

# The Upside-Down People System

Why today's  
approach to  
wellbeing and  
performance is  
producing the  
outcomes  
organisations are  
trying to prevent



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## Acknowledgements

This report draws on the generosity of 23 organisations and the c.130,000 people whose working lives are reflected in the data. The HR leaders and senior people professionals who gave their time, their candour, and in many cases their hard-won experience of managing around a broken system deserve the first acknowledgement - without their willingness to look closely and speak plainly, there would be nothing here worth reading.

## The team behind the report



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Maria Paviour is a registered Occupational Psychologist, award-winning innovator, and internationally recognised thought leader in neuroscience-based workplace wellbeing, performance, and leadership. She developed the Human Capital Intelligence diagnostic framework on which this report's evidence base is built. A founding board member of the Parliamentary Policy Liaison Group for Workplace Wellbeing, and member of the APPG on the Future of Work, Maria brings over 25 years of experience working with organisations across sectors. A bestselling author, her latest book *The Cultural Imperative* (Isiliver Books) is due for publication summer 2026.



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Stuart Paviour conducted the HCI diagnostic audit interviews that form the primary evidence base for this report, leading structured assessments across the nine organisations scored to the current HCI standard. A strategic consultant with deep expertise in workforce development, organisational wellbeing, and leadership performance, Stuart partners with organisations across sectors in the UK and internationally.



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Polly led the research, analysis and drafting of this report, working closely with Maria Paviour throughout. She gathered and structured the full evidential base from the HCI diagnostic dataset, conducted and analysed the qualitative interviews that form the Workplace Wellbeing 2025 report (Optimism Consulting, 2025), and developed the synthesis that connects the two evidence streams.



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*Executive Assistant, Project Co-ordinator, Optimism Consulting*

Lisa project managed and supported co-ordination of the research and production phases, managing scheduling, stakeholder liaison and operational logistics. Working closely with the team, she ensured the process ran smoothly throughout.

## Maria Paviour's Optimism Consulting

Founded in 1994 by award-winning, internationally recognised Occupational Psychologist Maria Paviour, Optimism Consulting has spent over thirty years applying rigorous, science-grounded thinking to achieve its mission: to enable people to flourish in meaningful, challenging, and intelligent organisations - and to make work both joyful and triumphant.

Optimism Consulting is a strong driver of research for developing innovative solutions to real world problems - for humans and their performance at work. Using evidence-based neuroscience, the practice develops humane technology that increases human connection whilst generating finance-grade data about how people are really performing - a combination of compassion and rigour that runs through everything they produce.

The innovations at the core of the practice have all been developed in alignment with the HSE Management Standards for work-related stress since their introduction in 2004. Cari® measures engagement, wellbeing, and cognitive capacity across individuals, teams, and organisations, confidentially surfacing hidden strain and enabling early, preventative action. NeuChem® Coaching applies the same neuroscience framework at the individual level, working with executives and leaders to understand and direct their own performance. And through the Lead and Respond manager development programme, Optimism builds the capability in the people closest to the work to use human capital intel well, turning data into decisions, and decisions into cultures where people can actually perform.

## The Policy Liaison Group on Workplace Wellbeing

The Policy Liaison Group on Workplace Wellbeing is a cross-party forum that brings together parliamentarians, business leaders, and civil society to shape policy for healthier, fairer working environments, covering physical health, mental wellbeing, and financial resilience across the UK workforce.

Through parliamentary roundtables and employer-led research, the PLG builds consensus between those who make policy and those who live with its consequences, with the aim of embedding workplace wellbeing as a fundamental component of business strategy and national economic health. Maria Paviour is a founding board member of the Group.

## Executive Summary

Most organisations are investing in people, running engagement surveys, funding wellbeing provision, and equipping HR teams with more tools than ever before. And yet, across sectors, the pattern is consistent: HR remains reactive, managers are stretched, and organisations struggle to demonstrate any of it is working.

**130k** EMPLOYEES  
**23** ORGANISATIONS

This report shows that the issue is not effort or intent - it's the system. Across 23 UK organisations representing c.130,000 employees, a consistent structural pattern emerges: they are managing people through systems that can't see what matters early enough to act. The system was built upside down: designed to collect data from the bottom and deploy programmes from the top, when what's needed is visibility at the point where work actually happens, and support that reaches people before the problem has hardened into a case.

Four systemic constraints sit beneath the pattern, and form a reinforcing system. Organisations rely on lagging sentiment data rather than real-time intelligence. People risk remains largely invisible because people adapt to pressure and normalise their experience of work. Responsibility for emerging issues concentrates at the manager layer without the data or authority required to act early. Investment flows into provision that signals intent but can't demonstrate impact.

The result is a cycle: risk builds before it is visible; managers respond late and inconsistently; HR becomes the escalation point for issues that could have been prevented; budgets are committed to interventions that can't be evaluated, and therefore can't improve. The cycle repeats - regardless of sector, scale, or level of investment.

*Organisations are managing people through systems that can't see what matters early enough to act*

The costs result from the implicit structure of work that means an organisation is unable to identify risk early, target support effectively, reduce demand on HR, or make confident decisions about where to invest. Performance is sustained through effort and goodwill rather than supported by design. Capacity erodes unnoticed until it surfaces as absence, attrition, or failure.

What's striking is that HR leaders know and understand the problem, and have for some time. Without decision-grade human capital intel, organisations can't make the case for change in the language that drives investment.

Organisations achieving better outcomes create visibility at the point where work happens, support managers to act earlier, and respond to individual need rather than applying standardised solutions. In these environments, performance, wellbeing and engagement are produced through the same conditions rather than managed separately.

This report defines those conditions as Human Capital Intelligence: the organisational capability to see, understand and act on human capacity with the same rigour applied to financial performance.

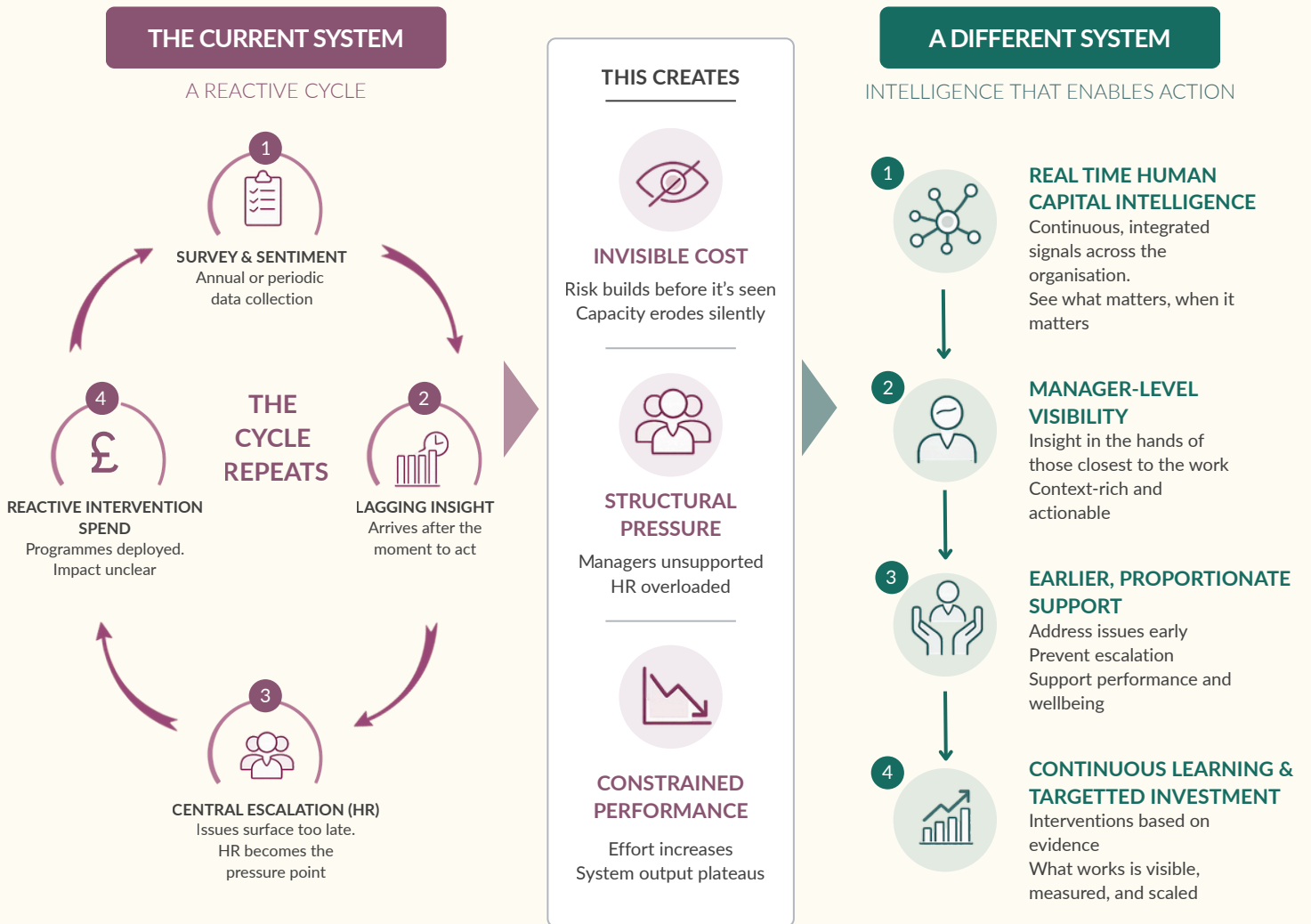
Improving outcomes doesn't require more activity, but a shift in architecture, and a different system *is* possible. One built on real-time intelligence, insight driven managers, proportionate and early support, evidence based investments, and where HR can focus on strategy and prevention. When the system can see, organisations can act, and people are supported earlier - performance is sustained rather than recovered.

The evidence shows organisations care about their people, the question is whether the system they're using allows that intent to translate into impact.

# The human system at work

DESIGNING WITH INTELLIGENCE TO BUILD THRIVING PEOPLE

Most organisations manage people through systems that can't see what matters until it's too late.



## THE ISSUE IS THE ARCHITECTURE



When the system can see, people get supported earlier, and organisations perform as they should.

BETTER INSIGHT, DECISIONS, AND OUTCOMES

## Introduction

Organisations collect plenty of people data. They run annual engagement surveys, fund EAP services, train mental health first aiders, and build wellbeing programmes. And yet HR leaders across the UK are stretched, reactive, and unable to demonstrate that any of it is working. This report argues that the reason is structural, not executional: the architecture is wrong.

Our research draws on HCI diagnostic assessments of 17 UK organisations covering nearly 94,000 employees, plus qualitative interviews with senior HR and OD leaders<sup>1</sup> across a further six organisations - 130,067 people in total, spanning 23 private, public and third sector organisations, from 12 employees to 50,000.

Four structural failures appear consistently across all of them, regardless of size, sector, or resource level.

- The intelligence gap: organisations hold sentiment data, not intel - periodic snapshots that always arrive too late to act on.
- The brave face gap: surveys cannot surface what people hide, and the cultures that reward endurance ensure people hide it.
- The capacity gap: HR has become the escalation point for problems the manager layer was never equipped to resolve, keeping the function reactive and preventing the strategic work that would reduce demand.
- The spend gap: budgets flow toward undifferentiated provision that cannot be evaluated, creating a cycle in which the same things are funded year after year with no evidence they are working.

The cause running beneath all four gaps is the absence of finance-grade human capital intel: the organisational data infrastructure that would allow people decisions to be made with the same rigour applied to financial ones. Every board in the country can see its financial position in real time, and almost none can see what its human assets are worth, how much capacity is currently available, or what is eroding that capacity before it surfaces as absence, attrition, or an incident.

The practitioners producing better outcomes are doing so by running the right system by hand - building trust, detecting strain early, acting before difficulties harden. They are ahead of the architecture around them, and they are fragile for that reason. The manager relationship is where performance, engagement, and wellbeing are actually generated - and it's the most underserved relationship in almost every people management system in the dataset.

HR already knows all of this, but without decision-grade human capital intel, HR can't prove what it already knows in the language that moves boards. This report is the beginning of that proof.

## What is Human Capital Intelligence?

Every organisation knows, with reasonable precision, what its financial assets are worth. It tracks them in real time, reports on them to governance, and makes investment decisions with the kind of accuracy that carries legal accountability.

The same organisations - in most cases, without exception - can't tell you what their people assets are worth, how much of their available capacity is currently being deployed, or what is eroding that capacity in ways that haven't yet surfaced as a problem.

To understand this asymmetry properly, we need to begin with a definition.

### The definition

#### **Human Capital**

is the skills, expertise, experience and capabilities that people bring to the organisation.

#### **Human Capital Intel(ligence), or HCI**

is the quality of data the organisation holds that enables people decisions to be made with finance-grade accuracy.

Specifically: the cognitive capacity that people have available to deploy; the value they can bring through that capacity; and the factors - positive or negative - that affect their ability to add that value.

### **Why words matter**

HCI relates to organisational data quality: the information infrastructure an organisation either has or doesn't have, and the absence of it is a structural problem, not a people problem.

What good HCI does is tell the organisation where to look and why it matters - and, where the data is rich enough, point toward how to respond, which can inform the organisation and manager. And ideally, that judgement belongs to the manager: the person closest to the work, with the relationship, the context, and the human authority to act on what the data makes visible.

### **The finance analogy**

Every organisation has a continuous, integrated, governance-level view of its financial position. Finance data is real-time; it reaches the board alongside operational data; investment and risk decisions are made on the basis of it with an accuracy standard the profession calls 'finance-grade'. When the numbers are wrong or the picture is incomplete, it's treated as a failure of the financial system - one that must be identified, investigated, and corrected.

People data, in its current form across the overwhelming majority of UK organisations, bears no resemblance to this. It's periodic rather than continuous, fragmented rather than integrated, and rarely - in practice, almost never - reaches governance-level decision-making alongside financial data. Decisions about people investment, people risk, and people strategy are made on the basis of annual surveys, intuition, and whatever the HR team can piece together from systems that weren't designed to speak to one another. If the financial equivalent of this picture were presented to a board, it would prompt an immediate audit.

The organisations that contributed to this research are not outliers in this respect - they are, if anything, more attentive to their people systems than the average. In one large private sector organisation, leaders could access financial metrics daily while wellbeing and engagement data was never viewed alongside them in any structured sense. In another, a genuine, deeply held commitment to being people-first had not, at the point of assessment, been accompanied by any data infrastructure that could confirm whether that commitment was landing - or what it was costing when it didn't. Both patterns are common across the dataset.

### **Capacity versus output, and why the gap between them is where risk hides**

The definition of HCI rests on the distinction between cognitive capacity and performance output.

#### **Performance output**

*The visible result*

What people are producing, delivering, completing. It's what most organisations track, because it's what most metrics are designed to capture.

#### **Cognitive capacity**

*The available resource that determines what performance is possible, and at what cost.*

An employee can deliver against targets, sustain relationships, and meet professional commitments while operating at significantly reduced capacity - drawing on reserve, managing strain, suppressing signals of difficulty that the organisation can't see because the measurement architecture wasn't built to look for them.

The gap between capacity and output is real, and is where risk hides, and builds. It's also where the earliest intervention opportunities exist, and where the absence of HCI costs the most. When the gap becomes visible, it usually does so as absence, attrition, or an incident. At that point, the organisation is responding rather than acting, and the cost - human and financial - is already incurred.

Our research shows the absence of HCI is the underlying cause of most of what HR leaders are struggling with right now: not the presenteeism they can't surface, the manager who can't be supported because the data doesn't reach them, the intervention budget consumed by programmes that repeat without ever accumulating insight. All of those flow from a single structural deficit: organisations do not hold the intel they need to act on people risk with the same confidence they bring to financial risk.

## The presenting picture, and what's really behind it.

There is a familiar pattern in how organisations describe their people challenges:

- Engagement scores that do not move despite investment.
- Absence data that feels like it's always lagging behind reality.
- HR teams stretched beyond capacity.
- Wellbeing programmes that are well-intentioned, well-attended at launch, and then absorbed into the background - recurring as line items in the budget without ever generating the evidence that would justify the spend or sharpen the next decision.

These are the symptoms, and there are four structural gaps involved in causing them: Intelligence; Brave Face; Capacity; Spend.



Each symptom of a structural gap has a presenting effect (what appears not to be working) and a root cause. The presenting effect is what HR is managing; the root cause is what the architecture is producing.

Every scored organisation in this dataset sits in the HCI Developing band. Across all nine scored organisations, Domain 3 (Intelligence to Decision) is consistently the most constrained. The report's central argument is most visible when reviewing the availability of high-grade data to decision-making - it's the weakest area, and a pivotal element of the findings

The four structural gaps compound, and the consistency of this pattern across the dataset reveals the structural problem across all sectors and size of organisation. The gaps aren't arising because organisations are under-resourced, or leaders don't care, or HR isn't skilled enough to do better, but because the architecture wasn't designed to do what's being asked of it.

The cycle completes and repeats.



## GAP 1: INTELLIGENCE

*Leaders lack finance-grade human capital data for real decisions.*

**Presenting effect:** low or stagnant engagement scores and survey data that always seems to arrive too late to be useful.

**Root cause:** structural - annual or biannual surveys are the dominant listening mechanism across every organisation in this research, and a periodic snapshot cannot function as real-time intel.

*"The business has a high degree of cynicism that anything will actually change as a result of the intelligence that is shared."*



## GAP 2: BRAVE FACE

*Surveys can't surface what people hide, and presenteeism remains invisible.*

**Presenting effect:** performance appears stable until absence, attrition, or an incident arrives without warning - no visible deterioration preceded it.

**Root cause:** cultures that reward endurance and visible commitment create the conditions in which people adapt to pressure and manage the presentation of their state. Strain builds invisibly, and measurement tools that depend on voluntary disclosure can't see it.

*"There are probably loads [of managers] that wait until there's proper signs of burnout and absenteeism, which is not an early sign - it's far too late."*

By design, surveys produce latent data: a point-in-time measurement, delivering results into an organisation that has already moved on<sup>2</sup>. The majority of organisations were relying on periodic static surveys to track wellbeing and mental health, and findings were rarely shared widely. One contributor described a stress risk assessment tool as broadly successful - but noted that *"there's a delay in knowing the impact."*

The consequence is false reassurance: annual lagging sentiment data can't detect early warning signals of fatigue, accumulating overload, and the early stages of allostatic strain<sup>3</sup> - the cumulative wear on the body and mind that results from sustained adaptation to pressure: the cost of repeatedly coping, rather than recovering. The gap between what the data shows, and what's actually building, is where risk accumulates.

The pattern holds regardless of size or strength of intent - organisations with a genuine people-first culture carry the same structural gap as those without. And across the dataset, the exception that proves the rule is solitary: a single organisation operating early-warning intelligence, using live data to direct support to where needed. Its presence sharpens the case that the gap is structural rather than inevitable - the destination exists, almost no one has reached it.

In the majority of organisations, managers care considerably, and are doing their best with the information and authority they have. Managerial strain and variability, where they appear, are adaptive responses to upstream ambiguity. They aren't evidence of a capability deficit, but show that the architecture has placed risk in the hands of managers, without providing them with the conditions to carry it.

This holds at every scale and in every sector represented in the dataset, and even where infrastructure is more developed, early-action authority depends on local routines rather than a consistent framework.

The brave face gap is why surveys can't close the intelligence gap on their own.

Engagement surveys can't surface what people choose not to show - and in cultures that reward endurance, the survey instrument captures the performance of wellbeing more reliably than it captures wellbeing itself.



### GAP 3: CAPACITY

*HR teams overwhelmed, working with fragmented and lagging data.*

**Presenting effect:** HR teams operating reactively, spending significant time and headspace gathering data rather than acting on it, unable to join up what they hold into a picture that tells them where to focus.

**Root cause:** data architecture that fragments what organisations know across disconnected systems with no mechanism to join the picture up, and no live signal to act on until the problem is already visible.

*"It's not telling a story for us at the moment."*

We consistently found that data organisations gather and hold is rich in volume and thin in coherence: multiple datasets that don't speak to one another, EAP and support tools used reactively rather than as early-warning systems, burnout and absence detected via sickness records. The volume of data is overwhelming, and a record of what has already happened - lag data.

The individual variation dimension makes the mismatch more acute. Neurodiversity, life stage, caring responsibilities, the quality of the immediate management relationship - these are variables that determine what a given person needs at a given moment, and are almost entirely invisible. Standardised tools reach the people already motivated and able to engage with them; they don't reach the people whose needs are most acute.

The HR function is responsible for people risk, and is carrying this without the data, tools, or decision framework to manage it proportionately, causing overwhelm - evidenced by CIPHR research showing 94% of HR decision-makers report being affected by workplace stress<sup>4</sup>.



### GAP 4: SPEND

*Budgets consumed by reactive, unproven interventions.*

**Presenting effect:** budgets committed to provision that cannot be evaluated - spend that signals intent without confirming impact, and renews on the same basis year after year

**Root cause:** measurement frameworks that record activity rather than outcome, leaving organisations unable to distinguish interventions that work from those that merely run

*"We don't learn though, do we really?  
We repeat the same mistakes."*

The EAP contract renews because cancelling it would be conspicuous. The mental health first aider cohort grows because it is visible and credible. The wellness platform sits in the benefits package because it was there last year.

In all organisations the pattern is the same: evidence of investment is present, and evidence of impact is absent. The dominant cultural signals - controlled output, contained voice, high commitment masking strain - are descriptors of delivery: they identify the cost at which performance is being sustained. Practitioners inside these systems describe it with particular clarity - one put it directly: "People just get shit done."

It's a striking phrase, and meant as a strength signal - and is one, genuinely. But it's also a description of a system that draws on commitment without a mechanism for understanding what that drawing-down costs, or when it will become visible as a problem.

The risk in every case is over-reliance on goodwill - and goodwill, unlike financial capital, does not appear on a balance sheet.

## What the gaps cost when the architecture is wrong

More significant than financial costs are structural costs: what doesn't get done, detected, built, and what continues to be funded without evidence of efficacy.

These rarely appear in HR reporting because the infrastructure wasn't designed to make them visible. As organisations didn't provide quantified cost data, the cost case that follows is structural and inferential, built from data patterns and corroborated by the Workplace Wellbeing 2025 report<sup>1</sup>. No organisation would make financial investment decisions on the basis of annual sentiment data and intuition. Yet across organisations that is how people investment decisions are being made.



### INTELLIGENCE COSTS

The cost of the intelligence gap is in decision quality. The data organisations hold describes how people felt at a recent point in time, but not what risk leaders are currently carrying, where capacity is under strain, or which parts of the organisation are sustaining delivery at a cost not yet visible in any metric.

By the time lagging sentiment data reaches governance level, the conditions that generated it have already shifted. Leaders are making decisions about pace, workload, and people investment on the basis of a picture that was out of date when it was produced.

What finance-grade human capital intel would change is what leaders can actually act on.



### BRAVE FACE COSTS

Every organisation is, in different ways, demonstrating what late visibility costs: a cultural signal suppressing early disclosure; a measurement system that can't detect what's not disclosed; a consequence that arrives at a point when it's been building for some time.

The costs of crisis-stage response consistently exceed the costs of proportionate early action. Published figures from the HSE<sup>5</sup>, WHO<sup>6</sup> and NICE<sup>7</sup> place the costs in terms that make the case for prevention unarguable, but the individual cost is rarely counted, and doesn't appear in reporting, because reporting begins at the point of escalation.



### CAPACITY COSTS

The most direct structural cost is displacement: the strategic and preventive work that would reduce demand on HR is consistently set aside by reactive caseload. The function is kept busy by the very problems it would, given different conditions, be able to prevent.

CIPHR 2025 data shows 94% of HR decision-makers report being affected by workplace stress<sup>4</sup>. This is a description of a system that has positioned a function as the primary absorber of structural risk, without giving it the architecture to manage that risk at the level it's being asked to carry.



### SPEND COSTS

The deeper cost of the spend gap is the credibility cost. When wellbeing investment consistently fails to produce visible outcomes, the appetite for future investment erodes, including for the investment that would work: the failure of activity-based spend makes the case against the spend that matters.

The organisations with the most fragmented provision are also those least able to build the case for better provision. The architecture that generates the problem also prevents its resolution.

**The cost cycle**

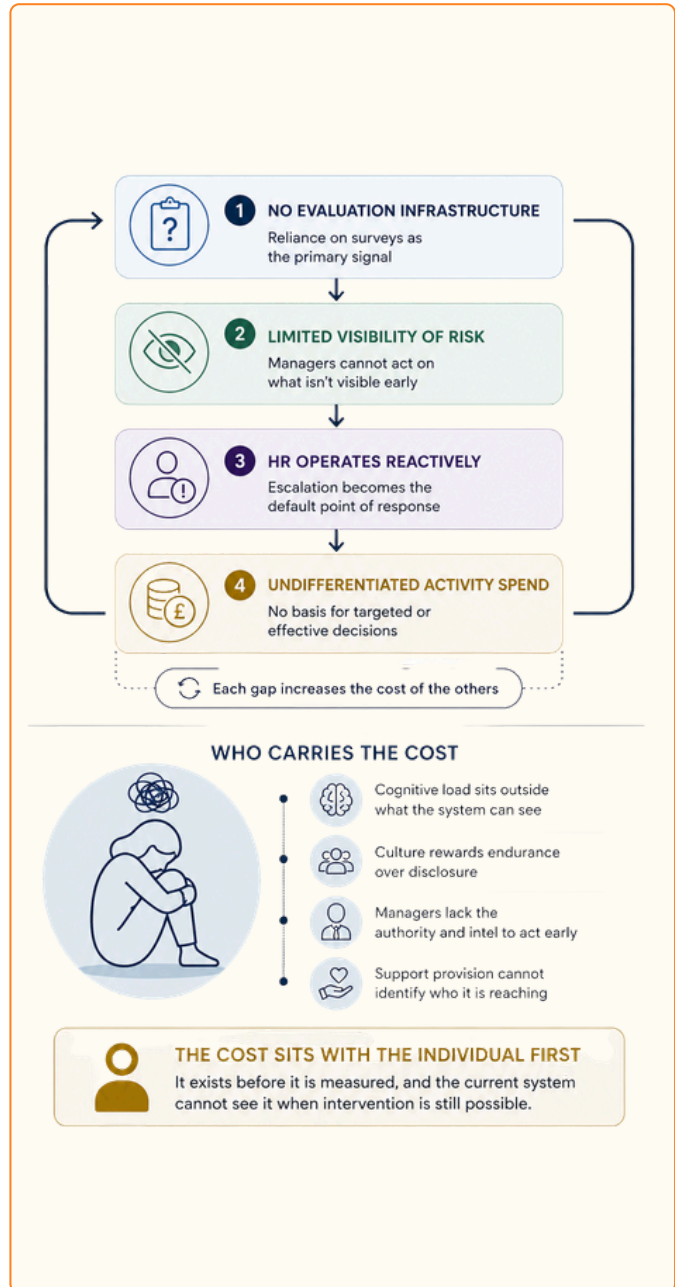
The four costs reinforce each other.

- The absence of evaluation infrastructure means surveys remain the primary data source despite their structural limitations;
- the survey limitation means risk is concentrated at the HR escalation point because managers can't act on what the survey can't see;
- HR's reactive load displaces the strategic work that would build evaluation infrastructure;
- and the budget continues to flow toward undifferentiated activity spend because without HCI there is no basis for better decisions.

The loop closes - and each gap is more costly because the others are also present.

The individual sitting inside this system, in a culture where strain is normalised, managed by someone without the intel to act, supported by provision that arrives too late - is the person this report's argument is ultimately about.

Their cost precedes every organisational metric. It's real before it's measurable, and the current system can't see it at the point when it could be addressed.



## What's working?

In one organisation contributing to the Workplace Wellbeing 2025 report, elevated anxiety in one team was identified early and anxiety workshops put in place; relationship difficulties in another were spotted and targeted support provided.

The interventions were proportionate and directed - informed by what the data was showing, and aimed at the people who needed them.

*"Being data-led, it's been really valuable, being able to focus on what to provide, and who to."*

This provides a glimpse of what could be possible everywhere. Our research shows that organisations aren't failing to reach this destination because they lack the will, but because they don't have the structural conditions to make it achievable.

No organisation interviewed has resolved the structural gaps. Some practitioners are producing better outcomes than the system they operate in would predict, and examining why points clearly toward where engagement, wellbeing and performance are actually generated.

The practitioners producing better outcomes share something that's hard to see in an audit, but is consistently present in qualitative evidence: a genuine orientation toward understanding individual need rather than applying a standardised response, and a trust relationship that functions as the primary mechanism for early detection and proportionate action.

What the data shows is a story about capable, motivated, people professionals being structurally prevented from acting on what they already know - because they lack the evidence, time and resource to do so at scale. They are succeeding relationally where the system fails structurally; doing manually what good HCI infrastructure would allow them to do systematically.

Five conditions appear consistently where better outcomes are being produced.



## What the Workplace Wellbeing 2025 study adds

Three findings from the companion study point toward the same underlying conclusion.

### 1. Peer Support

The consistent effectiveness of active staff networks and peer support groups was described as the most reliable initiative across contributing organisations.

These work because they operate through human relationship: belonging, connection, mutual care. They aren't top-down, and require almost no budget; they need organisational permission and enough psychological safety to function.

### 2. Leadership commitment

Visible leadership commitment as a behaviour driver - the modelling by leaders of the behaviours they want to see normalised. "*Behaviour breeds behaviour*" was the phrase one contributor used.

This is the Cultural Imperative in practice: Layer A shaping what Layers B and C experience, through the lived signal of what leaders *do* when it is difficult, not only what they *say* when it is easy.

### 3. Integration

Integration of wellbeing into business systems, weaving psychological safety into learning frameworks, building in occupational health referrals from day one, embedding wellbeing into performance management.

Supporting staff wellbeing is most effective when it is both people-centred and system-embedded. The relational and the structural are what works in combination.

The practitioners we spoke to have shown what the destination looks like. The question is how to make what they are doing structural, transferable, and sustainable when the people who built it are no longer there.

## What HR already knew.

The findings in this report were given to us by HR. Every organisation in the HCI dataset was assessed through structured conversations with HR leads and senior people professionals; every pattern described was, in one form or another, already visible to the people who provided the evidence.

The survey inadequacy, the manager layer under-support, the provision that couldn't demonstrate its value - these are descriptions of a system whose occupants have understood for some time what's wrong with it.

This matters enormously for how the problem is framed. If the barrier to change were diagnostic - if HR did not yet know what was wrong, or what would need to change - then the report's job would be primarily evidential. But the barrier isn't diagnostic. It is something more frustrating, and more structural, than that.

### Surveys

HR professionals described the inadequacy of annual engagement survey data directly, and with a resignation that suggested the problem had been normalised rather than solved, because no alternative was within reach.

*"It's not telling a story for us at the moment."*

Contributors to the Workplace Wellbeing 2025 report<sup>1</sup> described leading wellbeing indicators as the key to filling the data gap, and identified the absence of real-time data as the specific constraint on their ability to identify and respond to emerging issues early.

Across earlier-format organisations, HR leaders described their own measurement gaps specifically: one, the absence of any mechanism for identifying return on investment on existing support; another described having no active survey, no wellbeing KPIs, and limited visibility of the data that did exist.

### The manager layer

The pattern of managers absorbing what they can and escalating the rest - caught between the people they manage and a system that has given them insufficient authority, intel, or decision framework to act with confidence - is described with consistency by the HR professionals we spoke to. In most cases, the framing is systemic: these are accounts of a system that's asking managers to carry something they haven't been equipped to carry.

When contributors were asked what they would do with no constraints, the most consistent responses were more proactive support for managers, a clear structured programme so that staff know what to expect, and the ability to tailor support.

*"Better use of data... tailor support to individuals — what they actually need. We know that works and is important. One size doesn't fit all."*

### Investment without evaluation

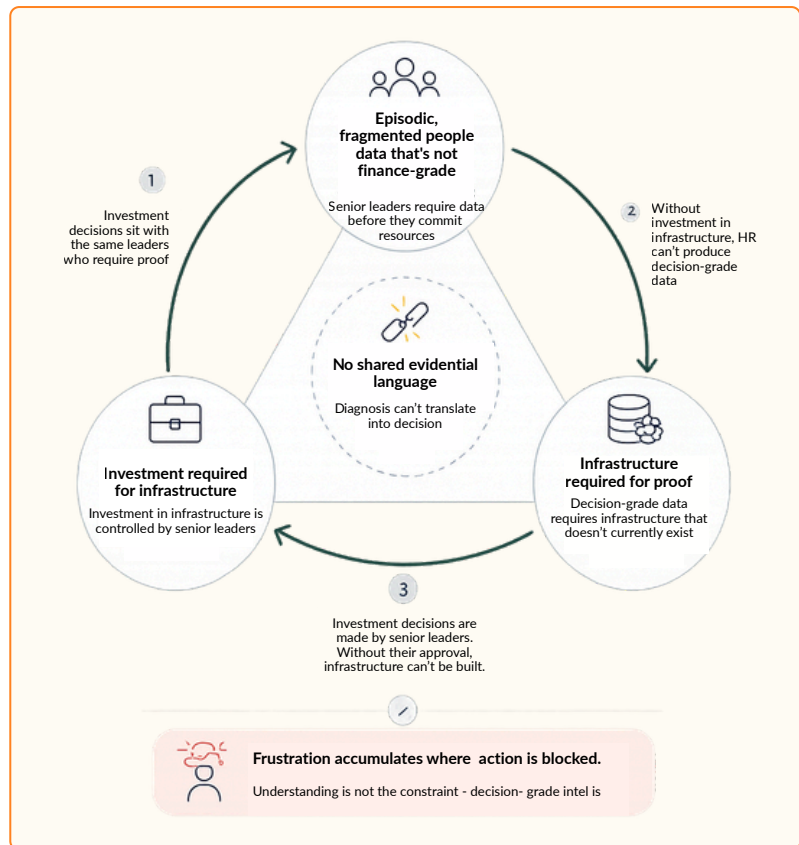
The HR professionals contributing to this research aren't unaware their provision is generating uncertain value. They describe it with the clarity of people who know something isn't working but lack the means to demonstrate it clearly enough to prompt a different decision.

*"People just don't know what we have, because we don't have the capacity and resources to get it out there."*

**The surprise**

The Cultural Imperative concept - that what leaders measure, prioritise and choose to act upon is what defines what the organisation actually cares about - is the one element in the HCI framework that reliably surprises practitioners when they first encounter it. It names and frames their experience in a way that makes it usable.

*"In the immediate, it's contain it - deal with it, keep it local."*



The quote is the Cultural Imperative in practice - the actual decision rule that operates under pressure, described by a practitioner who has been living it and observing its consequences. The vocabulary is new; the substance is not.

**Why knowing has not been enough: the evidential authority gap**

The gap between what HR already knows and what has changed is explained by the structure of the evidential relationship between HR and the people who have the authority to act on what HR knows.

Senior leaders require data before they commit resources. HR can't produce decision-grade data without investment in the infrastructure to generate it. Investment decisions are made by senior leaders.

The loop is closed by the absence of a shared evidential language. HR brings the diagnosis; the board requires the proof; and the proof requires the very infrastructure that the investment would build.

The Workplace Wellbeing 2025 report<sup>1</sup> identifies the structural shift required: to move from reactive fire-fighting to proactive culture shaping, HR needs resources, recognition, and data - and parity with the finance function in terms of the quality of intelligence it's expected to work with. The report also identifies the emotional consequence of the loop: *"The will to support and to implement change is clearly there... In the majority of organisations, due to largely external factors, the means are lacking. This is a source of frustration to many of the leaders we interviewed."*

Frustration is the emotional marker of the gap between knowing and being able to act, and is present across both datasets as the predominant state for the people closest to the problem.

## Turning the system on its head

The people management architecture that most UK organisations operate - surveying, reporting, escalating, programme-deploying - isn't a good architecture badly implemented, but the wrong architecture for the problem it claims to solve. The distinction matters because they require entirely different responses.

An implementation problem is addressed by better training, more resource, closer management attention. An architecture problem requires redesign - a willingness to ask not how to improve the current system at the margins, but what would be built if the design brief started from what the evidence actually shows about where performance, engagement, and wellbeing are produced and sustained.

The evidence shows this clearly. The organisations producing the strongest outcomes aren't the ones with the most sophisticated survey tools or the most comprehensive EAP provision. They are the ones where the right conditions are present - partially, imperfectly, often held together by specific individuals rather than structural design - at the point where it matters most: the relationship between a person and their manager.

### The current architecture

The current people management architecture is, by design, top-down and retrospective. Data flows upward (surveys, casework, absence figures, annual reports) and programmes flow downward (EAP services, wellbeing platforms, MHFA training, awareness campaigns). The function that holds the most knowledge about what's happening to people is simultaneously the most resource-constrained and the least empowered to act on what it knows at the speed and granularity where it would matter.



The most direct evidence that this architecture is wrong by design rather than by execution is the consistency with which the same structural failures appear across organisations of radically different sector, size, and resource level. A private manufacturer of 70 people and a national retailer of 50,000 share the same Domain 3 constraint: intelligence does not reach the decision point. A 250-person education trust and a local authority of 17,000 share the same Layer A constraint: the Cultural Imperative is implicit rather than operationalised. A private IT business of 12 people and a finance company of 900 share the same provision-without-evaluation pattern. The architecture is the common factor.

The data formulates this most precisely in the assessment of one large private sector organisation. Its implicit Cultural Imperative - "protect delivery and reputation; manage people impact locally" - was described as "not a values failure. It is a measurement and visibility gap." Leaders can't protect what they can't see; the current data architecture, built around lagging aggregate sentiment, can't generate the visibility that protection would require.

### The middle manager as the pivot point

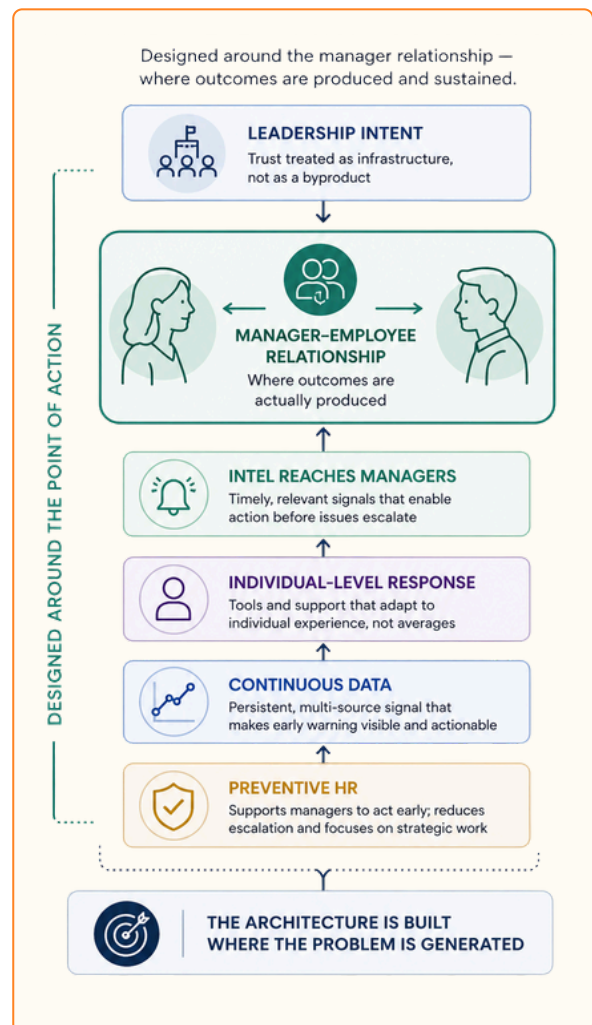
The primary trust relationship in an organisation is with the immediate manager - the person an employee experiences as the organisation, day to day<sup>8</sup>. This is where early signals of strain are most visible; where the gap between a person's reported state and their actual state is most bridgeable; where proportionate response is most possible, and at the lowest cost, before a difficulty has hardened into a case. It's also, in most people management systems, the most underserved relationship.

The accounts from HR professionals across this dataset are consistent: where better outcomes are being produced, the quality of the manager relationship is the explanatory variable - more than sector, size, budget, or programme. What varies is whether the structure supports that work or leaves it to individual effort and goodwill.

Building a different structure around the manager relationship has three specific implications the data supports. First: managers need real-time intel they can act on, not retrospective data they can report upward. Second: managers need to be supported as trust-holders rather than deployed as policy-enforcers. Third: if managers had the intel, authority, and support to act earlier, the escalation load that keeps HR reactive would reduce - freeing the function, over time, to do the preventive and strategic work that would further reduce that load. The loop that currently compounds the four gaps can be run in reverse, but only if the structure changes at the point where it is generating the problem.

### What a different architecture looks like

No organisation in the dataset has fully built the right architecture. Several have built parts of it - the manager layer in one, the technology infrastructure in another, the operational scaffolding in a third, the values-led leadership commitment at the top in a fourth. What the data allows is a description of the conditions that are present when it is working:



### **The governance dimension: transparency and trust**

A different architecture raises legitimate governance questions. Democratising people data - putting real-time intel into the hands of managers rather than consolidating it in central functions - requires governance design that protects individuals, makes acting on what the data shows genuinely obligatory, and prevents data from being used to monitor rather than to support<sup>7</sup>.

In the large media organisation, widespread cynicism about whether shared feedback leads to meaningful change is, in part, a consequence of data being gathered and not visibly acted upon - a governance failure that accumulates as a cultural consequence. The move to manager-level intel would need to be matched by governance that closes that loop: making the obligation to act as clear as the access to act.

Research on psychological safety - most notably Edmondson's sustained body of work establishing that conditions of trust and voice are prerequisite for discretionary effort and early signal disclosure<sup>9</sup>, and Kahn's original articulation of engagement conditions<sup>10</sup> - points in the same direction: transparency and trust are not adjacent to engagement; they are structural conditions of it. The governance design of a different architecture needs to be built around the conditions that trust requires, with the same rigour applied to people governance that is currently applied to financial governance.

### **The destination is visible; the will is the question**

One audit summary captures the structural implication: "the next stage of maturity is not additional effort; it is explicit clarity about trade-offs and integrated visibility of human capacity. Small upstream stabilisation is likely to produce disproportionate downstream relief."



The destination is visible in the data - the partial, imperfect, individually-dependent version of itself that already exists in the organisations where someone has made the effort to build it. The question is not whether it is possible, but whether the field will build it deliberately - through governance, infrastructure, and the evidential language that allows HR to make the case for it at board level - rather than leaving it to the practitioners who find their way there through personal motivation and goodwill alone.

The people who could answer that question with authority are, in many cases, reading this report. The evidence they have lacked - in a language boards act on - now exists. What happens next is a leadership decision.

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The Upside-Down People System is the first in a two-part research series from Optimism Consulting, drawing on Human Capital Intelligence diagnostic data from 23 UK organisations and 130,067 employees across private, public, and third sectors.

The evidence it presents is a description of the gap between what organisations currently know about their people and what they need to know; and of what becomes possible when that gap is closed. The intent and knowledge are there, the evidence now exists to make the case that's previously been made only on instinct.



#### **Also in this series**

*When An Inspector Calls:* examines the same evidence through an HSE enforcement lens - what the four gaps mean for legal and regulatory risk, and what the incoming framework of psychosocial risk management requires of people leaders.

*The Cultural Imperative:* Maria Paviour's forthcoming book sets out the full framework for building organisations where what leaders measure, prioritise and choose to act upon aligns with the conditions that allow people to perform sustainably. Publishing autumn 2026, Isiliver Books.

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## Annex A: Methodology

### The research: what we did

The evidence base draws on two sources brought together under a single analytical frame. Together the two sources cover 23 organisations and 130,067 employees across private, public, and third sectors, with workforces ranging from 12 to 50,000.

#### Source 1: the Human Capital Intelligence (HCI) diagnostic

*A structured assessment conducted through in-depth interviews with senior HR leads*

These produce scored domain ratings, RAG ratings, and narrative evidence. Nine organisations were assessed to the current HCI standard (version 3.1), producing full domain scores and RAG ratings across all eight domains; eight were assessed to earlier formats and contribute qualitative and contextual evidence without domain scores.

HCI diagnostic interviews were structured across three question areas: the quality and use of people data (culture and data); how the organisation is positioned strategically and how leadership manages pressure and change (growth stage and strategic context); and what the organisation actually protects when people commitments and delivery commitments come into conflict (the Cultural Imperative). Domain scores are assessed on a five-point maturity scale: Not Implemented (1) through to Optimised (5). RAG ratings indicate structural stability under pressure: RED signals reliance on individual effort or goodwill as the primary stabiliser; AMBER signals that consistency exists in some conditions but not reliably; GREEN signals that the conditions for consistent delivery are built into the architecture. No organisation in the current dataset reaches GREEN at overall level.

#### Source 2: Workplace Wellbeing 2025 qualitative study<sup>1</sup>

*Semi-structured interviews with senior HR and OD leaders*

Carried out with six organisations, and analysed thematically, the Workplace Wellbeing 2025 interviews lasted approximately one hour and covered five areas: the current challenge landscape; what is working well; changes in the past year; factors affecting performance and wellbeing; and unconstrained aspiration ('if you had no budget or resource constraints, what would you do?'). Transcripts were analysed thematically; findings were subsequently checked for consistency with the HCI diagnostic results.

### Grounds for conclusions

The HCI diagnostic and the WW2025 study are methodologically distinct; their combination is analytical. Where both point to the same structural condition by independent routes - one through scored assessment of systems and practice, the other through practitioner accounts of lived experience - conclusions are treated as independently corroborated. Three limitations apply throughout.

- The selection effect. Every organisation in this dataset chose to examine its people systems. The structural failures documented are therefore likely to understate what is occurring in organisations that have not looked.
- The HR vantage point. Data from both sources came from HR leads and senior people professionals. These contributors are well-placed to describe structural failures and are closest to their consequences. The fact that they are also most motivated to defend the current system, and are nonetheless describing its failures, strengthens rather than weakens the findings.
- Middle manager evidence is second-order. The dataset does not include direct interviews with middle managers. Conclusions about managerial practice are based on structural patterns observed through the diagnostic and corroborated in practitioner accounts.

## The sample: participating organisations

The 23 organisations span private, public, and third sectors, with workforces ranging from 12 to 50,000 employees. The table below shows the sample distributed across four size bands. The combination of small and large employers is a deliberate strength of the dataset: it demonstrates that the patterns identified are not artefacts of scale.

Organisation size	Number of organisations	Number Employees (approx.)	Sectors represented	Source
Under 200 employees	7	12–120	Private (manufacturing, hotel, consumer health, IT security, defence/aerospace); public (education)	<i>HCI 3.1 (4 orgs); HCI 1.0/2.1 (3 orgs)</i>
200–999 employees	7	235–900	Charity (voluntary, entertainment, leisure); private (education, security, general); public (council)	<i>HCI 3.1 (3 orgs); HCI 1.0/2.1 (4 orgs)</i>
1,000–4,999 employees	2	1,200–4,000	Private (pharma); public (arms-length government body)	<i>WW2025 (2 orgs)</i>
5,000+ employees	7	5,000–50,000	Public (local government / council); private (retail and funeralcare, media)	<i>HCI 3.1 (2 orgs); WW2025 (4 orgs)</i>
<b>Total</b>	<b>23</b>	<b>130,067</b>	<i>Private, public, and third sectors: manufacturing, media, retail, hospitality, security, defence, education, local government, charity, leisure, pharma, consumer health, professional services</i>	

*Sector descriptions are broad; several organisations operate across more than one sector. Employee counts are approximate and reflect the organisation at the time of assessment. HCI 1.0 and 2.1 = earlier diagnostic format organisations (Orgs 10–17); HCI 3.1 = current standard (Orgs 1–9); WW2025 = Workplace Wellbeing 2025 qualitative interview study (Orgs 18–23). All organisations anonymised.*

The table below shows the sector spread across the full dataset. Private sector organisations are the most numerous, but the public sector contribution accounts for a significant share of the total headcount. The three third sector organisations are all charities operating in leisure, entertainment, and voluntary services.

Sector	Number of organisations	Subsectors represented
<b>Private sector</b>	<b>12</b>	Manufacturing (×2), media, retail and funeralcare, hospitality, security services, consumer health, IT security, defence and aerospace, pharma, private education, general private (×2)
<b>Public sector</b>	<b>8</b>	Local government / council (×6), arms-length government body, state education
<b>Third sector</b>	<b>3</b>	Charity / voluntary sector, entertainment charity, leisure charity
<b>Total</b>	<b>23</b>	<i>Private, public, and third sectors</i>

## Results 1: RAG distribution by layer

The table below shows the RAG distribution across the nine fully scored organisations for each of the three diagnostic layers. No organisation in the scored dataset achieves GREEN at any layer. Layer A — where leadership intel quality sits — carries the only RED rating, driven by two organisations where upstream constraint is the primary structural failure.

Layer	What it assesses	RAG distribution (9 scored orgs)		
		RED	AMBER	GREEN
<b>Layer A Cultural Imperative</b>	How leadership intent is set — the direction leaders provide, the trade-offs they make under pressure, and the quality of people intelligence that informs their decisions.	1	8	0
<b>Layer B Cultural Catalyst</b>	How intent is converted into practice — the quality of people strategy, the capability of the manager layer, and the systems and tools that support them.	0	9	0
<b>Layer C Cultural Grounding</b>	How intent and practice are experienced — the quality of day-to-day engagement, trust, belonging, and the conditions for sustainable performance.	0	9	0

*Layer RAG ratings reflect structural stability at each level of the people system. RED = structural absence or critical constraint; primary stabiliser is individual effort or goodwill. AMBER = practice exists but is not consistent, fully embedded, or intelligence-led. GREEN = conditions for consistent delivery are built into the architecture. The 8 earlier-format organisations (Orgs 10–17) do not carry layer RAG ratings and are not included in the counts above.*

## Results 2: Overall HCI maturity — distribution across the 9 scored organisations

Every scored organisation sits in the Developing band overall, with the exception of one (Org 1, a small private employer of 70 staff) which sits at Emerging. No organisation reaches Established overall, and no organisation achieves GREEN. The table below shows how the nine organisations are distributed across the five maturity levels, alongside the RAG that applies at each level.

Maturity band	Score range	RAG	Orgs (of 9)	What this means for the organisation
<b>Not Implemented (score 1)</b>	1	<b>RED</b>	—	Activity is ad hoc or absent. No organisation in the dataset sits at this level overall.
<b>Emerging (score 2)</b>	1.0–2.4	<b>AMBER</b>	<b>1</b>	Early recognition of need; minimal or inconsistent practice. The one organisation at this level (a small private employer of 70) has the most constrained people system in the scored dataset.
<b>Developing (score 3)</b>	2.5–3.4	<b>AMBER</b>	<b>8</b>	Processes are defined and partially embedded, but reliant on individual effort rather than system design. Eight of nine scored organisations sit here — the dominant maturity position across the dataset.
<b>Established (score 4)</b>	3.5–4.4	<b>AMBER</b>	—	Practice is systematic, reviewed, and consistently applied. No organisation in the scored dataset reaches Established overall, though two approach it at Layer C.
<b>Optimised (score 5)</b>	4.5–5.0	<b>GREEN</b>	—	Practice is integrated and intelligence-led; outcomes actively influence performance and culture. No organisation in either dataset reaches this level in any domain.

*Score ranges are indicative — overall scores are weighted composites of eight domain scores. Where a numeric overall score was not available (4 of the 9 organisations), maturity band was assigned on the basis of domain-level evidence. Scores 2–4 all carry AMBER at overall level; the distinction between Emerging, Developing, and Established reflects the degree of embedding and consistency, not a change in structural risk status. No organisation in either dataset (scored or earlier-format) has reached Optimised in any domain.*

### Results 3: Domain pattern across the 9 scored organisations

The table below shows RAG distribution across the nine fully scored organisations for each of the eight diagnostic domains, organised by layer. The weakest domain across the entire dataset — marked ★ — is D3: Intelligence to Decision. This is the domain most directly expressing the HCI deficit the report is built around, and its consistency across all nine organisations, regardless of sector, size, or resource level, is the report’s central structural finding.

Domain	What it assesses	RAG distribution (9 scored orgs)			Pattern across the dataset
		R	A	G	
<b>Layer A — Cultural Imperative: how leadership intent is set</b>					
<b>D1 Leadership vision and alignment</b>	Whether leadership direction is clear, communicated, and consistently demonstrated under pressure.	0	8	1	Established in one organisation (Org 7, 50,000 staff); Developing across the remainder. Leadership intent is broadly present — the gap is in translating it into embedded structural conditions rather than individual-dependent practice.
<b>D2 Strategy coherence and horizon</b>	How well people strategy aligns to organisational strategy and how change is managed.	0	9	0	Developing across all 9 organisations. Strategic horizon is consistently short-term and reactive. In several organisations, people strategy exists as a document but is not operationally connected to decision-making.
<b>D3 Intelligence to decision ★</b>	The quality of data the organisation holds to make people decisions — the HCI domain.	3	6	0	The weakest domain across the entire scored dataset. RED in Orgs 2, 5, and 8. Emerging or Emerging→Developing in three more. No organisation uses people data as real-time intel. Annual or biannual survey is universal. All 8 earlier-format organisations independently identify the absence of measurement infrastructure as a primary challenge.

Domain	What it assesses	RAG distribution (9 scored orgs)			Pattern across the dataset
		R	A	G	
<b>Layer B — Cultural Catalyst: how intent is converted into practice</b>					
<b>D4 People strategy</b>	Whether people strategy is coherent, resourced, and connected to outcomes.	0	9	0	Developing across all 9. Strategy is activity-led rather than outcome-led. Without evaluation infrastructure, people strategy cannot be tested against results.
<b>D5 Managerial practice and psychological safety</b>	Whether the manager layer has the capability, authority, and support to act early.	0	7	2	Established in 2 organisations; Developing or below in 7. Manager capability is the most frequently cited gap across both datasets. Managers are not failing through lack of will; the architecture has placed risk at the manager layer without providing the conditions to carry it.
<b>D6 Capability systems and technology</b>	Whether HR systems and tools support intelligence-led people management.	0	7	2	Established in 2 organisations. Technology investment is present in several organisations but is not connected to the intelligence layer — tools exist without producing the integrated, actionable picture that would constitute HCI.
<b>Layer C — Cultural Grounding: how intent and practice are experienced</b>					
<b>D7 Lived engagement and stakeholder relationships</b>	The quality of engagement, trust, and belonging as experienced day-to-day.	0	8	1	Established in one organisation (Org 8). High D7 alongside RED D3 in that organisation indicates relational strength masking a structural gap — a pattern the diagnostic is specifically designed to surface.
<b>D8 Performance, quality and resilience</b>	Whether the conditions for sustainable high performance exist, or whether output depends on personal effort.	1	8	0	RED in Org 7 (50,000 staff). Developing elsewhere. Performance is broadly maintained across the dataset — but through effort and endurance rather than system design. Cultural signal data confirms this: Controlled Output, Contained Voice, and High commitment masking strain are the dominant signals across the scored organisations.

*RAG at domain level: RED = Not Implemented (score 1); AMBER = Emerging through Established (scores 2–4); GREEN = Optimised (score 5). AMBER covers a wide maturity range. The 8 earlier-format organisations do not carry domain scores and are not included in the RAG counts above; their qualitative evidence is consistent with the scored dataset on all four gaps.*

## Results 4: Workplace Wellbeing 2025 - thematic findings

The table below summarises thematic findings from the six WW2025 qualitative interviews by question area. These findings provide independent practitioner-level corroboration for the four structural gaps identified through the HCI diagnostic.

Question area	Pattern across 6 organisations
Challenge landscape	Workload, resource constraint, and data fragmentation cited by all 6. Manager support and capacity named in 5 of 6.
What is working	Relational and informal support consistently rated most effective - manager attentiveness, peer networks, psychological safety where present. Structural tools rated less effective.
Changes in the past year	Budget freezes and restructuring named in 4 of 6. Increased workload alongside reduced resource is the dominant change pattern.
Factors affecting wellbeing and performance	Manager quality named as both the primary risk factor and the primary protective factor. Data visibility cited as a structural constraint in 5 of 6.
Unconstrained aspiration	Convergent across all 6: earlier intervention, real-time data, manager capability investment, and feedback loops that close the gap between action and evidence. One organisation already operating this model reported unambiguously positive outcomes - the only instance in either dataset of early-warning intelligence working as designed.

## Annex B: The Evidence

The vignettes that follow draw on the full dataset and are organised by the four structural gaps identified in the main report, with a fifth section covering partial progress where it exists in the data.

A note on earlier-format organisations. Organisations 10–17 in the HCI dataset were assessed to earlier diagnostic formats (versions 1.0 and 2.1). They do not carry domain scores, RAG ratings, or CI probe responses, and are not individually profiled in this annex. Their evidence is consistent with the scored dataset on all four gaps and appears throughout the main report body as corroborating context. The most consistently recurring themes across those eight organisations are: absence of structured measurement; manager capability gaps; activity-without-outcome spend; and the concentration of wellbeing responsibility in HR.

All HCI organisations are anonymised, identified by size and sector only. The same organisation appears under more than one gap where the evidence speaks to more than one theme.



### GAP 1: INTELLIGENCE

Leaders lack finance-grade human capital data for real decisions

Domain 3 (Intelligence to Decision) is the weakest domain across the entire scored dataset: red in three organisations, amber in three more. Across the eight earlier-format organisations, every single one identifies the absence of meaningful measurement infrastructure as a primary challenge. This is a universal structural condition across every organisation that participated in the research.

### Survey data as the dominant (and insufficient) listening mechanism

#### *Large private sector employer*

The organisation holds substantial data - multiple datasets, survey programmes, EAP information - but the diagnostic assessment rated this as sentiment rather than intel. Sentiment data does not generate the forward signal that would allow action before a problem becomes visible. **"The data is good, but the intelligence maybe not so much." "The business has a high degree of cynicism that anything will actually change as a result of the intelligence that is shared."**

When data is gathered without generating meaningful action, the credibility of the gathering process erodes. The intelligence pathway is broken both technically and culturally.

#### *Small private sector employer*

A genuine, deeply embedded people-first intent, and the same structural gap. When people data surfaces a concern, the dominant response is to reassure and contain rather than to interrogate and act. Intent does not substitute for infrastructure; this organisation holds the strongest people-first Cultural Imperative in the scored dataset and the same Domain 3 constraint as the rest of it.

### The absence of measurement infrastructure: earlier-format evidence

#### *Medium private sector employer*

No active employee survey. No wellbeing KPIs. Limited visibility of what EAP or absence data existed. Evaluation of whether any investment was working was structurally impossible. The organisation had no mechanism for asking or answering the question.

***Medium third sector employer***

Wellbeing data fragmented across different sources; focus remained on activities rather than measurable outcomes. The pattern is stated explicitly: wellbeing is supported but not linked to strategic business goals; there is no formal strategy, no documented objectives, and no means of knowing whether any of it is reaching the people who need it most.

**The exception: what a closed gap looks like**

*Large public sector employer (Workplace Wellbeing 2025 report)*

One organisation in the Workplace Wellbeing 2025 study had begun using live data to identify issues and direct support accordingly. Sleep issues in one team were identified early and workshops put in place; relationship difficulties in another were spotted before they hardened into formal cases. This is the only instance in either dataset of early-warning intelligence operating as the system should allow. Its presence as a solitary example is the most direct evidence that the gap is structural rather than inevitable. ***"Being data-led, it's been really valuable, being able to focus on what to provide, and who to."***

**GAP 2: BRAVE FACE**

Surveys can't surface what people hide - presenteeism remains invisible

The brave face gap describes what happens when the measurement tool depends on voluntary disclosure in cultures that reward endurance over candour. Across every organisation in this dataset, HR professionals describe the same phenomenon: people managing the presentation of their capacity rather than disclosing its actual state. A survey conducted in these conditions measures the performance of wellbeing, rather than wellbeing itself.

**When the manager layer cannot act early enough**

*Large public sector employer*

Managers across this organisation demonstrate genuine care, and psychological safety is broadly present - but confidence and authority vary when issues are complex or cross-cutting. Managerial strain and variability are adaptive responses to upstream ambiguity. Managers are not failing through lack of will or capability; the system has placed risk at the manager layer without providing the conditions to carry it well. People insight relies on absence data, casework signals, and managerial narrative - always a reconstruction of what has already happened.

*Small private sector employer*

The same structural dynamic operates with less buffering capacity and therefore more visibility. Managers were described as unclear about their own responsibilities for wellbeing, inclusion, and psychological safety - some holding attitudes that the system had never challenged or equipped them to revise. Issues escalate to HR when local resolution fails. The dominant cultural signal is Contained Voice: the consequence of a system in which the manager layer cannot act with confidence and the data layer cannot see early enough.

*Medium private sector employer*

A more developed HR infrastructure than most in the dataset - operationalised attendance monitoring, structured welfare meetings, monthly tracking - and the same underlying fragility. Early-action authority depended on local routines rather than a consistent framework, producing uneven confidence across the manager layer and avoidable escalation where those routines were not applied consistently. The infrastructure is better than average but not yet structural. Even where the scaffolding exists, the brave face gap persists if the framework is not embedded deeply enough to function independently of the individuals who built it.

**Late detection named directly***Large private sector employer*

**"There are probably loads [of managers] that wait until there's proper signs of burnout and absenteeism, which is not an early sign - it's far too late." "In the immediate, it's contain it - deal with it, keep it local." "We're very good at just fixing it and getting it sorted out."**

The fixing is real and the care behind it is real. What is also real is that by the time there is something to fix, the individual cost has already been paid. The cultural response to strain (contain, fix, move on) is the rational behaviour of a system with no structural mechanism for surfacing and acting on what those signals carry.

**What survey data in these cultures actually measures***Workplace Wellbeing 2025 contributing organisation*

One contributing organisation found explicitly through its own survey data that poor management capability was directly linked to lower wellbeing and engagement scores. The finding confirms the limit of what survey data can do: by the time poor management capability registers as a wellbeing deficit in survey results, it has been present long enough to have shaped the culture. The gap the brave face names is between the problem forming and the measurement system being able to see it at all.

**GAP 3: CAPACITY**

HR teams overwhelmed, working with fragmented, lagging data

The capacity gap is the structural consequence of the first two. When the intelligence architecture cannot see early and the manager layer cannot act before issues harden, escalation flows to HR - and the function that carries the most knowledge about what is happening becomes simultaneously the most resource-constrained and least empowered to act on what it knows. 94% of HR decision-makers report being affected by workplace stress<sup>4</sup>. This is a system-design consequence.

**Three people, 270 staff, everything on the desk***Medium public sector employer*

Three people managing HR, payroll, employee relations, and casework across the full organisation. When caseload arrives, strategic work stops. Because the caseload is generated by the structural failures that strategic work would address, the function is prevented from doing the work that would reduce its own load. The loop is self-reinforcing, and it is not unique to this organisation - it's a predictable consequence of the system across the smaller end of the dataset.

## Fragmented data, fragmented picture

*Large private sector employer*

EAP and support tools exist and are used, but reactively. Burnout and absence tend to be detected via EAP data or sickness records, rather than via a system looking for precursors. The data across this organisation is rich in volume and thin in coherence: multiple datasets that do not speak to one another, producing no integrated signal that would allow preventive action. **"It's not telling a story for us at the moment."**

## Knowing what is needed, lacking the infrastructure to act on it

*Multiple contributing organisations · Workplace Wellbeing 2025 study · Mixed sectors*

Across the Workplace Wellbeing 2025 study, HR professionals describe the gap between knowing what would work and being able to deliver it with particular clarity. The individual variation in what people need - shaped by neurodiversity, life stage, caring responsibilities, the quality of the immediate management relationship - is well understood. The infrastructure to act on that understanding at scale is absent.

**"Better use of data... Tailor support to individuals - what they actually need. We know that works and is important. One size doesn't fit all." "Our biggest challenge is workload. And we can't do anything about that."**

The phrase "we know that works" is the marker of the capacity gap in its most frustrating form: a known conclusion about what would be effective, combined with a recognised inability to act on it without the data infrastructure that targeting requires.

## Provision invisible to its own recipients

*Workplace Wellbeing 2025 contributing organisation · Mixed sector*

One contributor described a flexible working arrangement that had been put in place but not widely communicated - and was therefore largely unused. The provision existed; the infrastructure to connect it to the people who needed it did not. Effort, resource, and intent were all present; the architecture between them was broken.

**"People just don't know what we have, because we don't have the capacity and resources to get it out there."**



### GAP 4: SPEND

Budgets consumed by reactive, unproven interventions

The spend gap closes the loop. Without an evaluation framework, investment decisions are made on the same basis year after year. The EAP contract continues because cancelling it would be conspicuous. The mental health first aider cohort grows because it is visible and credible. The wellness platform stays in the benefits package because it was there last year. Across every organisation in the dataset, the evidence of investment is present and the evidence of impact is absent.

## Usage without outcome: the EAP as illustration

*Small private sector employer*

The EAP records a 5% usage rate. Without an outcome framework, this figure cannot be interpreted: there is no way of knowing whether 5% is proportionate to need, whether the 95% who do not use it are well, unaware, or deterred by a culture in which seeking help carries professional risk. The cultural signal across this organisation is Controlled Output, with "shrink" as the dominant response under pressure, making the last possibility the most likely. But the architecture has no mechanism for confirming it, and the provision persists unchanged.

### **Intent at the top, fragmented delivery across the workforce**

#### *Large private sector employer*

Leadership Vision and Alignment (Domain 1) is the only green domain score in the entire scored dataset. The strategic wellbeing commitment at the top of this organisation is genuine, explicit, and well-documented. Domain 3 (Intelligence to Decision) is red. Domain 8 (Performance Quality and Resilience) is also red. The dominant signal is "shared intent but fragmented delivery." At 50,000 employees, fragmented delivery without an evaluation framework represents a substantial and recurring commitment of budget against an outcome that cannot be confirmed - and it's the intelligence gap that's preventing leadership intent from reaching the operational layer.

### **No framework, no basis for decisions**

#### *Medium private sector employer*

No active employee survey, no wellbeing KPIs, limited access to EAP or absence data. Evaluation is impossible. Every investment decision is a faith decision, and the cycle of activity-based spend continues because there is nothing in the data to suggest it should stop.

### **The scale-independence of the problem**

#### *Small private sector employer*

A business of twelve people carries the same structural failure - undirected activity spend without evaluation - as the national retailer of 50,000. The scale of investment differs enormously; the architecture generating the problem is identical. The absence of HCI is a universal structural condition, present regardless of sector, size, or the level of genuine commitment to getting it right.



### **PARTIAL PROGRESS, AND WHAT IT REVEALS**

Where elements of the right architecture are present, and what they produce

No organisation in this dataset has fully resolved the structural failures the four gaps describe. The correct framing is more modest and revealing: some practitioners are producing better outcomes than the system they operate in would predict, and examining why points clearly toward where performance, engagement, and wellbeing are actually generated.

### **Intent operationalised: the manager relationship as the explanatory variable**

#### *Small private sector employer*

Managerial Practice and Psychological Safety (Domain 5) is the only domain in the entire scored dataset to reach Established at this maturity level. Managers explain decisions back to their teams and return with follow-up; they are actively attentive to signs of stress; they are described consistently as approachable when concerns arise. The lived experience at Layer C reflects it directly: strong belonging, purpose strongly felt, low staff turnover, a performance culture that is learning-oriented rather than punitive.

The primary risk identified in this organisation's audit is instructive: the people-first culture depends significantly on the personal values of the current senior leadership. If those individuals moved on, the cultural protection would be at risk because it has not yet been given structural form. The practitioners are ahead of the system, and that finding applies in different ways to every positive example in this dataset. ***"People come first. We mean it, we say it, and most of the time we show it."***

### **Structural scaffolding producing earlier visibility**

#### *Medium private sector employer*

Not the highest-maturity organisation in the scored dataset, but the one with the most operationalised support for the manager role. Attendance trigger systems, structured welfare meetings, monthly tracking of meeting volumes across teams, comparative analysis - structural prompts that produce earlier visibility than organisations with none. The HR lead names the Cultural Imperative directly: ***"Without well staff we haven't got a service."***

That connection between human capital and operational delivery is generating behaviours at manager level that move in the right direction, even where the intelligence layer has not yet been built to make patterns visible at scale. The limitation is the same fragility noted across every positive example: what works here depends on local judgement and routines built by one person. Better than average; not yet structural.

### **Technology investment that enables rather than controls**

#### *Medium third sector employer*

Capability Systems and Technology (Domain 6) is the only Established score at this maturity range in the dataset. The technology co-design process - involving even the most sceptical users - produced a system that reduced administrative burden and increased coherence rather than adding surveillance. ***"Before, communication became a bit disjointed; now it's a smooth process and joined up."***

The relational attentiveness across this organisation is notably higher than maturity scores alone would suggest. The structural investment has made it more sustainable. The next step is to extend the investment to the intelligence layer: building the data infrastructure that would make the relational attentiveness systematic.

### **The governance illustration: transparency as a structural condition**

#### *Small private sector employer*

Leaders in this organisation tell staff about significant developments before external announcement - a concrete, deliberate practice that is specifically traceable to the high belonging scores and trust visible at Layer C. Research on psychological safety (Edmondson) and engagement conditions (Kahn) points in the same direction: transparency and trust are not adjacent to engagement; they are structural conditions of it. This organisation demonstrates what that looks like in practice - and demonstrates equally that it depends on the individuals currently present to sustain it.