presenteeism is twice this figure at £604.4 Million.

## **5 The Impact of Bullying on Industrial Relations, Compensation and Litigation Costs**

There are significant costs associated with pursuing formal grievances in the NHS, especially if linked to whistleblowing, professional misconduct or events associated with breaches in patient safety. Administrative, managerial, human resources (HR) and legal costs associated with investigations, mediation, disciplinary events, suspensions, absence monitoring, return to work management, occupational health/counselling are substantial. Financial costs of any settlements along with early retirements and employee turnover are also potentially considerable. Data on costs to the bully/alleged bully are not available, although the cost of cases involving a referral to a professional regulator may be considerable. For example, the NMC reported that “through efficiencies to our processes in 2016–2017 the average cost of a hearing fell from £25,000 to £18,000” (Nursing and Midwifery Council, 2017). This excludes the costs to the registrant which must also be considered.

Even an extended and well supported inquiry such as the Report of Freedom to Speak Up review by Francis in 2015 made no attempt to quantify the costs to those staff who were bullied as a result of one specific trigger – whistleblowing. There is no reliable calculation, to our knowledge, of the monetary costs to those being bullied. In much the same way, there is no known data on costs to the alleged bully. However, it is reasonable to offer a supposition that downgrading, loss of position/job as well as other sanctions such as final written warnings etc. will have the potential for monetary impact. In NHS Trusts where public departures of staff have resulted from bullying, these have largely occurred through voluntary resignation or from non-disclosure agreements between parties, thus making costs impossible to quantify.

The Chartered Institute of Personnel Development (CIPD) estimated in 2011, using a survey of their UK HR members, that there had been significant increases in the use of disciplinary action (49.5% of members), grievance procedures (47.7% of members) and mediation (49.4% of members) in the previous two years (CIPD, 2011). The same report showed that management and HR time spent on disciplinary cases had risen from 13 days in 1997 to 18 days, and for grievance cases from 9 days to 14.4 days by 2011. In the public sector, grievances took two-thirds more time (9 days) than in private services (5.5 days), and management time spent on grievance handling in the public sector was also considerably higher at 9 days, compared to 4.9 days in private services (CIPD, 2011).

Mediation has also grown as a mechanism for dispute resolution and the CIPD showed that 82% of public sector respondents were using mediation (CIPD, 2011). Regardless of whether mediation is internally or externally provided, there are significant costs involved, although these are broadly lower than grievance or discipline costs. CIPD estimates were that externally sourced mediation services cost on average £2,500 per case comprising direct financial costs, management/employee time and other administrative costs (no costs were offered on the use of internal mediators).

Saundry et al., (2011) in a report for Acas on conflict management in the public sector, used data from East Lancashire NHS Trust that estimated 23 cases of grievance/fair treatment would cost £230,000 in management, witness and union time. The estimate assumed a percentage of cases would reach employment tribunal (ET) and thus the cost of the ET's plus the cost of sickness absence meant each case would cost £10,000 on average. Survey data from the CIPD (2011) reported that discipline cases in the public sector had a mean figure of 20 formal cases per year with a median of 8.5. The mean score for grievance cases in the public sector was 76.7 (compared to 22.3 across all sectors) which reflects the typically larger size of organization found in the public sector. The average score for the proportion of disciplinary and grievance cases that were resolved internally (did not progress to an Employment Tribunal) was 81% in the public sector (compared to 85% across all respondents).

Hoel et al., (2011) examined the costs of a typical bullying case in a local government context. Their calculations concluded at the point at which the alleged bully resigned and thus only included organizational costs and excluded potential litigation costs. The costs estimated formal investigations, witness interviews, suspension costs on full pay, welfare costs such as counselling, occupational health and management welfare checks. The period of investigation was estimated at 8 weeks and the complainant was on medically certified sick leave. The calculation ignored lost productivity costs between the two parties, no replacement of staffing, no early retirement costs, compromise settlements or legal advice costs. The total costs were estimated at £28,109. Adjusted for inflation these costs would be £41,963 in 2017.

Taking our earlier estimate of 24% of staff reporting being bullied in the NHS in 2016, this equates to 251,040 staff. Using CIPD (2011) estimates for the public sector of median discipline cases at 8.5 and grievances at 76.7, we conservatively estimate 10% of these will be for bullying and harassment, thus 8.5 cases in total. There are 234 NHS organizations in England made up of 135 acute non-specialist Trusts, 12 acute specialist Trusts, 54 mental Health Trusts, 35 Community Providers and 10

Ambulance Trusts. We have excluded NHS commissioning bodies, GP practices and for profit/not for profit independent organizations (<http://www.nhsconfed.org/resources/key-statistics-on-the-nhs>).

Our calculations on this basis are that there are 8.5 cases of bullying and harassment per organization and so  $8.5 \times 234 \times \text{£}41,963 = \text{£}83.46 \text{ Million}$ .

## **6 The Impact of Bullying**

Our final considerations, although uncoded, include the likely impact of bullying on patient care and patient safety. These involve, but are not limited to:

- Additional regulatory inspections by NHSi and CQC arising from concerns about patient care or governance issues from bullying.
- The costs of any NHS Protect investigations.
- Management resources devoted to instances of poor care, breach of care by employers and individual staff.
- Management time devoted to complaints and enquiries by members of the public.
- Management time devoted to reputational damage and media attention.
- Higher insurance premiums arising from serious harm to patients, additional inspections by CQC and NHSi.
- Additional media and communications costs.
- Recruitment and retention impact on staff.

The cumulative cost to individual organizations will of course vary, but the cost to the NHS as an entity is considerable. Whilst we cannot place direct costs of the above to bullying incidences, they are contributory elements that should not be ignored.

## **7 Final Estimates of the Total Costs of Bullying to NHS England**

The aggregate totals are, we believe, extremely cautious. Several costs are not included. The costs estimated are often at the lower end of scales, thus indicating the potential to be much higher. Our final estimated costs are:

[INSERT TABLE ONE ABOUT HERE]

### **Concluding Remarks**

We have attempted in this article to put cost estimates to those elements most strongly associated with bullying namely, sickness absenteeism, sickness costs to the employer, impact and costs of employee turnover, impacts of bullying to productivity and for sickness presenteeism, the costs of bullying to industrial relations, compensation and litigation. Yet, there are additional costs associated with bullying that it is impossible to cost financially. As indicated previously, regulatory investigations and inspections have frequently cited bullying in those organizations where patient safety has been a cause for concern. We have been unable to accurately cost such interventions. We have also been unable to cost the impact of bullying upon bystanders and witnesses where the existing evidence points to significant psychological as well as productivity impacts **nor have we been able to cost**

the impact on the bully/alleged perpetrator. We have also been unable to apportion costs to incivility that underpin but might not be self-labelled as bullying (Fevre *et al.*, 2012). Media engagement, higher insurance costs, management time, communication costs and reputational damage are also costs that are largely unavailable. Bullying and harassment are everyday features of many UK workplaces with health and social care being the most prominent employment sector bedevilled by workplace ill-treatment. With evidence showing that NHS nurses will only complete 16 years of service compared to the norm of 24 for other health professionals, it is clear that issues such as bullying may be a bigger contributing factor in some quarters than has hitherto been recognized. The most recent NHS England staff survey data for 2017 shows a stubborn 24% rate of bullying by other staff (managers and colleagues) which has largely remained unchanged over the last three years. With budgetary pressures facing the NHS running into tens of billions of pounds, it is more relevant than ever to address the real costs of bullying, both moral and financial.

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## **Impact Statement**

The evidence in this article indicates the importance of urgent material engagement to address bullying in NHS England. The existing NHS staff survey fails to capture the types of behaviours often attributable to bullying and this should be a focus to design pertinent interventions. Capturing bystander/witness experiences are also missing in the survey as are workplace incivilities and staff satisfaction with policy and procedures for tackling bullying. Policy change is necessary for accurately capturing the costs of bullying associated with absenteeism, staff replacement, productivity reductions and to use these as mechanisms to manage organizations that systemically fail to address bullying.