

Mental health and employers
The case for investment –
pandemic and beyond

March 2022



Contents

Section title

Foreword	3
Executive summary	7
Introduction	12
Costs to employers of poor mental health	15
Workplace trends	23
The case for investment	28
Our chosen areas of focus	32
Young employees	33
Employees with caring responsibilities	36
Key workers	39
Ethnic minorities	43
Conclusions and recommendations	44
Appendix 1. Costing methodology	46
Appendix 2. ROI methodology	49
Appendix 3: Survey demographics	50
Authors	52
Acknowledgements	52
Contacts	52
Endnotes	53



Foreword

Jackie Henry

Managing Partner, People and Purpose, UK
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The pandemic has brought many challenges and has had an impact on each and every one of us in many different ways.

It has changed our ways of working, and our findings show that mental health and wellbeing challenges linked to the pandemic have undoubtedly had a big impact on employees. It has also shone a light on certain groups of people that have been particularly affected.

Welcome to *Mental health and employers: The case for investment – pandemic and beyond*, the third in Deloitte's series on employee mental health. This edition builds on two earlier editions and examines the impact of the pandemic has had on mental health in the workplace. Longer hours, job insecurities and fear of COVID-19 itself – all brought mental health issues into sharper focus during the pandemic.

We now estimate that the overall annual cost of poor mental health to businesses in 2020-21 was greater than in 2019. Moreover, an updated analysis of return on investment (ROI) continues to support the case for employers to invest in the mental health of their employees. How we invest in the mental health of our employees will shape how successfully we emerge from the pandemic, and the business case for proactive action far outweighs the benefits of a reactive approach.

We have found that more targeted interventions that understand and fit the specific needs of different groups and individuals bring better outcomes than reactive approaches.

The impact of the pandemic on mental health has been felt by many people but has been felt more keenly by some than by others, depending on personal circumstances and background. Our report focuses on four of these groups: young people, key workers, people with caring responsibilities and ethnic minorities. Evidence shows that these groups have been more adversely affected than some others during the pandemic. Our research shows that it is important that employers understand the specific needs of the diverse groups within their employee populations and offer targeted support.

Over the past couple of years many of us have adapted our ways of working. Flexible working arrangements have been shown to help employees manage stress, but the pandemic has also created new challenges. For many, the changing nature of work has put a greater strain on the mental health of employees.

As we look ahead, it is clear that as employers, we will need to continue to adapt to the new realities brought on by COVID-19 and also adapt how we support our employees, in particular, with their mental health. Our research shows that many employees would like more support from their employer to improve their mental health.

At Deloitte, we are designing our future of work to give our people the freedom to choose where, when and how they work with their teams and clients, to enable them to prioritise their wellbeing and mental health in the way that works for them. We know that the case for investment in employee mental health is not just a business imperative but for many businesses including Deloitte, it is also simply the right thing to do. We are being guided by our people, listening and learning what works best for them, as we continue to design our future of work with wellbeing in mind.

I sincerely hope that this report encourages other organisations and leaders to do the same.



Jackie Henry
Managing Partner,
People and Purpose, UK

Deloitte LLP

Foreword

Paul Farmer CBE

Chief Executive Officer

Mind

The last two years have had a profound impact on the mental health of us all. At work, we had to quickly adapt the way we lead and manage our organisations and deliver our activities, services and products.

We have seen incredible innovation, creativity and compassion from leaders in the appropriate and comprehensive support they have made available for employees and customers.

Our local Minds across England and Wales have seen huge demand for the support they offer while also grappling with the challenges of lockdowns and restrictions. Many services temporarily moved online, while others changed altogether. For example, when Manchester Mind was forced to close their cafe, they kept the kitchen open and instead focussed on delivering nutritious meals to local people affected by food poverty.

With the cost of mental health related sickness absence at a record high of £53-56 billion per year, staff wellbeing must be at the heart of our recovery moving forwards. Our research into the ongoing impact of COVID-19 on mental health found two in three (65 per cent) adults surveyed said their mental health had become worse since the first national lockdown. One in four (26%) had experienced mental health problems for the first time.¹

A 2021 survey by Mind of over 40,000 staff working across 114 organisations taking part in our Workplace Wellbeing Index revealed that the mental health of two in five (41 per cent) employees had worsened during the pandemic. Over one in two (52 per cent) employees told us their work life interfered with their home life during the pandemic and one in three (34 per cent) said the pandemic had made them more concerned about job security.

While we have been weathering the same storm, we have not all been in the same boat. This report provides a deep dive into the impact of the pandemic on the most affected groups: key workers, people from ethnic minorities, young people and carers.

The scale of poor mental health within the workforce presents a huge challenge to employers – making sure they and their people managers are able to provide effective and appropriate support for employees experiencing new or worsening mental health problems. The pandemic has also been incredibly hard on young people who are set to enter the workforce within the next few years.

Thankfully, a significant number of employers have risen to the challenge by signing the Mental Health at Work Commitment and investing in new programmes of support and training for different working environments.

Others are reshaping their organisational culture by having open and honest conversations and improving their internal communications. Regular communication and staff surveys are especially important as employees grapple with the further adjustment associated with adopting new working practices such as a hybrid working model, with many staff now splitting their working week between the office and home.

With employers seeing a return of £5.30 on average for every £1 invested in staff mental health, the economic argument for putting wellbeing at the heart of post-covid recovery is clear.

But above all, because it's the right thing for your employees, showing them they are valued and recognising the challenges we have all been through over the past two years.



Paul Farmer CBE
Chief Executive Officer

Mind

1 Executive summary

This report reviews the effects of the COVID-19 pandemic on the mental health of employees and on the costs to employers. The findings are based on a survey of a nationally representative sample of 3,599 individuals in the UK conducted in September / October 2021.

The findings were analysed using the Deloitte costing model and return on investment analysis:

the costs to employers of poor mental health and the returns on investing in support measures to improve mental wellbeing.

Perceptions of mental health

Since the onset of the pandemic, there has been a general deterioration in the UK in the mental health and wellbeing among people who are employed, self-employed or on furlough, as reported by individuals themselves. However, there has been a general improvement since the worst period in November 2020 – January 2021.

There have also been variations in perceptions among employees in different industries or sectors about their mental health, as measured by the fall in the proportions of those rating their mental health as 'good' or 'very good' (and an increase in those rating it 'bad' or 'very bad').

Although there has been a general improvement since the beginning of 2021, the level of mental health in general is still lower than before the pandemic. Some industries or sectors have bounced back better than others.

Costs of poor mental health

Poor mental health has an impact on employers' costs. The estimated total annual costs of absenteeism, presenteeism (attending work while ill, and so underperforming or being less productive) and labour turnover have increased by 25% since 2019, reaching an estimated annual total of £53-56 billion in 2020-21 (£43-46 billion in the private sector and £10 billion in the public sector). The largest of the three categories of cost is presenteeism, but the overall increase in total costs is attributable to higher turnover, with more respondents saying they had left their job in the previous year or intended to do so in the next 12 months, for mental health or wellbeing reasons.

Employers can invest in providing support to improve the mental wellbeing of employees through measures such as screening, training, promoting general awareness of mental health issues, and targeted interventions or personal therapy. Our model has found that the average return for employers from such measures is £5.3 for every £1 invested.

Variations in mental health among employee groups

Bigger returns may be obtained by focusing support measures on various demographic groups within the workforce which may be more vulnerable to mental health problems, such as younger employees, employees with caring responsibilities outside work, key workers and ethnic minorities.

In general, the mental health of younger employees (aged 18-29) has been more affected by the pandemic, with about two-thirds of respondents in this age group saying they had left their job in the previous year or were planning to do so. Employees with unpaid responsibilities of caring for family members or friends have been more affected than non-carers.

Key workers have been under greater pressure than non-key workers, due to being at the forefront of the national responses to the pandemic, greater workloads and greater risks of infection. Our survey also found that key workers had experienced symptoms of burnout more than non-key workers. Although there has not been any significant difference in absenteeism between key workers and non-key workers, turnover and presenteeism have been higher among key workers.

Employer support for employees' mental wellbeing

Burnout among employees, evidenced by feelings of exhaustion, mental distance from the job and reduced job performance, has been more evident during the pandemic. Measures by employers to improve mental wellbeing should not only benefit employees themselves but should also reduce employer costs and provide broader societal benefits.

When respondents were asked whether they felt supported by their employers in the period between September 2020-August 2021, slightly more than half (52%) said they did not feel supported. Almost one-third of respondents expect or would like more support from their employer.

More than one-third of UK working adults (36%) said that in the past year they had used some tools and resources to help them manage their mental health. There is growing use of digital tools (apps) and services to support mental health, alongside widely used corporate employee assistance programmes (EAPs).

Recommendations

Based on our analysis, we have made a series of recommendations that employers, leaders and organisations could consider in support of employees' wellbeing and mental health.

Such initiatives should be promoted by leadership and aim to achieve a greater awareness of the issues, a shift in culture and a reduction in the stigma associated with poor mental health for greatest impact.

Employers could also introduce schemes for monitoring and measuring mental health in the workforce and consider developing a portfolio of support measures.



Elizabeth Hampson
Director,
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Definitions

Mental health

Mental health is defined by the World Health Organisation (WHO) as “a state of mental and psychological wellbeing in which every individual realises his or her own potential, and can cope with the normal stresses of life, work productively and fruitfully, and is able to make a contribution to his or her community”.

Poor mental health is a state in which thinking, feeling or reacting becomes difficult, or even impossible, to cope with, and could include signs of anxiety, depression, significant life stressors leading to poor sleep, headaches or other physical symptoms. Mental health is determined by a range of socioeconomic, biological and environmental factors.

Wellbeing

Wellbeing is defined by the UK Department of Health as “feeling good and functioning well, and comprises each individual’s experience of their life and a comparison of life circumstances with social norms and values”. Wellbeing can be both subjective and objective.

Mental wellbeing

Mental wellbeing, as defined by Mind, describes a dynamic mental state. Individuals with good mental wellbeing are able to:

- feel relatively confident in themselves and have positive self-esteem
- feel and express a range of emotions
- build and maintain good relationships with others
- feel engaged with the world in general
- live and work productively
- cope with the stresses of daily life, including work-related stress
- adapt and manage in times of change and uncertainty.

Work-related stress

Work-related stress, as defined by the WHO, is



the response people may have when presented with demands and pressures that are not matched to their abilities, leading to an inability to cope, especially when they feel they have little support from supervisors and little control over work processes.



Definitions

Presenteeism

Presenteeism is defined as attending work in spite of illness² and so not performing at full ability. Presenteeism can be both positive and negative, due to a variety of factors. In this report we use presenteeism to mean mental health-related presenteeism.

Absence

In this report, we define absence (absenteeism) as days absent from work. Absence can be both positive and negative and due to a number of factors. We use absenteeism to mean mental health-related absence.

Turnover

Turnover (labour turnover) is defined as employees leaving and being replaced in a workforce. In this report, turnover refers specifically to mean mental health-related turnover.

Burnout

Burnout is defined by the WHO, as a syndrome “resulting from chronic workplace stress that has not been successfully managed”.

It is characterised by three factors: feelings of exhaustion or energy depletion; increased mental distance from one’s job, or feelings of negativism or cynicism related to one’s job; and reduced performance or efficacy at work.

People with caring responsibilities

People with caring responsibilities are individuals who provide unpaid care by looking after a family member, partner or friend in need of help because of illness, frailty, disability, a mental health problem or an addiction, and who relies on the carer’s support.

Where data is available, we also consider working parents with childcare responsibilities during the pandemic. Women more often have this dual role in their lives.

According to Age UK, 68% of ‘sandwich carers’ – people caring for an older relative as well as bringing up a family – are women.³ Our survey showed that 56% of carers are women (those self-reporting as caring for one or more people).

Key workers

Key workers are defined as employees working in health and social care, education and childcare, utilities and communications, food and other essential goods, transport, key public services, public safety and national security, and aspects of national and local government.

2 Introduction

This report is the third edition of Deloitte's Mental health and employers: the case for investment.

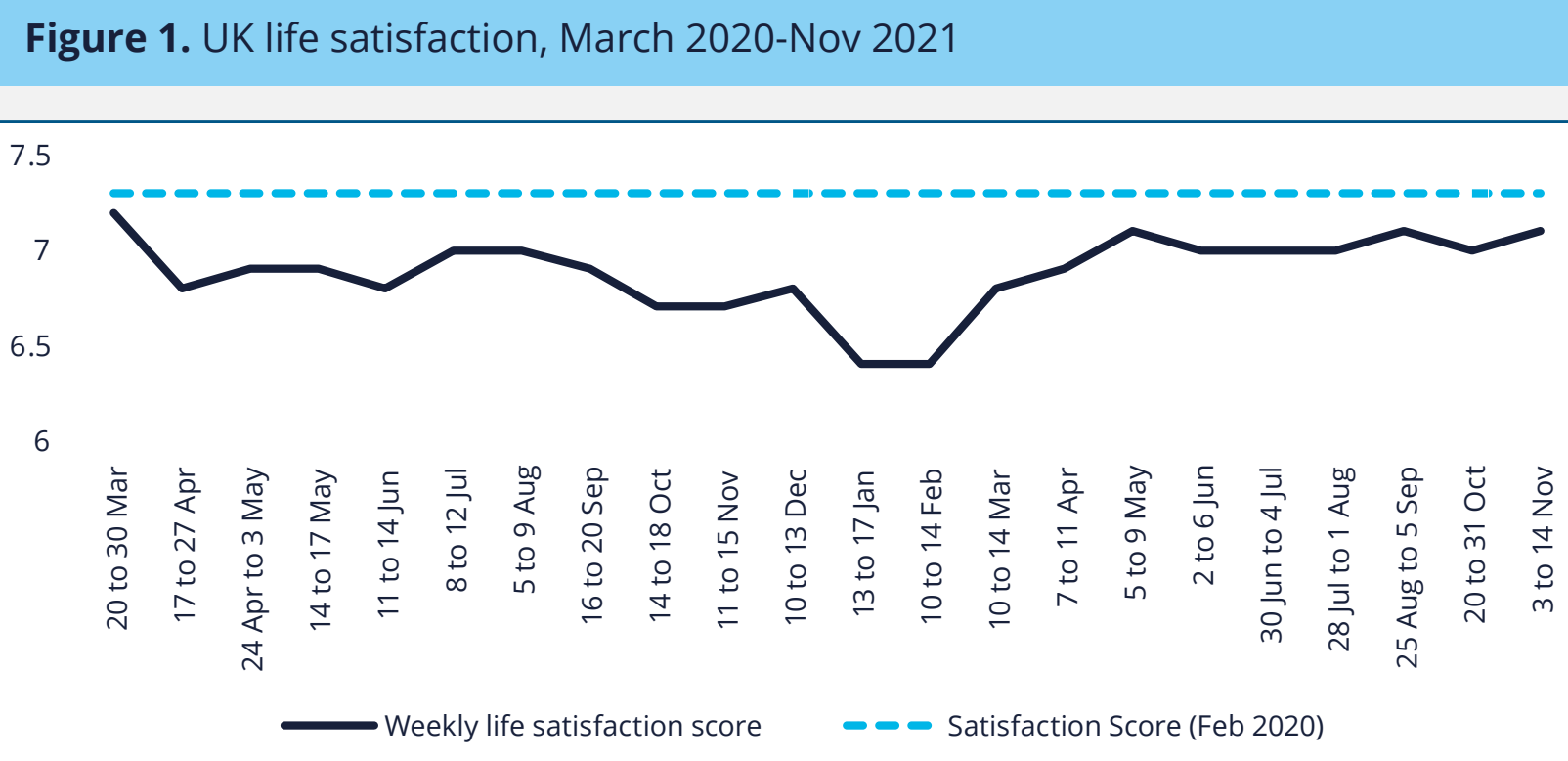
In this edition we investigate changes in mental health among employees in the UK workplace during the COVID-19 pandemic. The report considers both the consequences and costs for employers of poor mental health. It also seeks to understand how the pandemic affected the attitudes of employees to mental health and its implications for their work.

The findings are based on a survey of a 3,599 nationally representative sample of individuals in the UK aged 18 and over who were working or were on furlough during the period September 2020 - August 2021. The survey was conducted in September / October 2021 by YouGov on behalf of Deloitte.

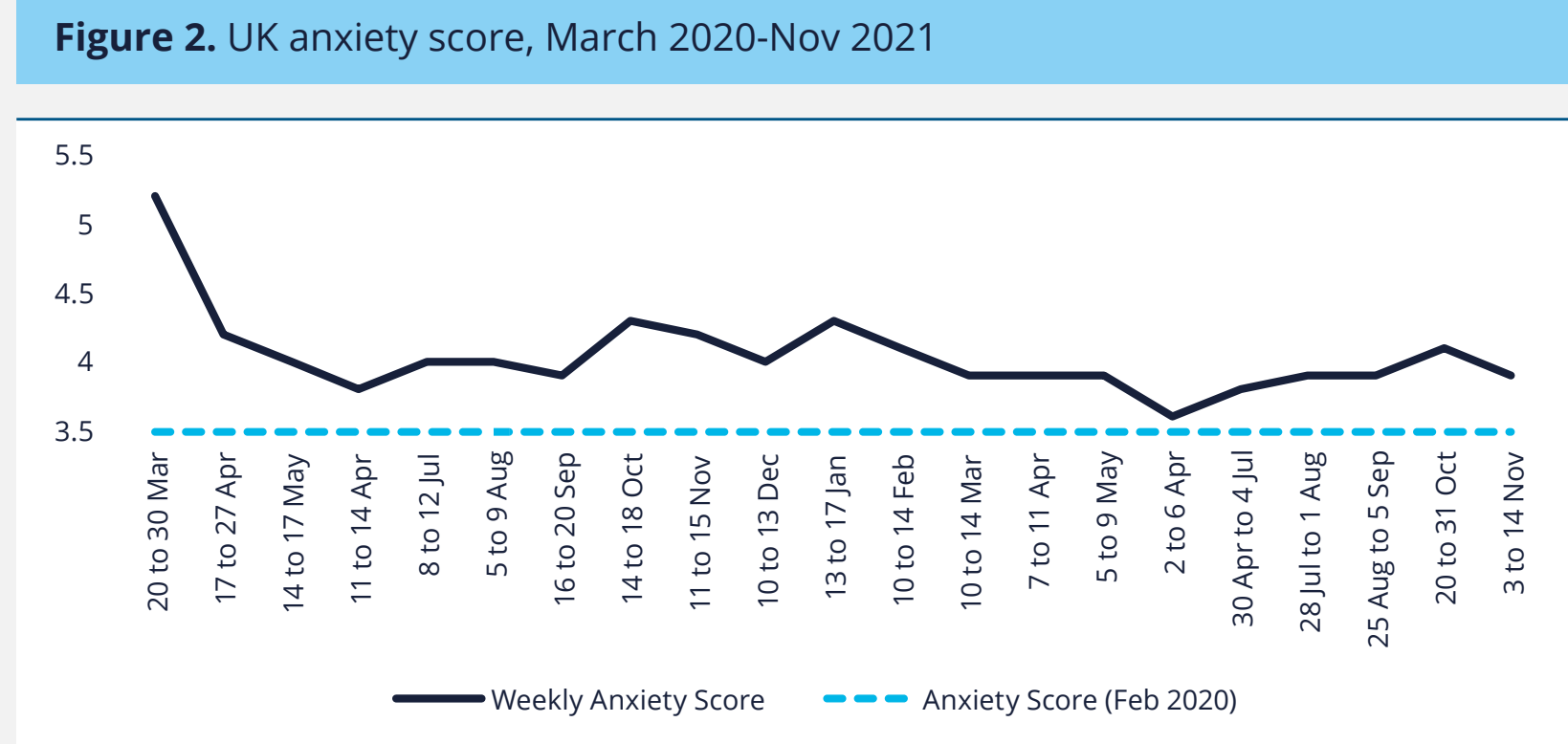
Wellbeing and mental health have been negatively affected by factors such as illness, bereavement, social distancing, isolation, worry about the pandemic, furlough and job loss.

According to the Office for National Statistics (ONS), the sense of wellbeing among the UK population was deteriorating even before the pandemic, with a fall in ratings for life satisfaction, happiness and anxiety in the year to March 2020 compared with the previous 12 months, and these measures worsened in the year to March 2021 (see Figure 1 and Figure 2).⁴

In 2021 the UK fell five places, from 13th to 18th, in the rankings of the World Happiness Report published by the UN Sustainable Development Solutions Network.⁵



Source: ONS



Source: ONS

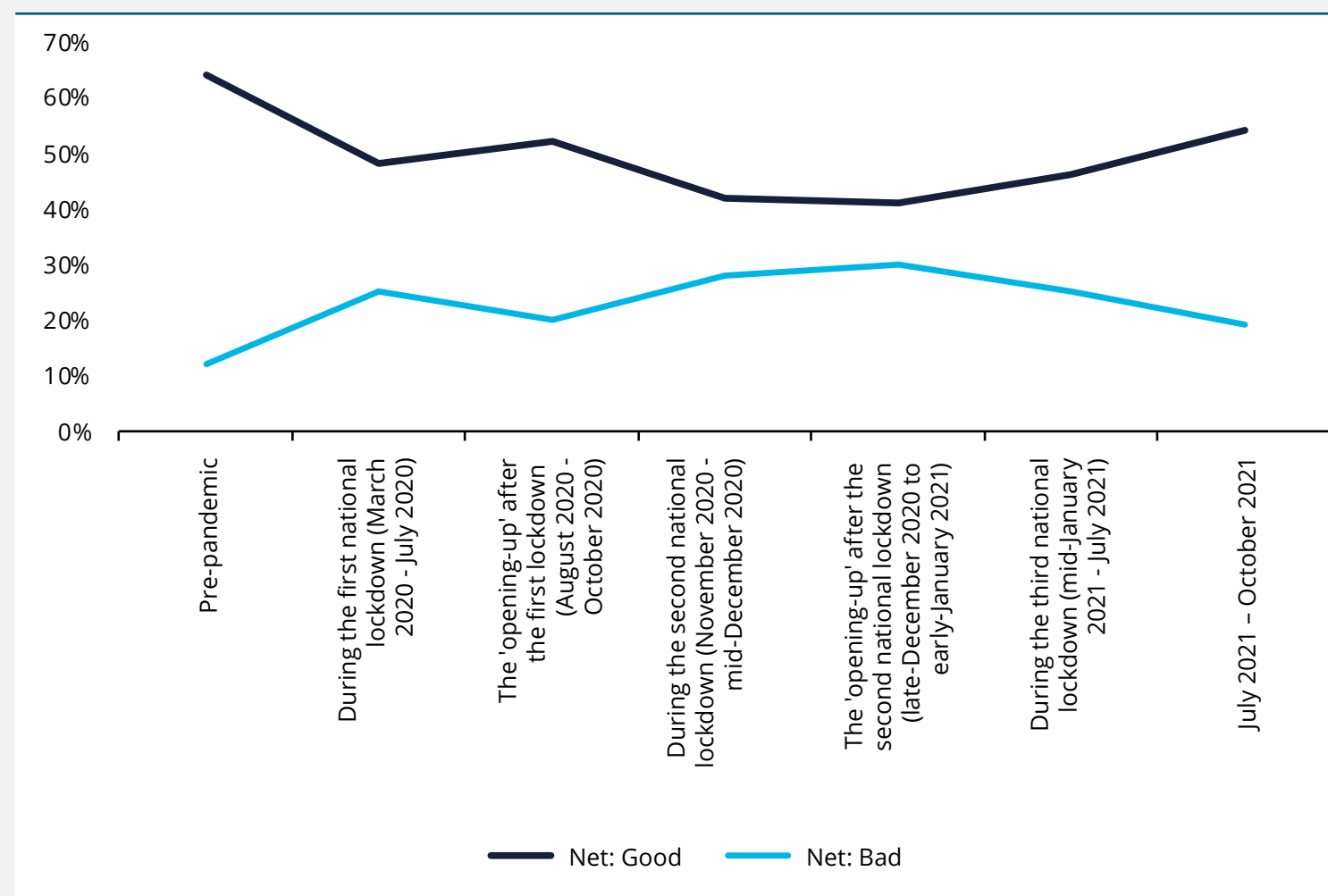
The pandemic has changed people's lives in many ways and many of those changes had a negative impact on mental health, and in particular anxiety, stress and burnout. Poor mental health has become a prominent concern, and in spite of the slow recovery from the worst of the pandemic, it continues to affect both attitudes towards work and performance at work.

This has direct implications not only for individuals who feel that their mental health is being affected by their work, but also for employers who incur the costs. Employers in many sectors and regions of the economy are experiencing a struggle to retain employees, and mental health issues are a factor in the ongoing war for talent.

Our research has found that:

- there was a deterioration in the mental health of the UK workforce following the onset of the pandemic
- the second national lockdown, in November-December 2020, had the most detrimental effect on mental health (see Figure 3)
- while mental health has now somewhat recovered across the population from its lowest point, it has not fully recovered to its pre-pandemic levels
- the number of survey respondents rating their mental health as 'net good' has declined across all age groups and industries.

Figure 3. Mental health perception of UK workers over the pandemic



Note: N = 3,599, UK Adults 18+ who worked in September 2020 –August 2021 and not self-employed. This chart doesn't show results for "Prefer not to say" "Net: good" figures include a range of responses – "I felt good/very good"; "Net: bad" figures include a range of responses – "I felt bad/very bad" All data points broadly reflect periods in time in which all UK nations were in lockdown

Source: **Mental health and employers survey 2021**

While we do not know how COVID-19 will affect work and society in the future, we do know that in the 'new normal' the issue of mental health should continue to be a business imperative, as a part of the social contract between employers and their employees, customers and wider society.

Employers should invest in measures to support the mental health and wellbeing of their employees, not just for ethical reasons and because they improve their reputation, but also because they provide a positive financial return

3 Costs to employers of poor mental health

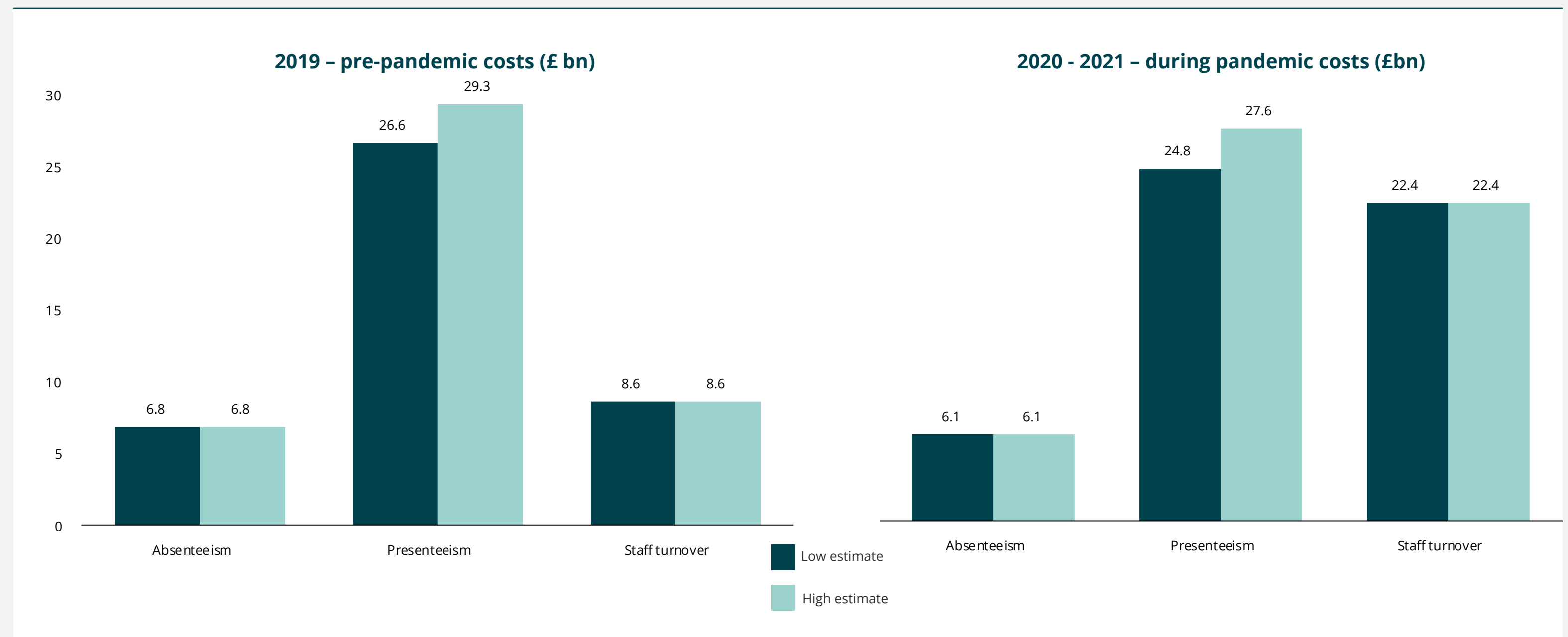
Our analysis showed that the cost to employers of poor mental health from absenteeism, presenteeism and labour turnover in 2020-2021 increased by 25%, compared to 2019 figures.

Presenteeism remains the highest of the three cost categories, but the total cost increase is attributable to higher labour turnover.

Overall costs of poor mental health

For the purpose of this report, the annual costs to UK employers of poor mental health are estimated as the combined costs of absenteeism, presenteeism and labour turnover. These have increased in total by 25% since the start of the pandemic, up to £53-56 billion in 2020-21, which equates to over 2.6% of the UK's annual Gross Domestic Product. According to Deloitte calculations (see methodology in Appendix 1 and Appendix 2), the percentage increase in costs is higher in the private sector than the public sector (see Figure 4).

Figure 4. Annual cost of poor mental health



Total cost: £42-45bn
 Private sector costs: £33.0-35.2bn
 Public sector costs: £9.0-9.5bn

Source: **Deloitte analysis**

Total cost: £53-56bn
 Private sector costs: £43-46bn
 Public sector costs: £10-10.2bn

The costs of presenteeism are the highest of the three cost categories, but the increase in total costs has been attributable to a steep increase in the costs of labour turnover. *Deloitte mental health and employer survey 2021* showed that nearly 40% of total turnover costs are now attributable to mental health issues.

These costs exclude the costs for self-employed individuals, and indirect costs arising from poor mental health such as less innovation and the effect on co-workers, so the overall costs to employers of poor mental health in the workplace are likely to be much higher. (See Appendix 1 for details of the calculation methodology.)

Absenteeism

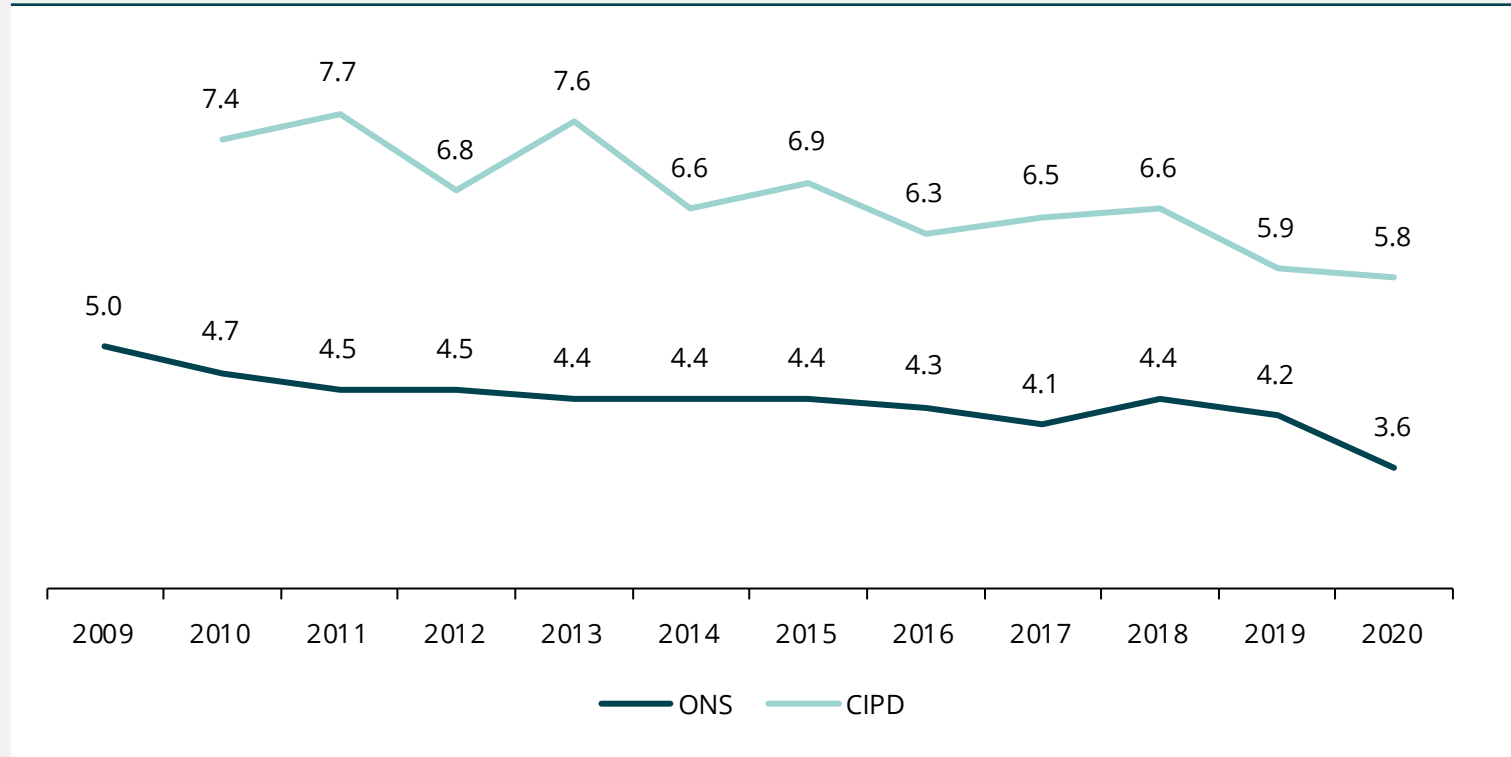
At £6.1 billion in 2020-21 mental health absenteeism is the smallest cost category and is slightly lower than in 2019. According to the ONS, the overall rate of sickness absence, measured as the percentage of working days lost, fell to an all-time low of 1.8% in 2020.

Reasons for the fall in absence days are likely to include factors such as working from home, as well as continued pressure to attend work while unwell (presenteeism). While the proportion of absences attributable to mental health conditions has been rising, reaching 16% in 2020, the size of this increase may be attributable in part to improved reporting linked to greater awareness.

Even so, it seems likely that the ONS figures understate absences due to mental health conditions because of the associated stigma and under-reporting. Our survey showed 28% of absence days were due to poor mental health, much higher than the 16% shown by official ONS sources.

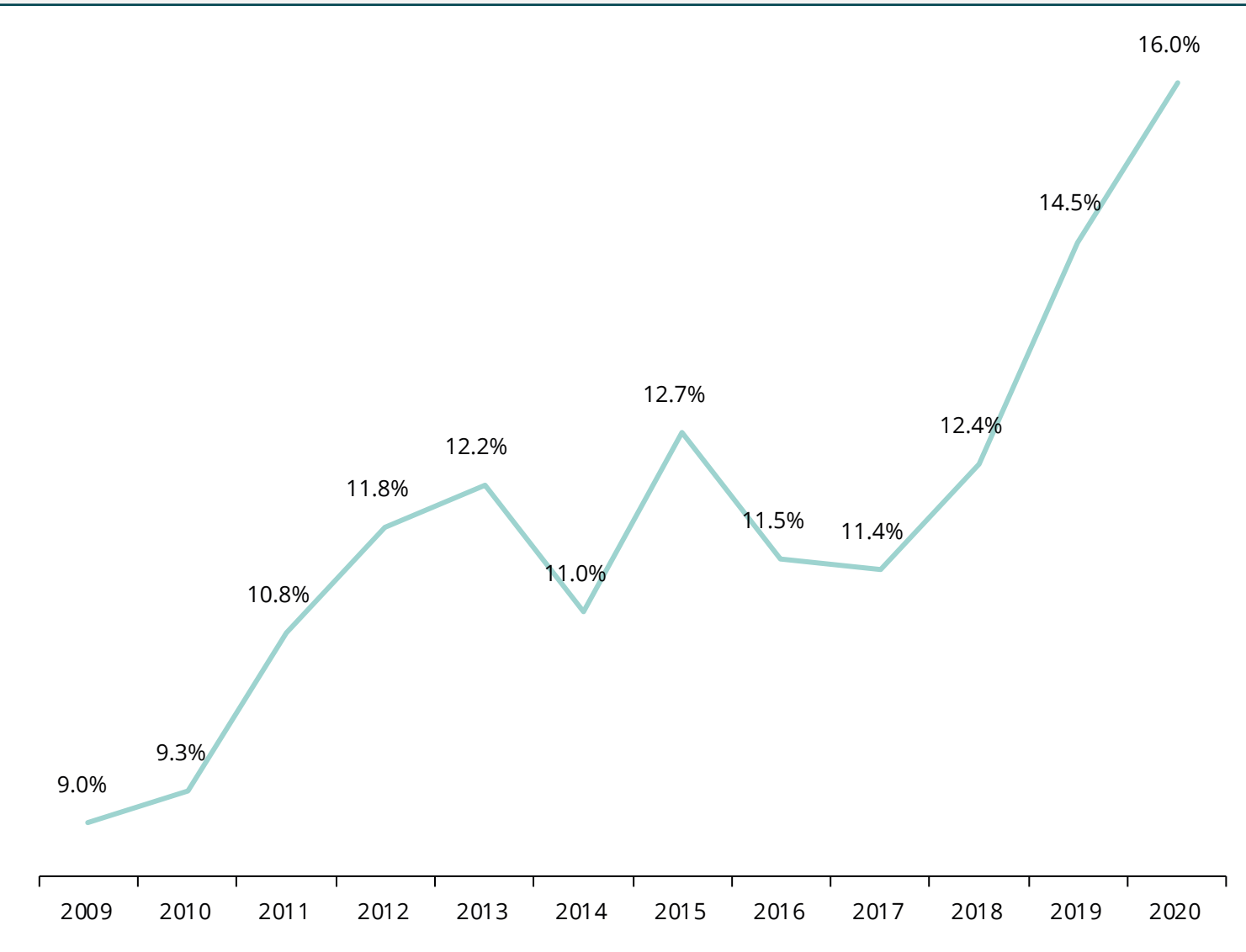
The Deloitte survey saw only a marginal net increase in those saying they had taken a higher number of sickness absence days due to mental health.

Figure 5. Average number of days lost due to sickness per worker (all reasons)



Source: *Sickness absence in the UK labour market 2020, Labour Force Survey, ONS; Health and wellbeing at work 2020, Annual CIPD survey in partnership with Simplyhealth, CIPD*

Figure 6. Reported number of days lost due to mental health-related reasons (% of total)



Source: *Sickness absence in the UK labour market 2020, Labour Force Survey, ONS*

Presenteeism

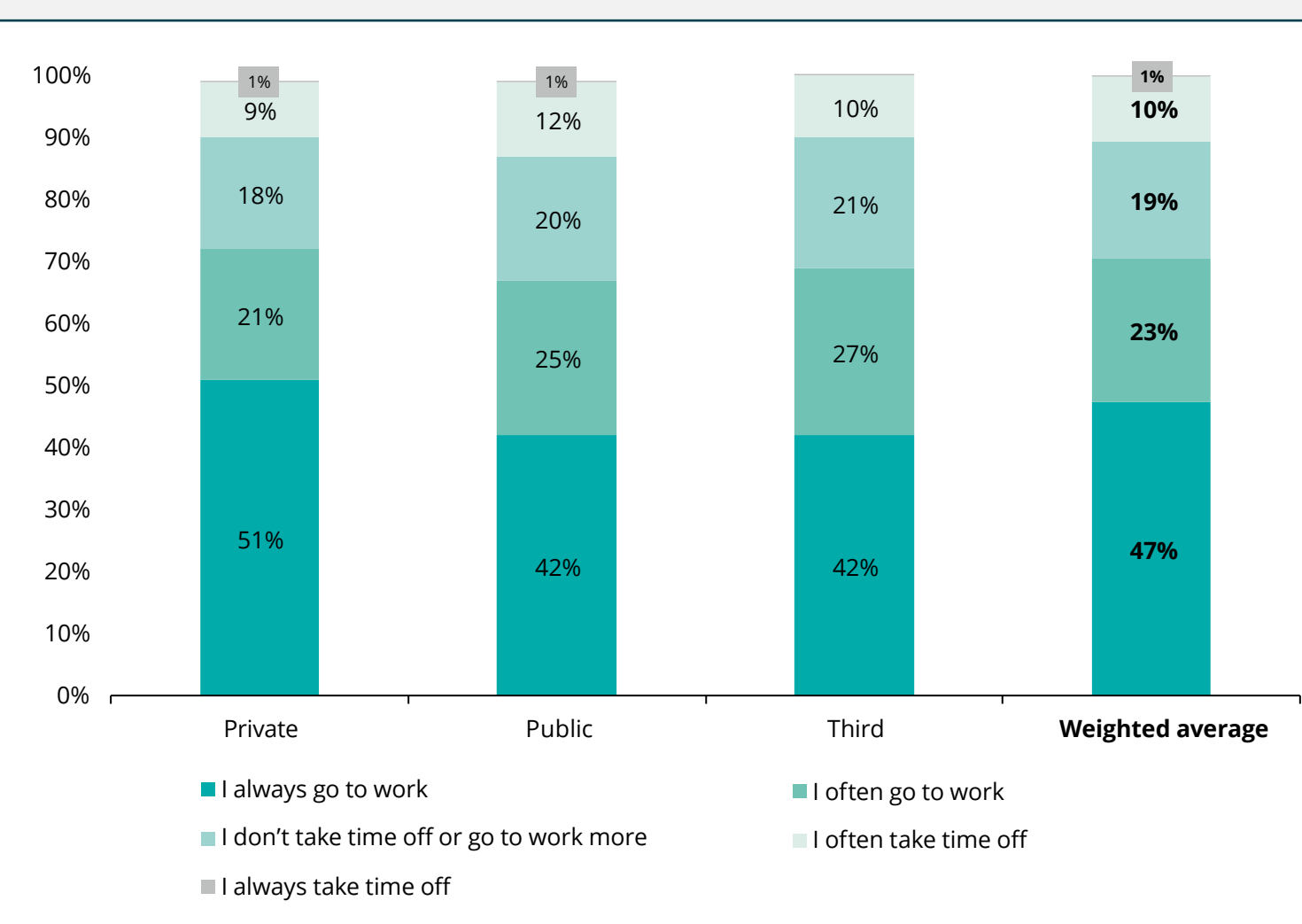
Presenteeism occurs when someone attends work despite being ill and so does not perform to their full ability. With the increase in remote working during the pandemic, working while unwell has become more common, although presenteeism is difficult to spot and measure. Without a physical presence in the office, employees may be inclined to overcompensate or exaggerate their online visibility while experiencing mental health challenges.⁶

The stigma around mental health is one of the reasons that employees may not want to take time off for their mental health. Given the decline in the wellbeing of the general population (see Figure 1 and 2) and the decrease in absenteeism (see Figure 5) it is very likely that presenteeism has been higher during the pandemic than in the past.

Most individuals either always or most of the time go to work when they have poor mental health even though they would benefit from time off. This is especially the case in the private sector, where presenteeism is greater than in the public or third sector, such as charities, Think Tanks and cooperatives (see Figure 7).

Overall, presenteeism is the largest contributor to employers' costs of mental health. This report considers presenteeism when individuals are experiencing poor mental health. We estimate that the cost of mental health-related presenteeism to employers is £24–28 billion in 2021 – roughly four to four-and-a-half times the cost of mental health-related absenteeism. According to our survey findings, presenteeism caused by poor mental health amounts to about 46% of the total costs of presenteeism in the UK workplace in 2021.

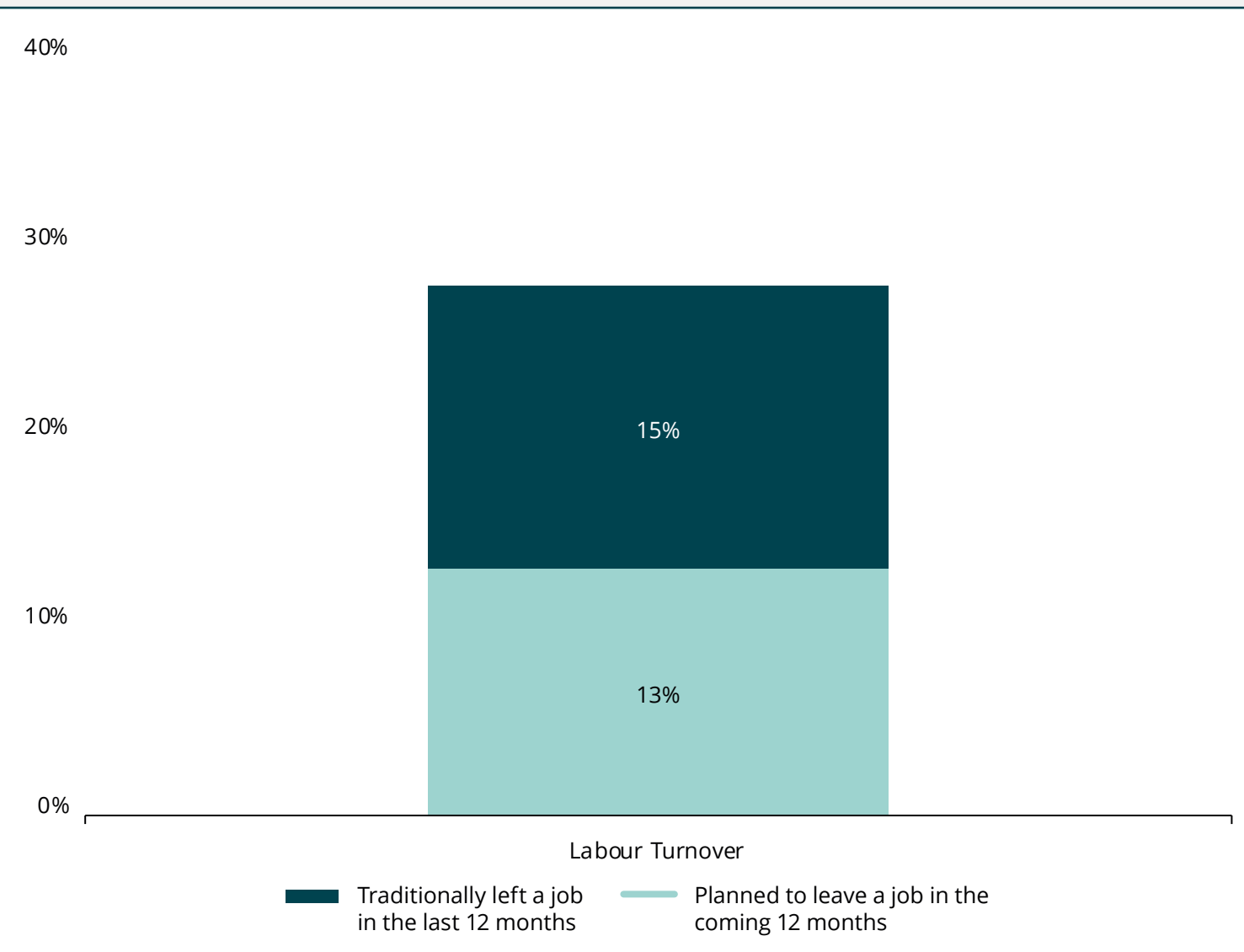
Figure 7. Presenteeism by sector



Note: The responses are shown for the following question: "When I am experiencing poor mental health and would benefit from time off..."

Source: **Mind Workplace Wellbeing Index 2020/21**

Figure 8. Labour turnover



Note: N = 3,537, UK Adults 18+ who worked in September 2020 –August 2021 and not self-employed This chart doesn't show results for "None of these"

Source: **Mental health and employers survey 2021**

Labour turnover

After the main restrictions around COVID-19 began to be lifted, the labour market started going through the so-called 'Great Resignation'.⁷ Large numbers of people have been leaving their jobs, re-evaluating their careers and changing occupations. Our survey found that nearly thirty per cent of UK employees (28%) either intentionally left their job in the past year or are planning to leave it in the next year (see Figure 8).

What is driving the Great Resignation? Many analysts believe that one of the reasons is employees held off resigning during the pandemic due to job insecurity. However, mental health issues seem to be another strong driver with 61% of respondents who intentionally left or planned to leave their job indicating that it was in full or in part due to poor mental health. Long hours, increased stress, job insecurity – all these had a detrimental impact on quality of life during the pandemic, with some demographic groups being more impacted than others.

These shifts in the labour market led to a ripple effect for organisations who have to fill those gaps and continue their operations. The cost of labour turnover for mental health-related reasons has increased dramatically, driven by a willingness to leave jobs. These costs went up from £8.6 billion in 2019 to £22.4 billion in 2021, an increase of over 150%. The figure from 2019 came from a range of third party sources, whereas the 2021 estimate is a result of Deloitte's analysis of the *Mental health and employer survey 2021*.

Overview of mental health by sector and industry

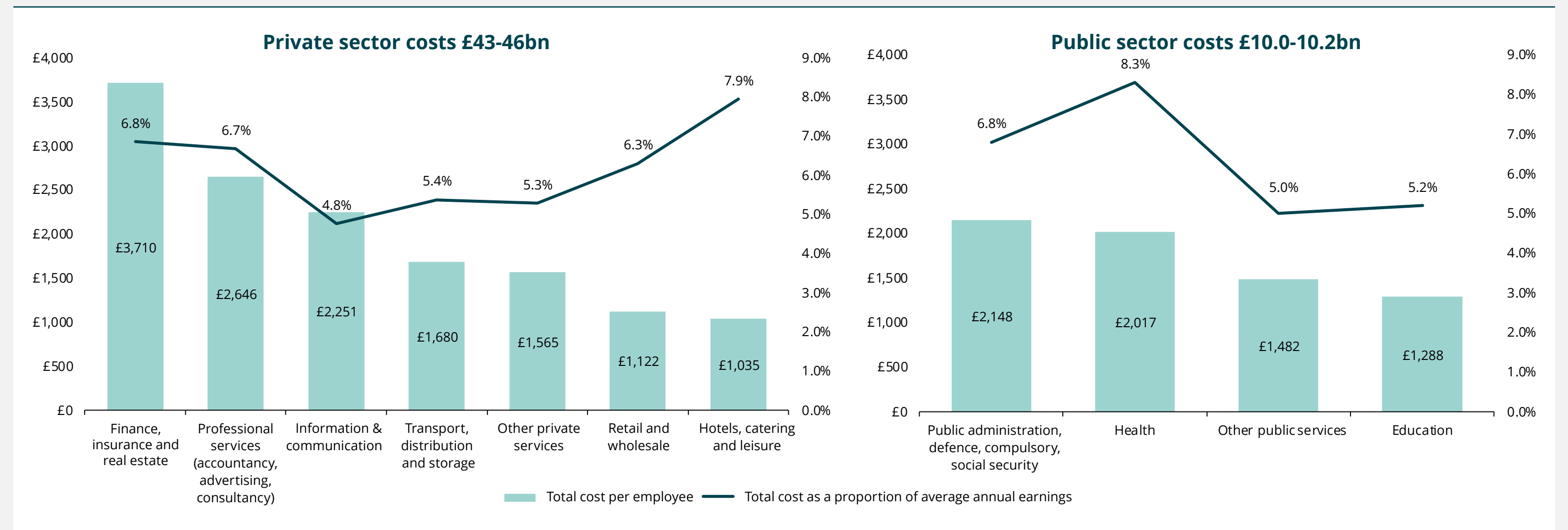
Costs to employers of poor mental health

Our survey found differences between industry sectors in the costs to employers of poor mental health. In total, estimated costs to employers in the private sector were £45 billion in September 2020 – August 2021 and £10 billion in the public sector. There are also cost differences between industries in the private sector and between public sector services (see Figure 9).

Our survey shows that within the health sector, 19% reported a combined increase in frequency of sick days in 2021 and 12% reported an increase in sick days due to poor mental health. This was the highest level of absenteeism due to mental health within the public sector, and comparable to hotels, catering and leisure in the private sector. This is hardly surprising given that demand for health services has spiked with health workers facing increased workloads under high levels of pressure and public scrutiny in response to the pandemic.

Survey respondents in the education sector reported the highest levels of presenteeism in the public sector, with individuals ‘always’ or ‘often’ going to work while ill with poor mental health. Within the private sector, the highest levels of presenteeism were in hotels, catering and leisure; transport, distribution and storage; and information and communication. In these industries, the proportion of respondents who were ‘always going to work’ when ill with poor mental health was between 6% and 8% greater than the overall UK employee average of 41%.

Figure 9. Costs per employee of poor mental health, by sector and industry



Source: **Deloitte analysis**

Variations in employee perceptions by sector and industry

Our survey found differences between industry sectors in employees' perceptions of mental health.

- Employees in all industries and sectors have been showing an improvement in mental health since the worst period of the pandemic, with fewer people evaluating it as 'bad' or 'very bad', but mental health in general has not recovered to pre-pandemic levels. The health as well as the transport, distribution and storage sectors have yet to catch up with the recovery in mental health experienced in other sectors and industries.
- The education sector experienced one of the steepest declines in mental health over the period March 2020 – October 2021, measured by the proportion of respondents evaluating their mental health as 'bad' or 'very bad'. If many office-based staff pivoted to working from home with relative ease, educators found it especially challenging to keep their pupils and students engaged and productive. Turnover rates are among the highest with 70% reporting mental health as a key reason for leaving or planning to leave the job. On a positive note, the education sector is also showing the best bounce-back towards pre-pandemic levels of mental health.

- Another industry with a steep decline in mental health was hospitality, notably in hotel, catering and leisure sectors. Lockdown restrictions made it harder to travel, hence many of those working in hospitality had to be put on furlough. According to HMRC Coronavirus Job Retention Scheme data (HMRC CJRS), hospitality saw the highest total in furlough claims from 1 November 2020 to 30 April 2021.⁸ Dealing with job insecurity clearly led to increasing levels of stress and poor wellbeing for many.
- In the private sector, a deterioration in mental health in the transport, distribution and storage sector was at its worse between November 2020 and July 2021. With self-isolation and social distancing in place, many turned to online purchasing, putting pressure on the delivery and storage sector as the demand for their services increased dramatically.

Our survey also found differences between sectors and industries in attitudes to mental health and the amount of support that employees expected from their employers.

- The biggest increase in mental health awareness has been in health, education and professional services. Respondents working in health or education in the public sector, and in professional services or finance in the private sector, have the highest expectations of additional employer support for their own mental health, compared to pre-pandemic levels.
- Respondents working in health or education, and also in transport, distribution and storage, feel the greatest need for their employer to also provide support for friends and family.
- For respondents across all industries, the most favoured 'new way of working' in which employers could have a positive impact on mental health, stress and wellbeing post-pandemic would be to allow flexible working.

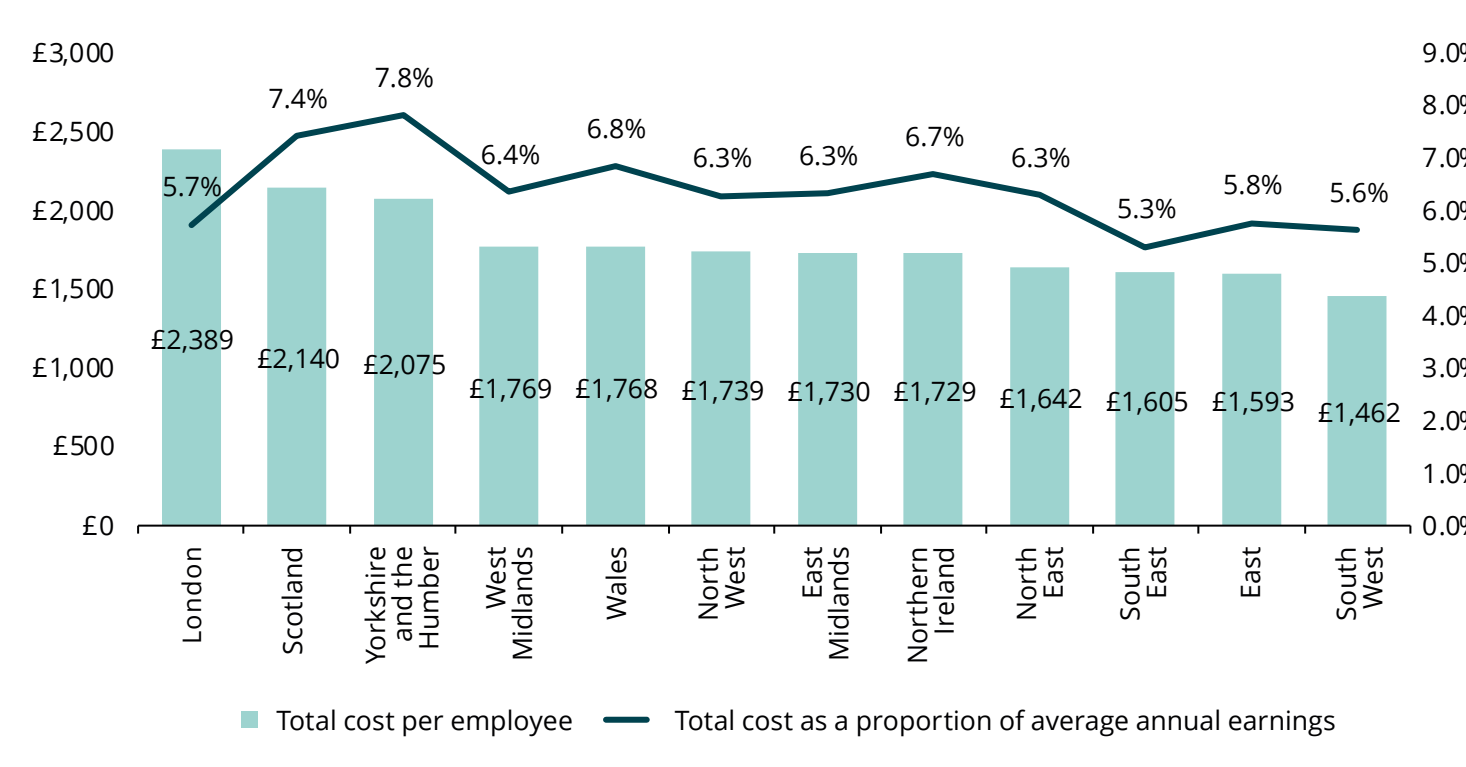
Overview by geographical region

Costs to employers of poor mental health by region

Our estimates of the annual costs per employee of poor mental health vary between geographical regions, from £1,500 to £2,400 across England, Wales and Scotland in 2020-21. The annual costs per employee are highest in London, and highest as a percentage of earnings in Scotland, Yorkshire and the Humber and Wales (see Figure 10).

In all regions, the highest categories of cost per employee are presenteeism and turnover. The highest proportions of respondents who intentionally left their job in the past year or plan to leave their job in the next year live in Yorkshire and the Humber and the North West. The largest increases in absenteeism (days taken off) due to poor mental health were in these same regions, and in Scotland and Wales. Lockdowns lasted longer in both Scotland and Wales, with stricter restrictions around working from home and social distancing after reopening than in other parts of the UK.^{9,10}

Figure 10. Costs of poor mental health by region



Source: **Deloitte Analysis**

Variations in employee perceptions by region

There are differences in perceptions about mental health between regions. Respondents in Scotland and London reported the 'worst' mental health scores during the second national lockdown and the 'opening-up' that immediately followed it (November 2020 – January 2021). London has a relatively young population, and a sizeable proportion of its working population is in finance or professional services. Our survey showed that these two segments had the highest costs of poor mental health during the pandemic, which explains the scores.

Scotland has experienced the biggest rise in employee expectations of employer support, compared to before the pandemic.

Mental health levels fell most in Northern Ireland and the East of England, and mental health scores are still lower than pre-pandemic levels: 18% lower in Northern Ireland and 13% lower in the East of England.

The best recovery has been in the South West, where levels of mental health appear to have nearly recovered to pre-pandemic levels.

4 Workplace trends

Increased pressure leading to workplace stress can result in burnout for employees, as well as a deterioration in the quality of their work and their productivity.

Half of our survey respondents indicated that they have experienced at least one symptom of burnout and most would like to see changes in the way their work is organised.

Many employees now expect more support from their employer regarding their mental wellbeing. Employees are also increasing their use of digital mental health support tools.

Burnout

Burnout is defined as an occupational phenomenon in the WHO's International Classification of Diseases, and is a syndrome "resulting from chronic workplace stress that has not been successfully managed".¹¹ It has three characteristics:

1

feelings of exhaustion or depletion of energy

2

mental distance from the job, or feelings of negativity or cynicism related to the job

3

reduced performance or efficacy at work.

Chronic stress at work may be caused by factors related to the job itself, such as overwork in a high-pressure environment or too many responsibilities for little recognition or reward. Factors outside of work may also contribute to burnout, such as the demands of looking after a loved one who needs care and support.¹²

Symptoms of burnout include emotional exhaustion, lack of energy, loss of satisfaction with work, difficulty in concentrating, frustration and irritability with co-workers. The implications of burnout for employers are its negative impact on work performance as well as potential drop in employee engagement. For employees the consequences are personal: poor mental, physical and social wellbeing.

Our survey found that one-half of respondents had experienced at least one characteristic of burnout (feeling of exhaustion, mental distance from their job, or decline in performance at work), which they attributed mainly to greater job demands/expectations, lack of social interaction and a lack of boundaries between work and home life. Fourteen per cent said they had experienced all three characteristics of burnout (see Figure 11).

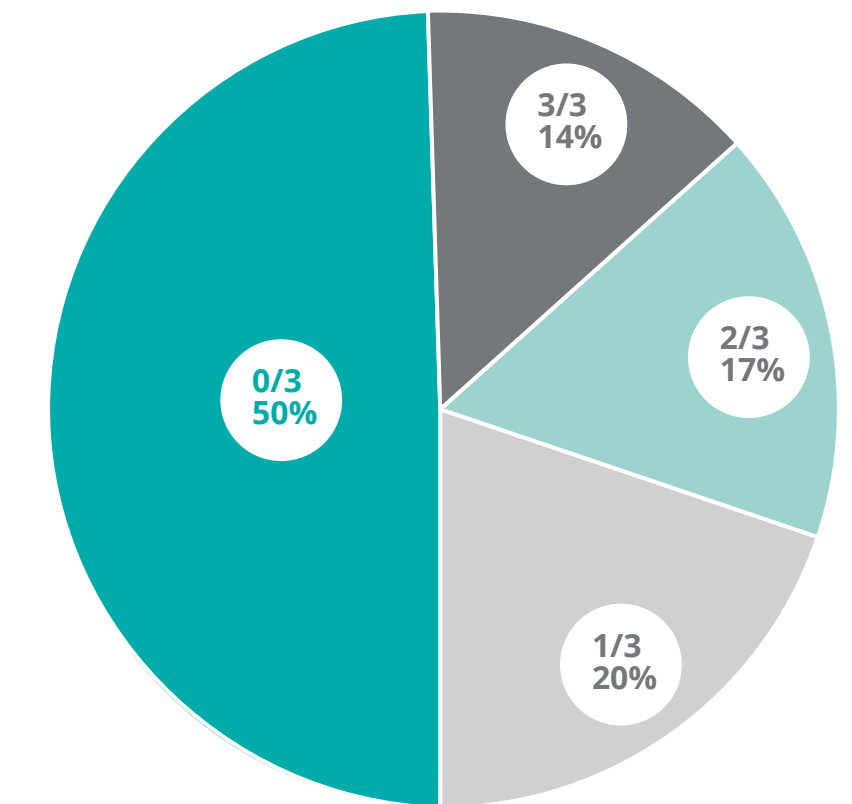
- Employees in the 30-39 age group have been affected the most by greater job demands/expectations, whereas those aged 60+ have been the least affected.
- Nearly half of respondents who are key workers reported some signs of burnout due to the greater demands and expectations of their job, compared to 38% of non-key workers. The factor contributing most to burnout among non-key workers was longer working hours.

Implications of burnout

The higher incidence of burnout as a result of COVID-19 has highlighted the implications for employers, given the correlation between burnout and sickness absence, turnover and presenteeism. Although the

Figure 11. Experience of burnout

Shares of respondents by their experience of burnout attributes (feeling of exhaustion, mental distance from job, declined performance at work)



Note: N= 3,324, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

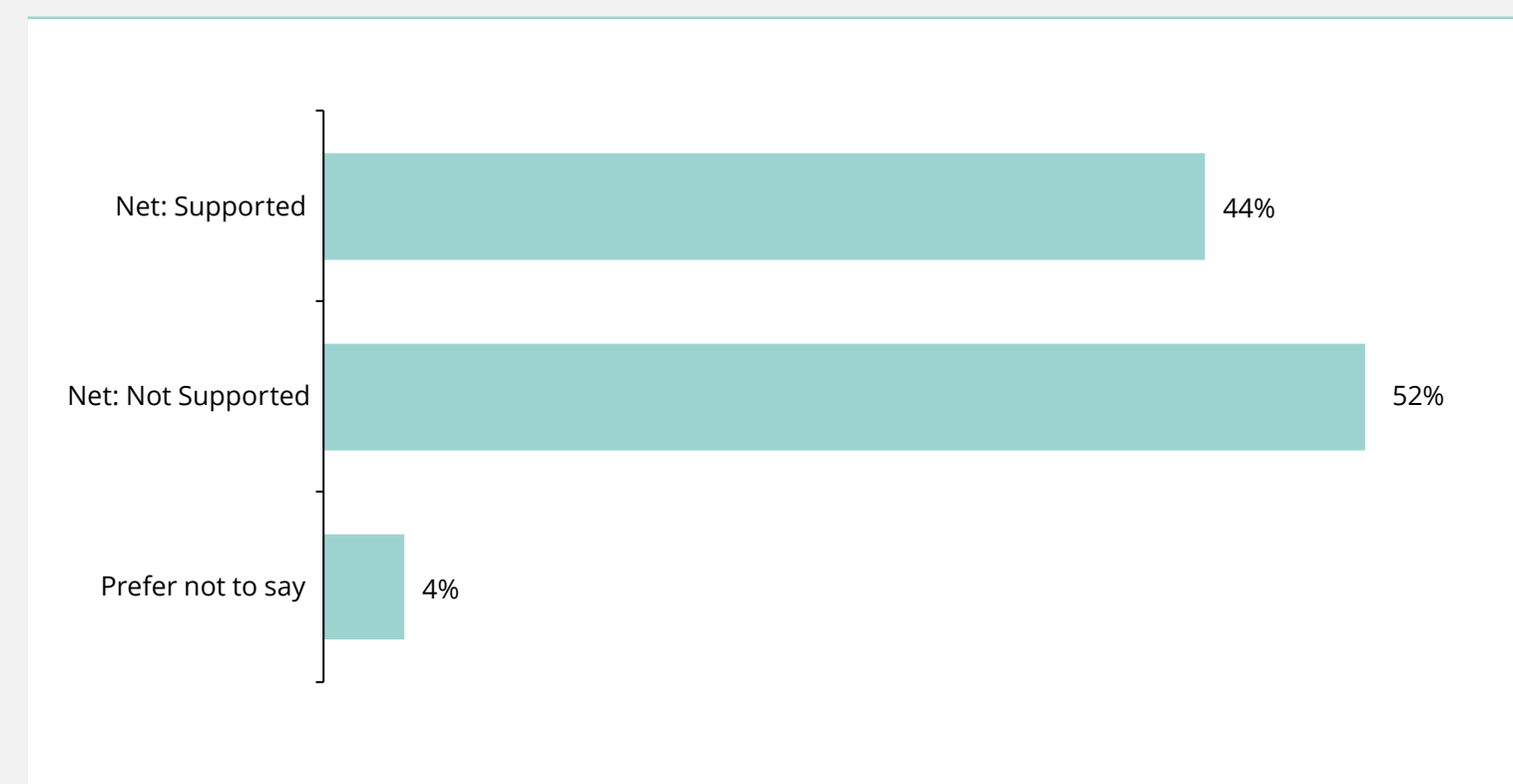
Source: **Mental health and employers survey 2021**

pressures on employees may not be as intense as during the height of the pandemic, there is greater awareness of the potential consequences of burnout, and the need for employers to invest in the mental health of their employees.

Feeling supported by employer

When asked how supported they felt during the pandemic, nearly one in two employees indicated that their employers did not show enough support in relation to their mental health during the pandemic (see Figure 12).

Figure 12. Employees who felt supported by their employer during the pandemic (September 2020 – August 2021)



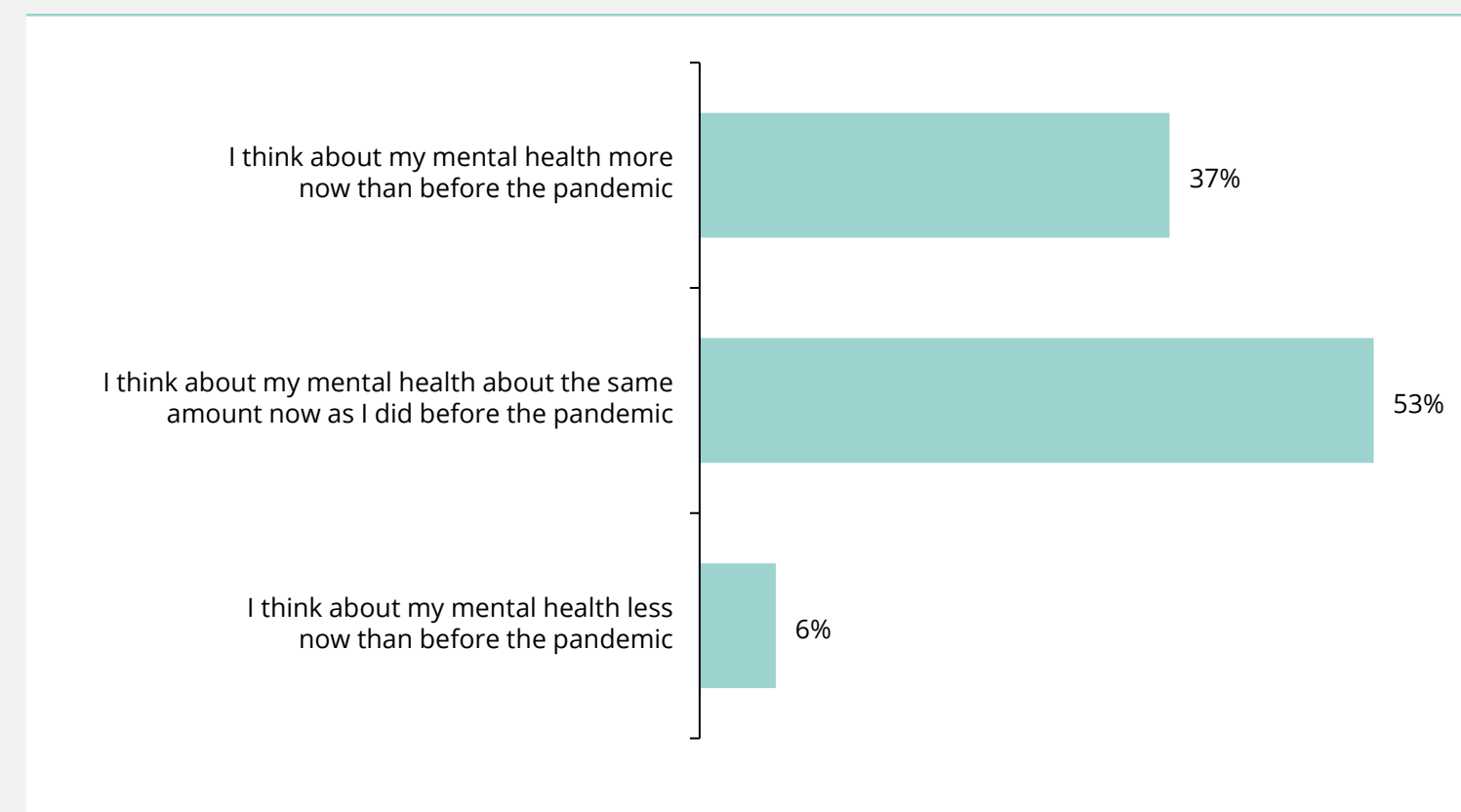
Notes: N = 2,766, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed "Net" figures include a range of responses – "I feel slightly/moderately/very supported"

Source: **Mental health and employers survey 2021**

Employee expectations of employer support

Our survey found that employees have a greater awareness of mental health than they did before the pandemic, with over a third of respondents (37%) saying that they now think more about their mental health (see Figure 13).

Figure 13. Awareness of mental health issues

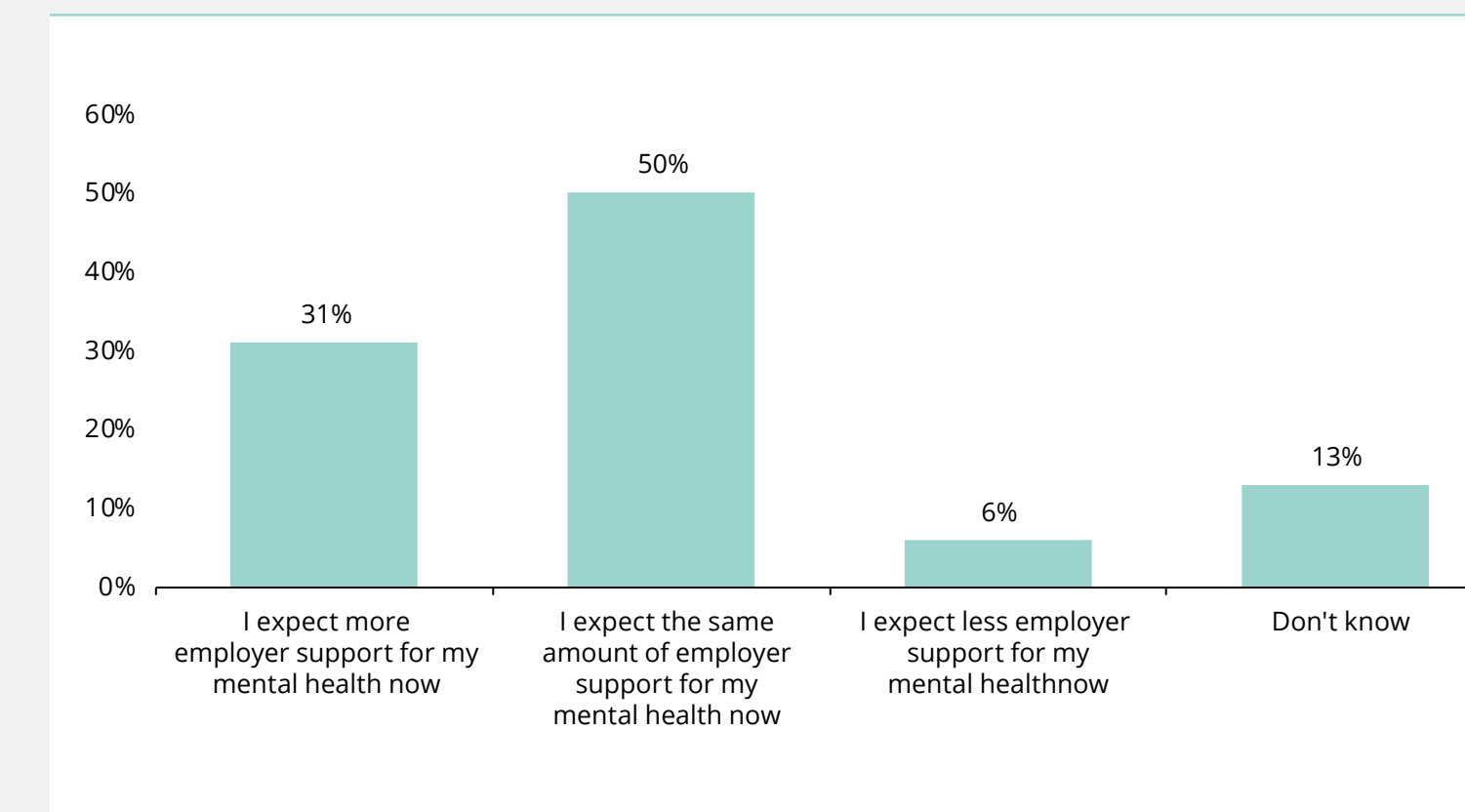


Note: N = 3,599, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed This chart doesn't show results for "Prefer not to say"

Source: **Mental health and employers survey 2021**

Nearly one-third of respondents (31%) said that they would like more support from their employer to improve their mental health, although half expect the same level of support (see Figure 14). The most desirable changes that could be introduced at work were flexible working hours and freedom to choose where and when work is done, alongside more authentic communication from leadership.

Figure 14. Expectations of employer support

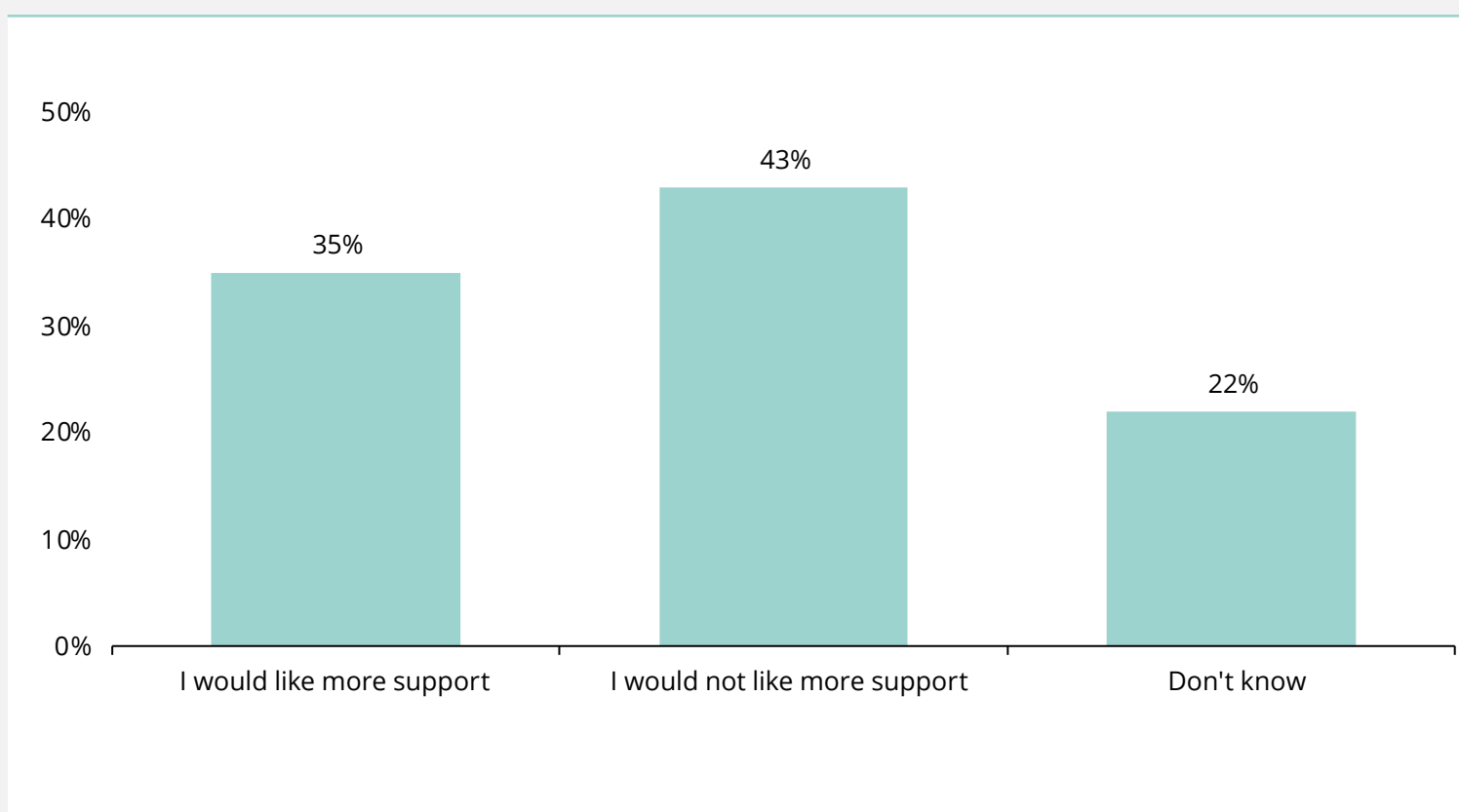


Note: N = 3,599, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

Source: **Mental health and employers survey 2021**

During the pandemic, nearly half (45%) of our respondents had supported a colleague, family member or friend with mental health difficulties, and over a third (35%) would like more support from their employer to help them do this (see Figure 15).

Figure 15. Expectations of employer support for friends and family



Note: N = 3,599, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

Source: **Mental health and employers survey 2021**

Respondents in the health, education and transport, distribution and storage sectors in particular felt the need for their employer to help equip them to support friends and family.

Tools and resources to support mental wellbeing

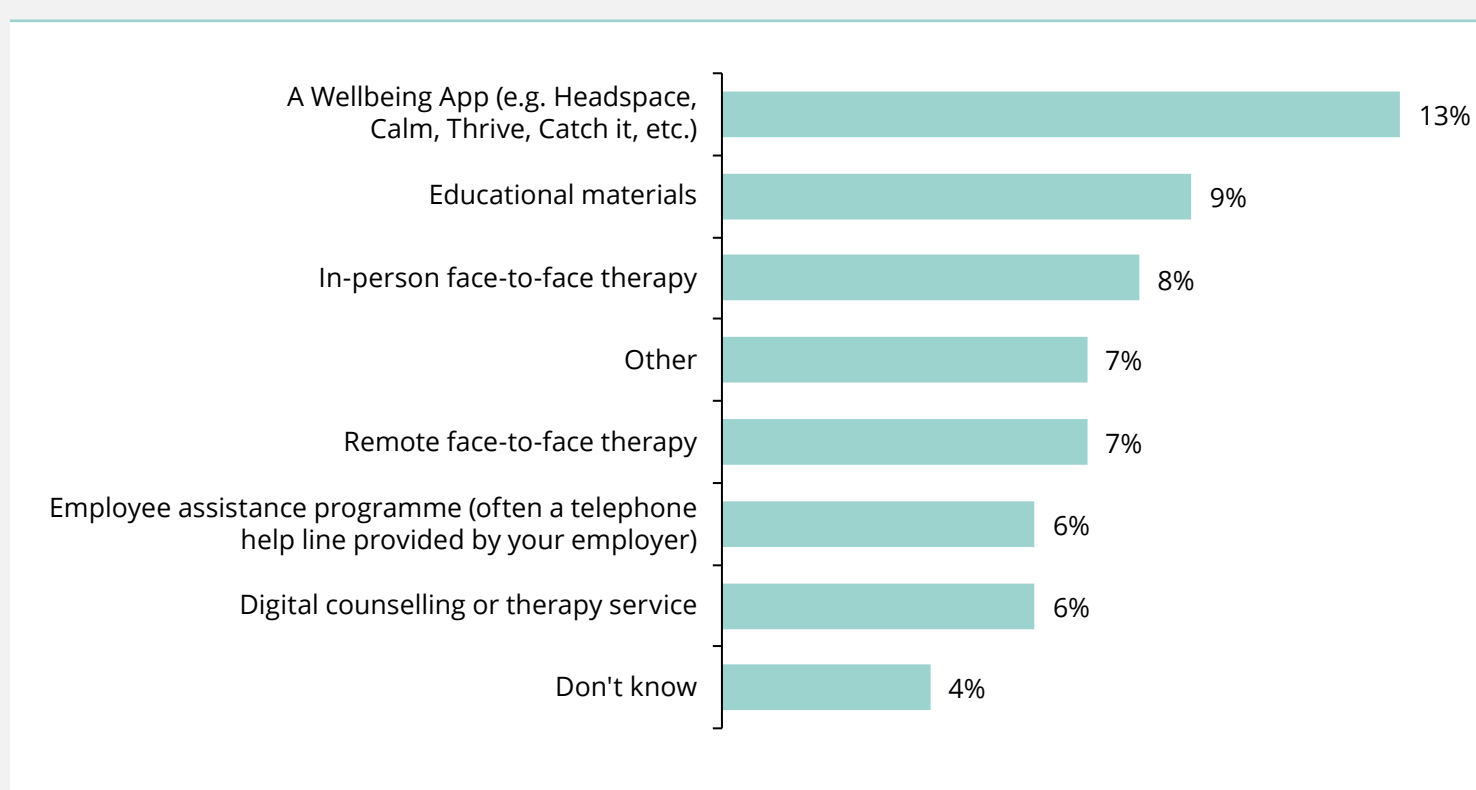
While the pandemic forced organisations to prioritise workers' physical and mental wellbeing as a matter of survival, it is clear that there is a link between employee wellbeing and organisational success. According to the *2020 Deloitte Global Human Capital Trends* report, 80% of its nearly 9,000 survey respondents identified wellbeing as important or very important for their organisation's success.

To rise to this challenge, organisations should consider a wide range of tools and resources, carefully selecting the supporting tools and interventions that address the specific needs of various demographic groups and preferences of their workforce.

These tools can be both digital and non-digital. Our survey showed that the top three mental health support tools are: wellbeing apps, educational materials and in-person face-to-face therapy (see Figure 16).

More than one-third of UK working adults (36%) said they had used some tools and resources to help them manage their mental health in the past year. Perhaps, not surprisingly, younger employees (18-39 years old) make more use of tools and resources to address mental health than older age groups (40+).

Figure 16. Use of tools and resources to support mental health



Note: N = 3,599, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

This chart doesn't show results for "Not applicable – I have not used any tools/resources to help manage my mental health or wellbeing during this time"

Source: **Mental health and employers survey 2021**

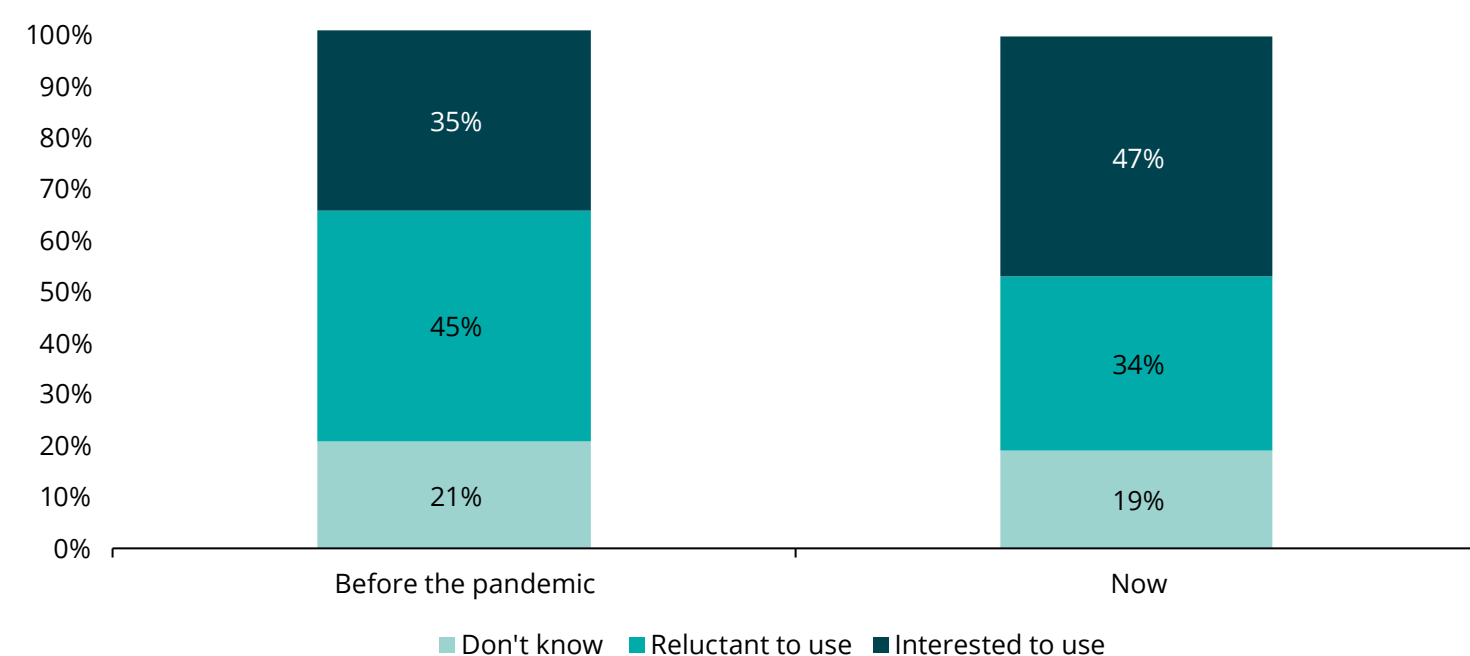
There is a growing number of digital support options to assist individuals to manage their mental wellbeing. Wellbeing apps are easily accessible and relatively cheap to use in maintaining wellbeing and in dealing with emerging mental health issues. Our survey found that:

- Wellbeing apps (e.g. Headspace, Calm, Thrive, Catch it) followed by educational materials and in-person face-to-face therapy were the most frequently used resources or methods used to support mental health.
- Wellbeing apps were the most common tool used to address mental health and wellbeing across all segments and age groups in the workforce.

Some employers are taking measures to assist employees with personal or work-related problems affecting their mental wellbeing. Our survey also found that 6% of employees use an employee assistance programme (EAP) to support their mental health. An EAP is an employer-financed voluntary work-based programme for providing free confidential assessments and counselling. EAPs also provide follow-up services to employees who are experiencing problems that are causing them stress and affecting their attendance or performance at work.

Attitudes surrounding the use of digital services supporting mental health have also changed. Employees are now more interested, and less reluctant, to use digital tools to support their mental health and wellbeing than they were before the pandemic (see Figure 17). Employers might consider how an expanded digital offering might supplement their employee support tools.

Figure 17. Attitudes towards the use of digital tools (such as digital therapy, apps, etc) to support mental health and wellbeing



Note: N =3,599, UK Adults 18+ who worked in September 2020 –August 2021 and not self-employed

Source: **Mental health and employers survey 2021**

Case study: Deloitte Works

Deloitte Works is the name given to Deloitte's internal Future of Work programme.¹³

The vision is to give employees flexibility and choice in where, when and how they work – to make an impact that matters for them, clients and the firm. The vision for Deloitte Works is centred around three pillars: **Work** (creating flexible work arrangements for our people), **Workforce** (optimising how our people operate and collaborate in a hybrid working model), and **Workplace** (investing in our digital and physical spaces).

Almost 15,000 employees participated in a firm-wide Future of Work survey: 81% said that they anticipate working from a Deloitte office only one or two days per week, 96% would like the freedom to choose how flexibly they will work in the future, and 82% ranked 'collaborating with team colleagues' and 'human interaction' as two of the top three ways they envisage using the office in the future.

These responses have helped shape the Deloitte Works vision that began with an experimental phase as business activity emerges from the effects of the pandemic. The aim of this approach is to understand where the firm needs to focus efforts to create the best working environments and support wellbeing, and therefore support their employees to thrive.

5 The case for investment

In view of the high costs of poor mental health, there is an economic argument in favour of employers investing in measures to tackle the problem and in so doing reduce costs.

Our financial analysis indicates that measures by employers to improve the mental health of their employees will yield a return on average of £5 for every £1 spent.



Four new studies have been published since our previous report, Mental health and employers: Refreshing the case for investment.¹⁴ These assess the return on investment (ROI) of employee assistance programmes,¹⁵ long-term mental health programmes,¹⁶ reducing mental distress in the workplace and an internet and mobile-supported occupational stress-management intervention.¹⁷

According to our analysis, the estimated return for employers investing in measures to tackle mental health problems is on average £5.30 for every £1 invested.

[The figures are broadly consistent with the £5.20: £1 estimate in our previous report.] The size of the return varies with the nature of the employer intervention.

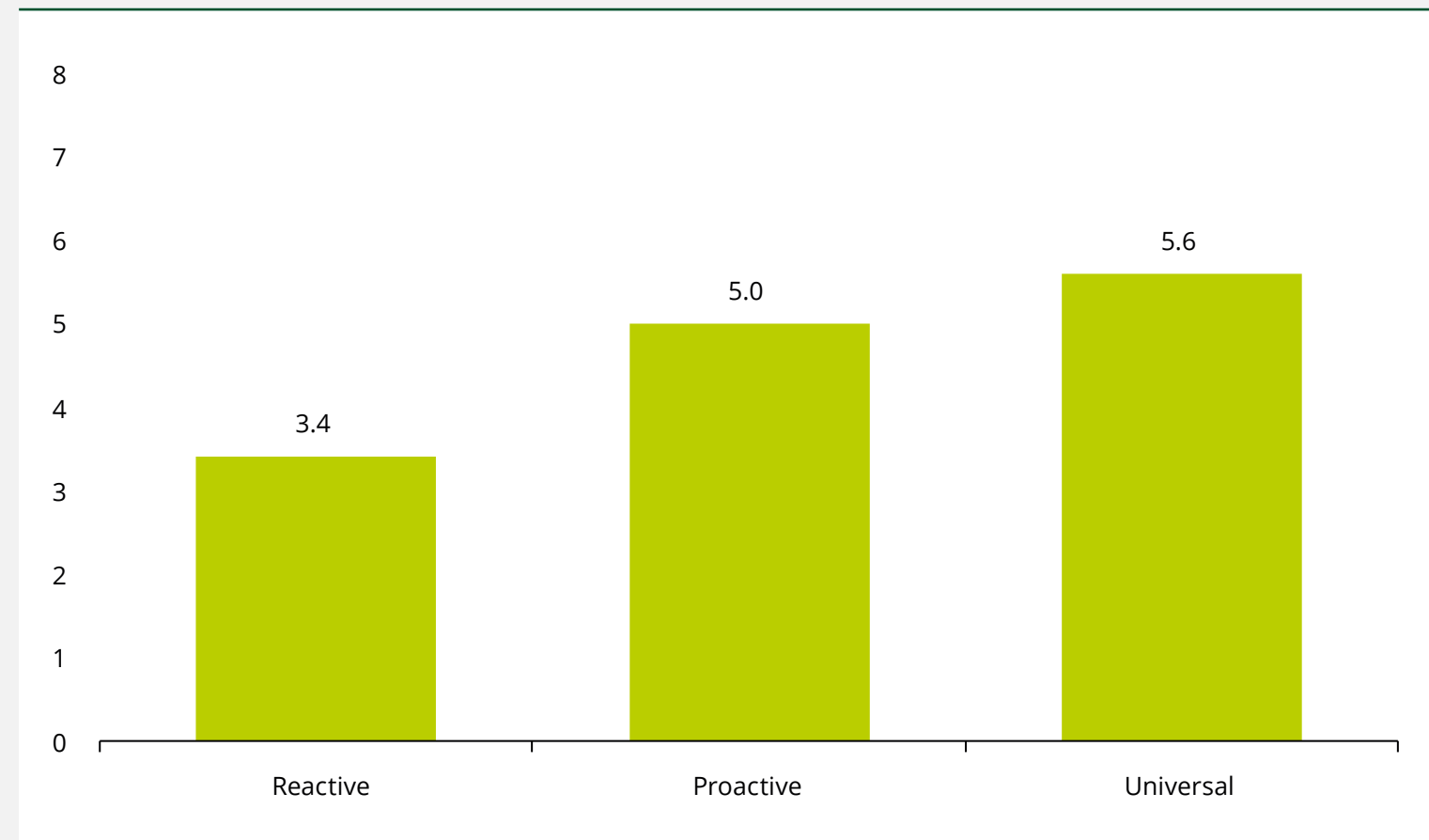
The nature of employer interventions

We have categorised employer interventions in three ways:

- 1** according to the stage at which the intervention is offered
- 2** type of intervention offered
- 3** the size of the recipient group.

When analysing interventions according to the stage at which they are offered, we found that on average organisation-wide early interventions, such as cultural change and raising awareness of mental health issues, provide the highest ROI, at £5.60 for every £1 invested. Proactive interventions which support employee mental health at an early stage provide a slightly lower ROI of 5:1, while reactive interventions that provide support only after a deterioration in an employee’s mental health has occurred provide the lowest ROI of 3.4:1 (see Figure 18). These results demonstrate the value of early intervention and prevention.

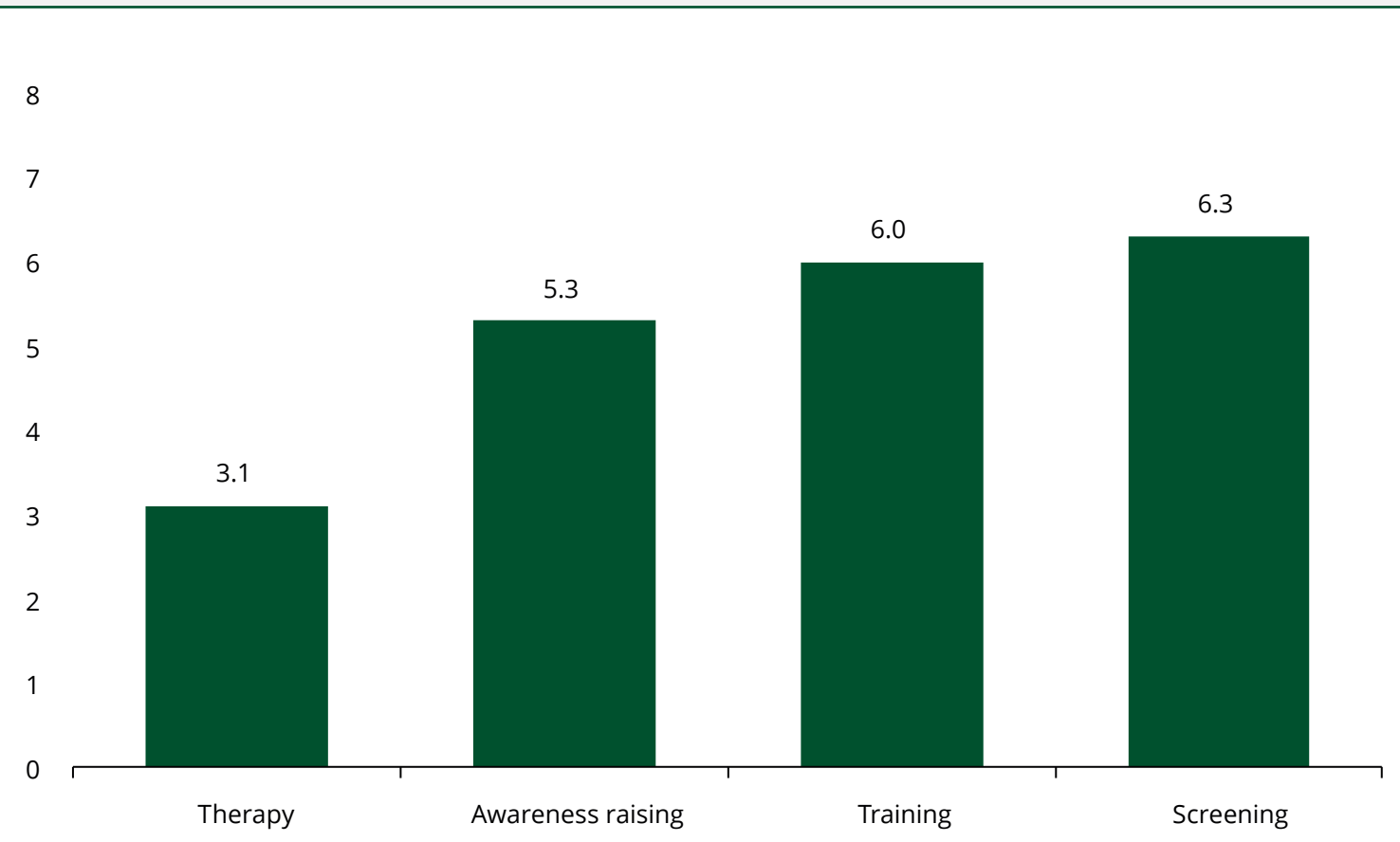
Figure 18. Average ROI by stage of intervention



Source: Deloitte analysis



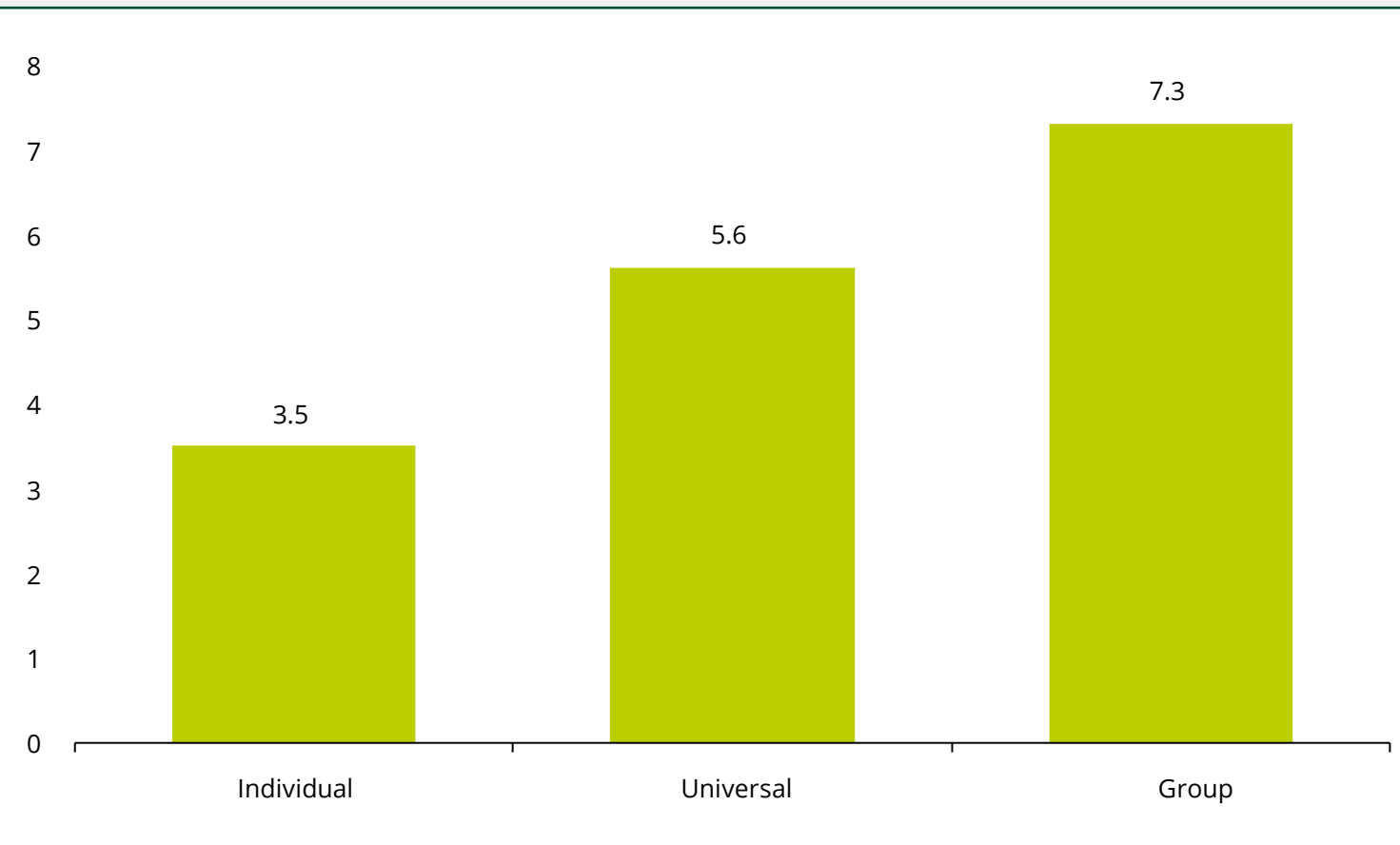
Figure 19. Average ROI by type of intervention



Source: Deloitte analysis

Types of employer intervention range from programmes for screening staff to providing individual therapy. Our analysis found that the highest returns were from screening programmes, providing a ROI of £6.30 for every £1 invested. Screening helps to identify individuals who may be susceptible to or experiencing mental health issues, in order to provide targeted support at an early stage and prevent the problem from worsening. Training and awareness-raising programmes are cost-effective, and relatively easy to implement interventions that also generating high ROIs of 6:1 and 5.3:1, respectively. Individual therapy for employees with

Figure 20. Average ROI by size of the recipient group



Source: Deloitte analysis

mental health problems are the most cost-intensive type of intervention, and the ROI is lower (see Figure 19).

Interventions by employers provide a better return when they are directed at larger numbers of employees. Our analysis shows that interventions directed at targeted groups and all employees show ROIs of 7.3: 1 and 5.6:1, respectively, compared to 3.5:1 for one-to-one interventions (see Figure 20).

Some groups of the workforce appear to have been more badly affected than others by the pandemic, physically, mentally and/or economically. These groups include young workers, people with caring responsibilities, individuals in key worker occupations and ethnic minorities.

As individuals in some segments of the population are affected disproportionately by mental health issues, employers should consider whether they should be given more support with tailored and impactful employer interventions at work.

Such interventions would assist those in greatest need and also yield a higher investment return for employers. For example, recent evidence shows that supporting the mental health of healthcare workers as a sub-population yields significant returns.^{18,19}

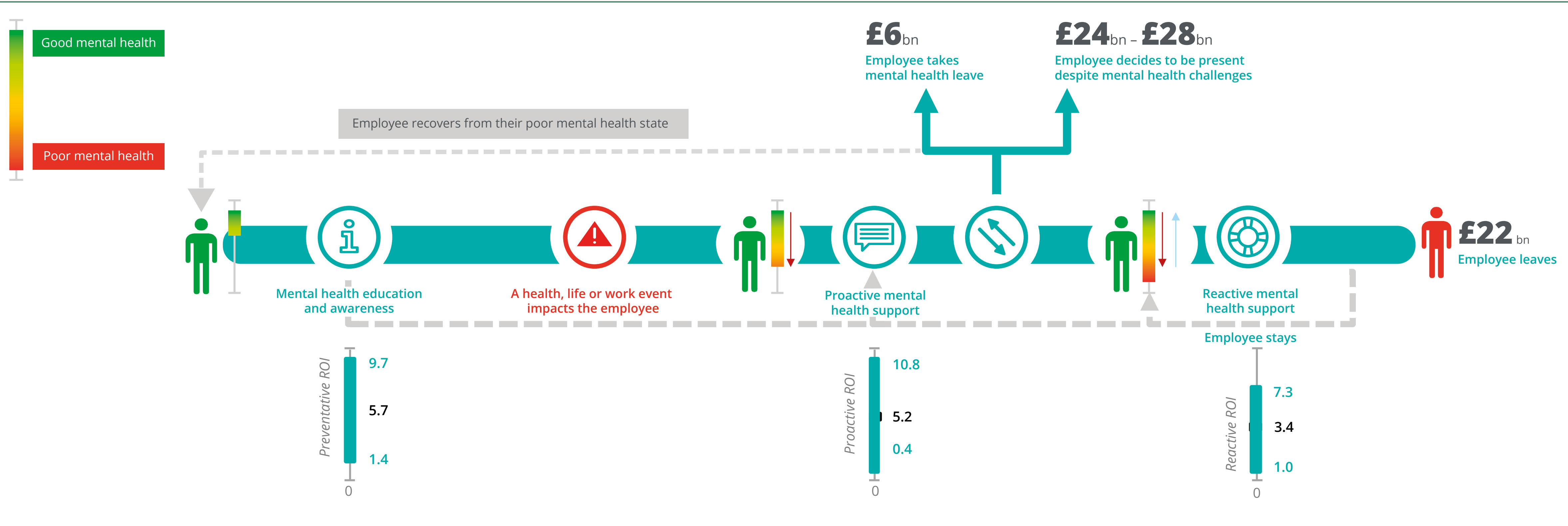
ROI and employer interventions in the future

The state of mental wellbeing has improved since the worst days of the pandemic and employers may well continue to benefit from increased investments made in employee mental health into the future. While the mental health of the UK workforce may over time return to pre-pandemic levels, employers could also benefit from the greater understanding of employee mental health achieved during the pandemic.

Employers should use this understanding to develop sustained interventions that can help tackle the problems of absenteeism, presenteeism and turnover. The following sections of this report focus on some of these 'higher risk' categories of employees.



Figure 21. Mental health in the workplace: employee 'journey'



Source: Deloitte analysis

6 Our chosen areas of focus

There is evidence that some demographic groups have been more adversely affected than others by the pandemic. In this section we focus on four of these 'sub-populations': young people, key workers, people with caring responsibilities and ethnic minorities.

Demographic groups

While the entire population has been impacted by the pandemic, young people, key workers, people with caring responsibilities and ethnic minorities appear to have been disproportionately affected (physically, mentally and economically) compared to some other demographic groups.

For each of these specific demographic groups, we will:

1

examine why a group has been more adversely affected than the general population

2

present the survey findings for that group

3

provide case studies of how an employer has supported some of the groups.

It is also important to recognise intersectionality: individuals who can be classified as belonging to more than one group are likely to be more susceptible to the negative effects of the pandemic.

Young employees

Young people (18-29 years old) were found to be most likely to have moved jobs or be considering a job move.

One in five (21%) young people surveyed said they were planning to leave and one in four (24%) said they had intentionally left their job in the past 12 months.

Of those who had intentionally left or planned to leave their job, two in three (65%) said this decision was driven by poor mental health.

Pressures on younger employees

In our previous report *Mental health and employers: refreshing the case for investment*, we identified young people as being particularly vulnerable to poor mental health. Seventeen per cent of employees aged 18-20 suffered from depression, more than double the average among other age groups in the workforce.²⁰

This demographic has become even more susceptible to poor mental health during the pandemic: analysis by the Health Foundation found that 43% of 18-24 year-olds felt unhappy or depressed in April 2020, compared to just 27% in 2017-18.²¹

The impact of the pandemic on younger workers is attributable to a combination of factors: an increasingly difficult jobs market, difficult living conditions during lockdown, social isolation and bereavement, all of which put significant strain on mental health.

For example, a third of 18-24 - year-olds were furloughed or lost their job, compared to just over one-sixth of working-age adults in general, while 44% have experienced loneliness due to the pandemic compared to 24% of the general adult population.²²

Our survey found that during the 12-month period from September 2020 to August 2021 younger people were more likely to take time off work due to mental health than their older colleagues.

Turnover by age group

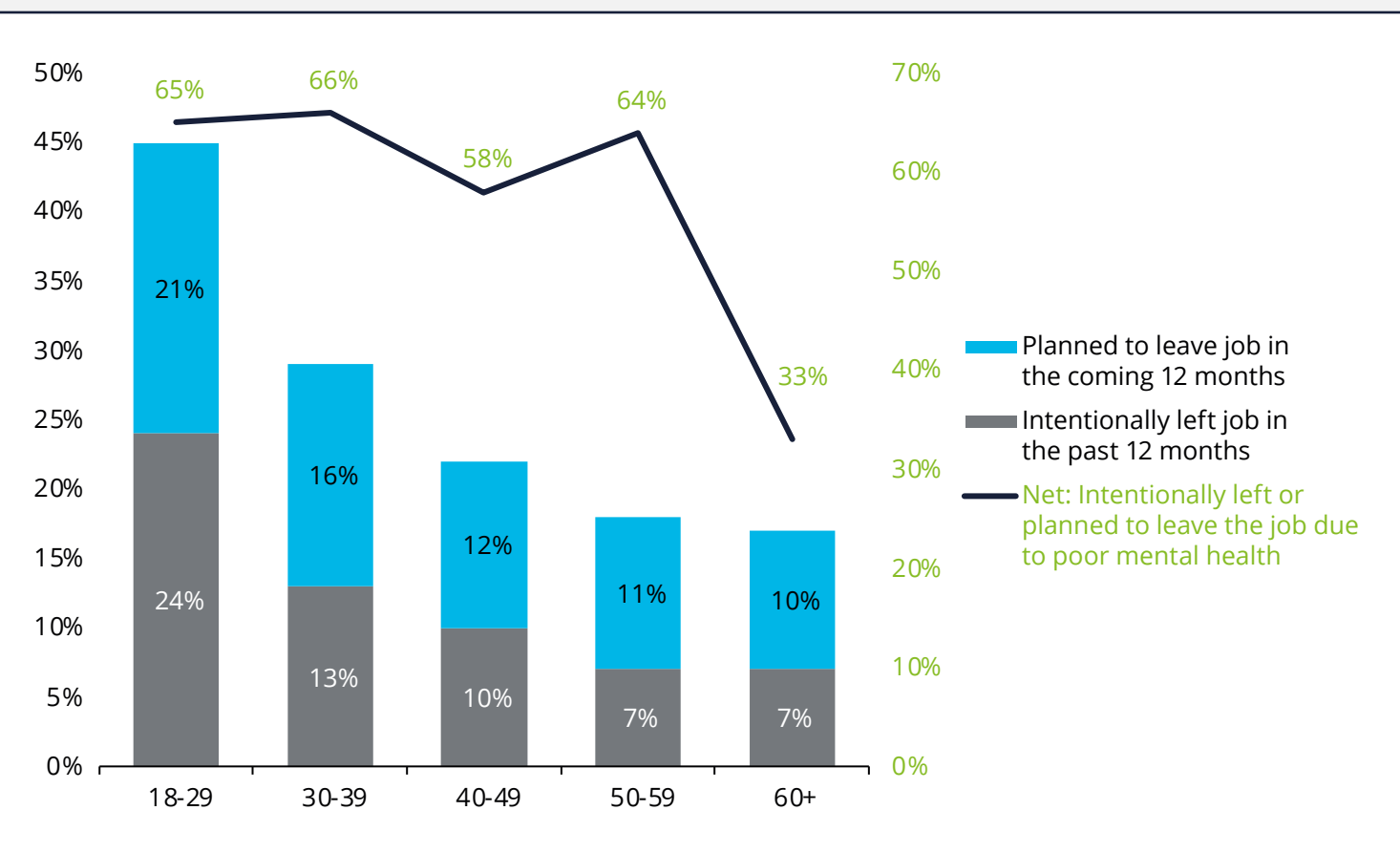
Turnover rates also differ by age groups. Our survey found that younger people (18-29 years old) were more likely to leave their jobs for mental health reasons, compared to older colleagues. Nearly one in four of those in this age group said that they had intentionally left their job in the previous year and another one in five were planning to leave in the next 12 months (see Figure 22). Nearly two-thirds of those who had intentionally left their job or were planning to do so in the next 12 months reported mental health driving that decision.

In comparison, in the 50-59 age group 7% had left their job and 11% were planning to leave, with a third reporting mental health as the main driver of their decision or intention.

The cost to employers of poor mental health in young employees

According to our estimates, the costs to employers of poor mental health across employees in different age groups indicate that the cost per employee increases up to the age of 30-39 as earnings potential grows, peaking at around £2,300 per employee per year, before falling to around £500 per employee for those aged 60+ (see Figure 23).

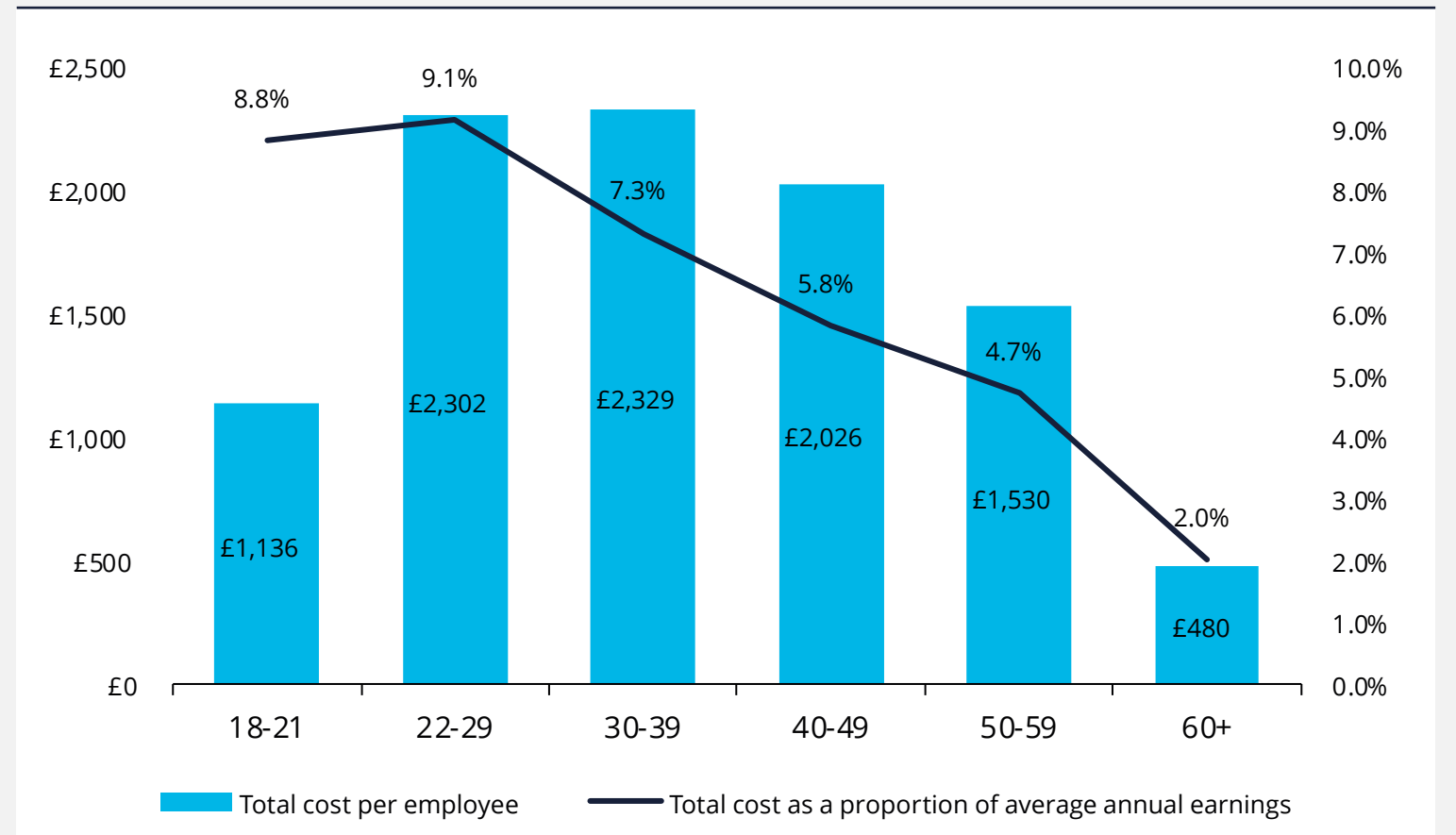
Figure 22. Turnover rates by age: Employees who worked in September 2020 – August 2021 and intentionally left their job in the past 12 months or planned to leave in the coming 12 months



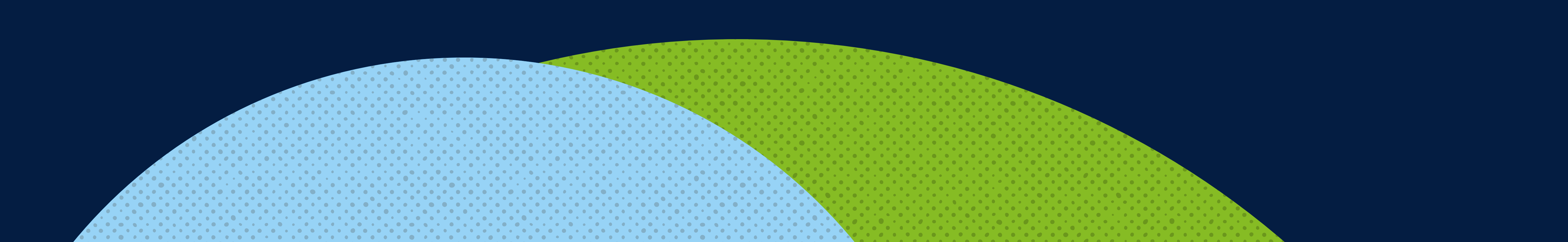
Note: N = 3,599, N = 951, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed. This chart doesn't show results for "None of these". Net: intentionally left or planned to leave the job due to poor mental health" includes a range of responses – "it was entirely/largely/somewhat due to poor mental health"

Source: **Mental health and employers survey 2021**

Figure 23. Annual costs per employee by age



Source: **Deloitte analysis**



However, the annual cost per employee as a percentage of earnings is highest for 18-29 year-olds, at 9% of average income, compared to a weighted average of 6% of income across all age groups.

Mental health perceptions and age

Among all age groups, the worst period for poor mental health during the pandemic was the second national lockdown and its aftermath (November 2020 to January 2021). Greater demands and expectations in their job were the most reported reason for burnout, especially among those in the 30-49 age range.

People in this age group are more likely to deal with multiple demands, such as family responsibilities while also dealing with work-related stress. It is also during this time that most employees reach managerial and above levels of responsibilities, which makes it even more difficult to balance top balance both at home and at work.

Four in ten respondents among the 18-29 age group now think more about their mental health than before the pandemic, one of the highest proportions among all age groups, while those aged 60+ are the least concerned.

Although younger people had a lower general perception of their mental health pre-pandemic, 18-29 year-old respondents were the only age group in the survey that reported a nearly full recovery of mental health from pre- to post-lockdowns. All other age groups have not yet regained

their pre-pandemic level of mental health. Respondents in the 50-59 age range reported the highest bounce-back rates – the difference between the period with the worst mental health and the best – (28%) in their mental health.

While these findings are concerning, they underscore the importance of mental health in the lives of younger generations. Younger people are more likely to talk about stress, anxieties and tend to pay more attention to their emotional and mental health than their older counterparts.

Employee attitudes and expectations among age groups

Our survey findings showed that compared to older employees, younger employees now expect more support from their employers than before the pandemic. They also expect more support from their employer to enable them to help friends, colleagues or family members with their mental health.

Among all age groups, employees would like to see their employers take measures to improve their mental health by offering flexible working hours, more authentic communication from leadership, and more freedom to choose where and when to work.

Key learning for employers

- The pandemic has had a substantial impact on the mental health of young employees with job insecurity, high stress levels and financial issues.
- Employers should look into the ways to support young employees' mental health by providing them with the right resources and opportunities to share their challenging experiences with peers and superiors and feel supported. Targeted mental health awareness training for managers can be another tool in the mental health toolkit as well as digital mental health support tools.²³
- Employers should ensure that onboarding and other employee experiences for young people joining the workforce from school or university reflect the new ways of working and that new joiners do not feel isolated and have the right level of support.
- Employers should consider training on financial literacy as it could benefit young people during their first years of financial independence.

Employees with caring responsibilities

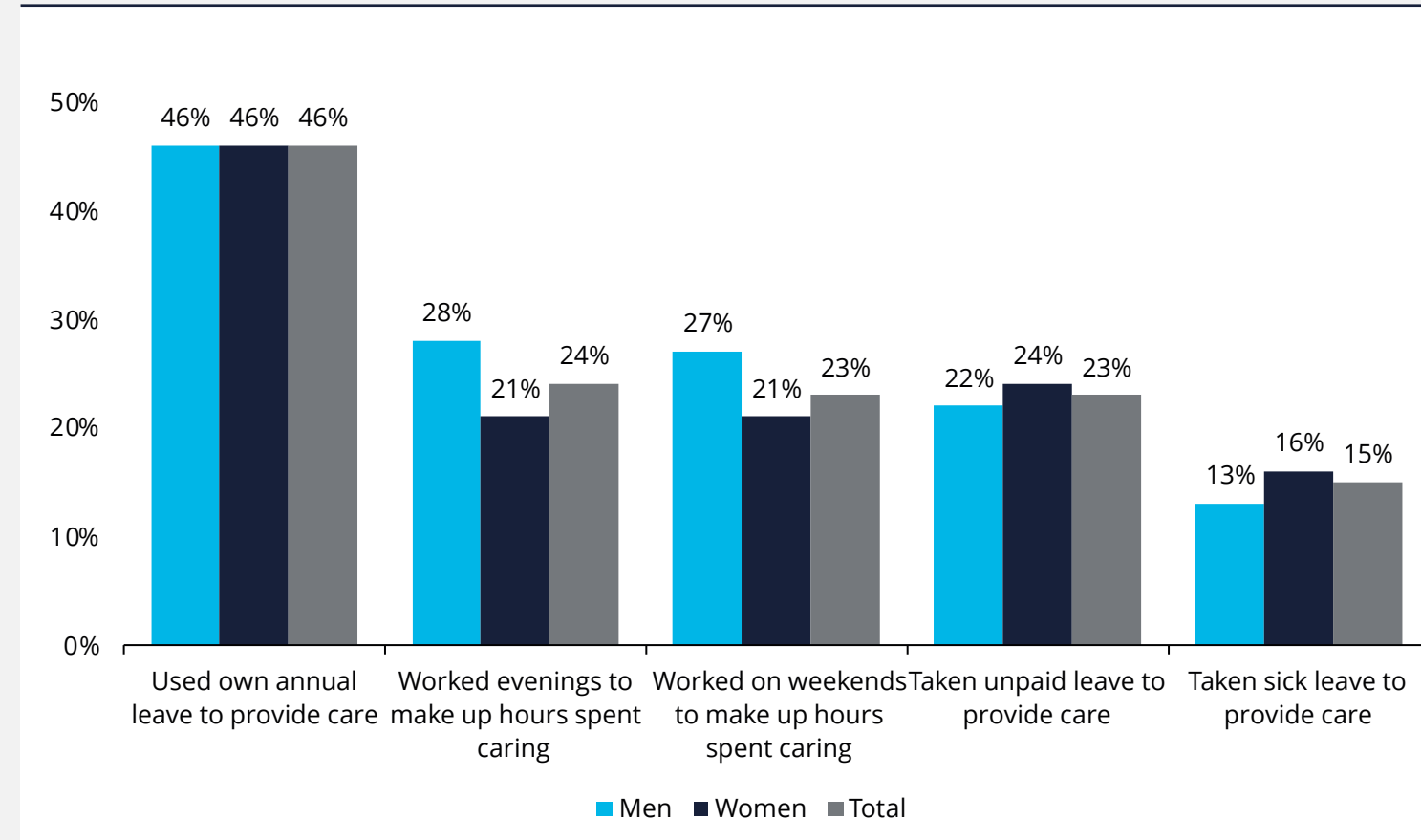
Employees with caring responsibilities experienced a greater burden during the pandemic due to additional stress linked to increased caring demands and work expectations.

Employees with caring responsibilities during the pandemic

People with caring responsibilities experienced greater demands on their time and energy, which added to their stress during the pandemic, for example due to reductions in social services and the closure of schools, nurseries and other care or play establishments. There was also an increase in the amount and complexity of the care they were required to give, adding to the difficulty in juggling their work and caring responsibilities.

Figure 24 shows different working arrangements made by carers during the early days of the pandemic in 2020. According to ONS data, nearly half of those with caring responsibilities used their annual leave to provide care and 15% took sick leave to provide care.

Figure 24. Working arrangements of employees with caring responsibilities

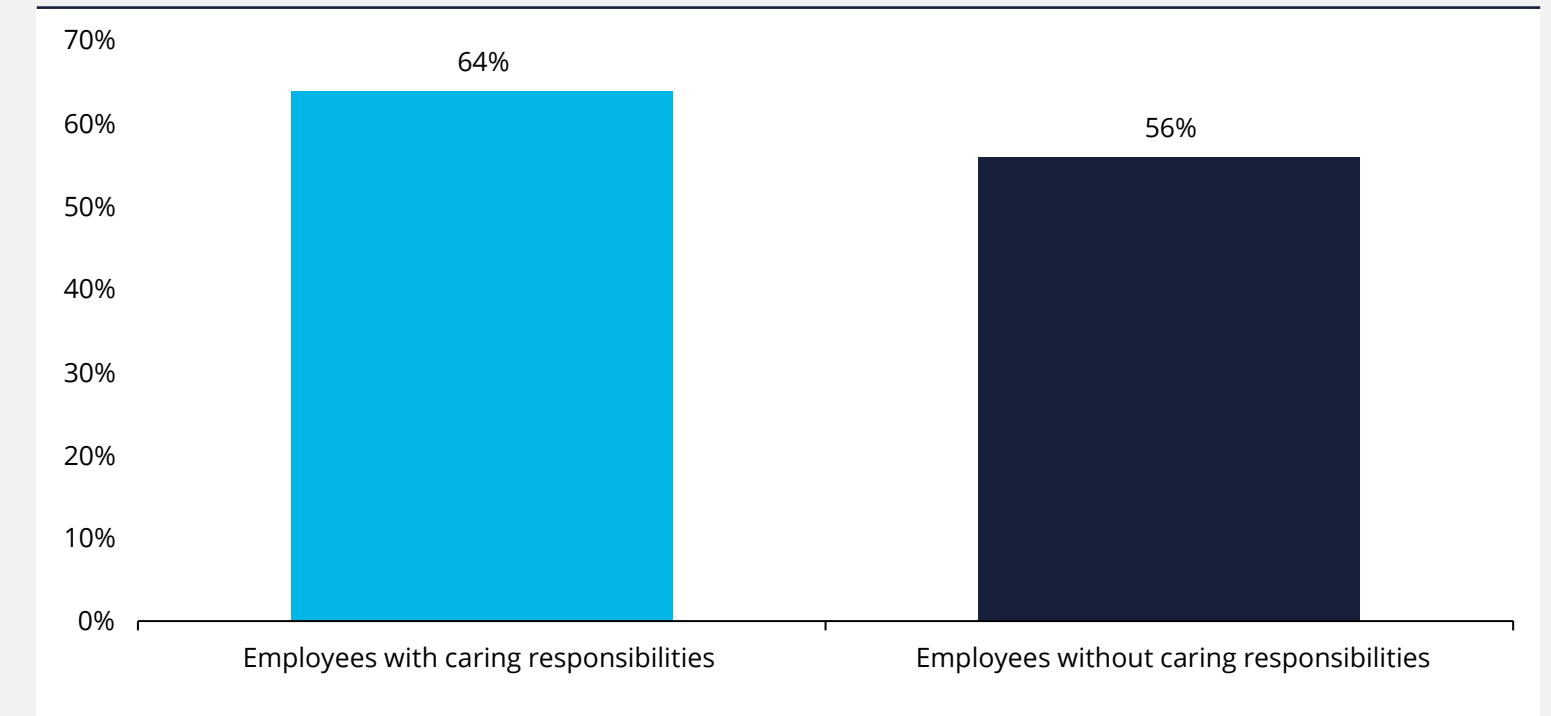


Source: ONS 2020

The cost of poor mental health among employees with caring responsibilities

Nearly one in ten of our survey respondents reported an increase in absence from work due to poor mental health, but the difference between those with caring responsibilities (11%) and those without (8%) was fairly small. Two-thirds of those with caring responsibilities said that their

Figure 25. Tendency to work when it would be more beneficial to take time off due to poor mental health



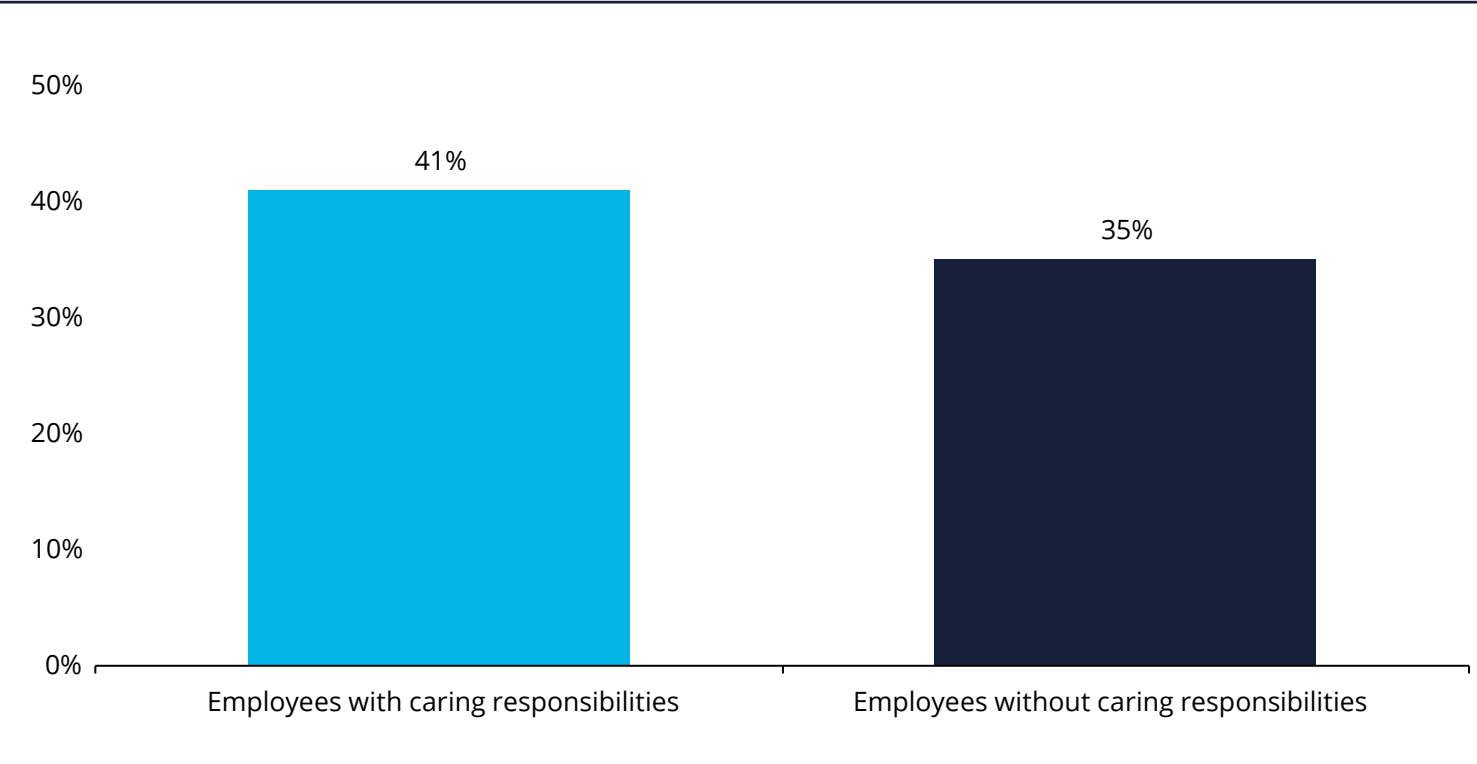
Note: N = 3,497, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

Source: Mental health and employers survey 2021

decision or intention was driven by poor mental health, as opposed to 59% for those without caring responsibilities.

Presenteeism has been more common among those with caring responsibilities with 64% reporting that they tend to go to work compared to 56% among those without caring responsibilities (see Figure 25).

Figure 26. Awareness of mental health: now compared to pre-pandemic



Note: N = 3,497, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

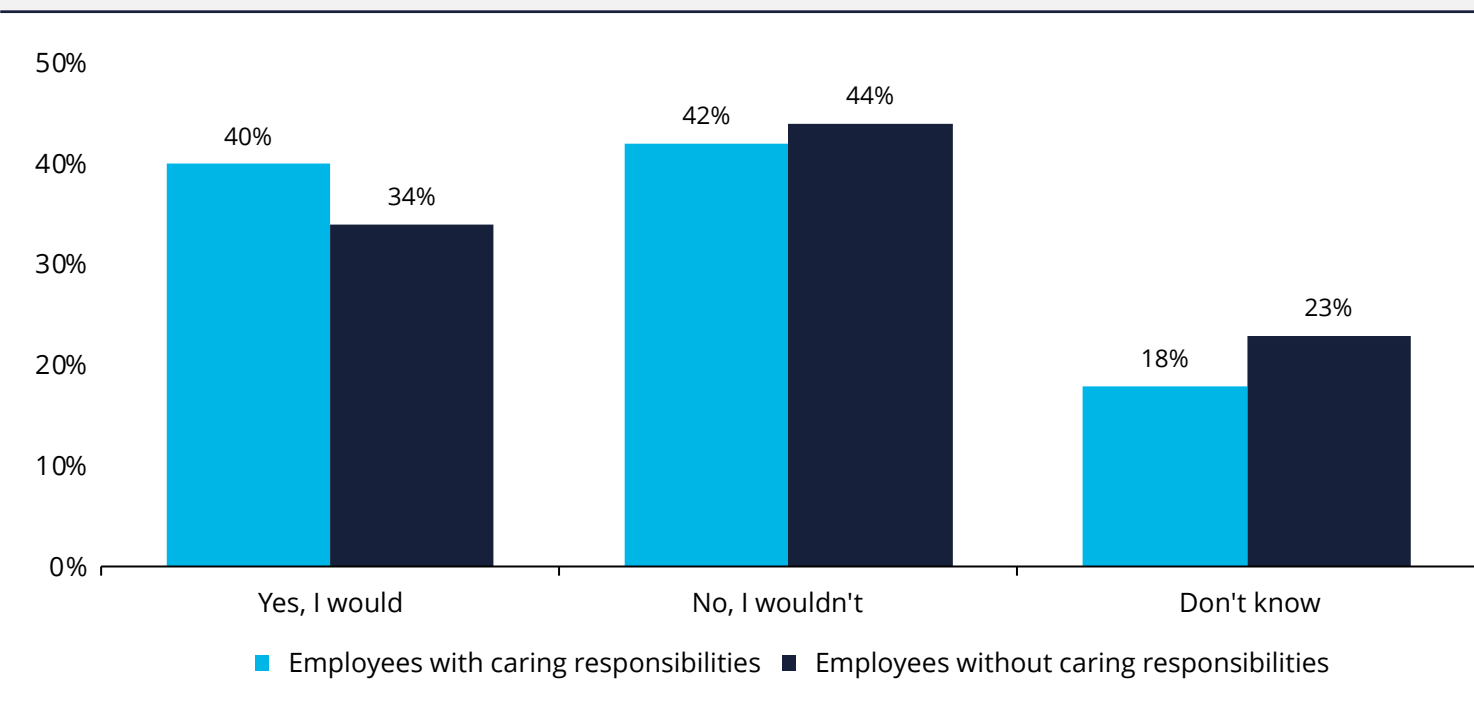
Source: **Mental health and employers survey 2021**

Mental health awareness

In emerging from the worst of the pandemic, the increased demands on employees with caring responsibilities have eased, but those without caring responsibilities reported a stronger recovery in their mental health compared to those who had to care for others.

Compared to those without caring responsibilities, the carers in our survey reported higher levels of awareness of their mental health now than before the pandemic (see Figure 26).

Figure 27. Support expectations from employer(s) to help and/or equip to support friends, family members or colleagues who may be experiencing poor mental health



Note: N = 3,005, UK Adults 18+ who worked in September 2020 – August 2021 and not self-employed

Source: **Mental health and employers survey 2021**

Attitudes and expectations of carers and non-carers regarding employer support

A larger proportion of employees with caring responsibilities (36%) compared to those without (29%) would like to see more support from their employers to improve their mental wellbeing.

In addition, 40% of employees with caring responsibilities (compared to 34% of those without caring responsibilities) would like to see more help from their employers to equip them to care for friends, family members or colleagues (see Figure 27).

Key learning for employers

- As a result of having to balance work and caring responsibilities, employees with caring responsibilities may experience greater stress and anxiety, face unmanageable workloads across both roles, and miss out on career opportunities.
- Employers should recognise that employees with caring responsibilities may be under greater strain and engage with them to understand their specific problems and needs.
- To reduce absenteeism, presenteeism and turnover, employers can support these workers by offering extra paid leave, flexible working and tailored mental health services as well as having regular conversations with them.

Company case study: Nationwide Building Society

Nationwide is the world's largest building society, one of the largest savings providers and a top-three provider of mortgages in the UK.

Nationwide recognises a carer as anyone who supports someone who could not cope without them.

How has Nationwide supported informal carers?

At Nationwide there is an emphasis on listening to, understanding and responding to the challenges that working carers may be facing in order to help meet their personal needs and ensure an inclusive workplace.

There is a Working Carers Network aimed at supporting working carers that holds regular events, offers peer support and encourages regular conversations with individuals to understand their circumstances and what support would make a difference.²⁴ For example, it introduced the Carers Passport that enables employees to share their caring responsibilities and acts as a conversation starter with managers to discuss how they can be supported.

Nationwide offers up to five extra days of paid leave through Family Support Leave, while Carers Leave allows employees to take up to 13 weeks of unpaid leave if they are caring for someone who is sick, disabled or elderly.

Impact

With this range of initiatives rolled out to around 18,000 employees, Nationwide won the 2020 Working Families' Best Practice for Carers and Eldercare award.²⁵

Currently, over 800 employees, accounting for about 4.6% of the workforce, have self-identified as a carer and have, therefore, automatically received information about paid and unpaid carers' leave, flexible working options and the Working Carers Network. In 2019, 982 days of paid carers leave were taken, an average of 1.2 days per person.²⁶

The additional paid leave for carers through Family Support Leave was seen as a positive cost-neutral intervention.²⁷ Analysis of two years of data showed that carers generally took more sick leave than others because of the strain they were under. Therefore, with carers already being paid when absent on sick leave, offering extra paid leave supports carers by recognising the strain they are under and eliminates any anxiety around using sick leave to take time off for caring, without incurring extra costs.

Key workers

Our survey found that compared to non-key workers, key workers reported more signs of burnout, stronger presenteeism, and were more likely to report that they had intentionally left their job in the past year or were planning to leave in the next 12 months.

In emerging from the pandemic, non-key workers have seen a stronger recovery in their mental health levels compared to key workers.

Key workers and the pandemic

Key workers have been among those most affected by COVID-19, particularly during the worst times of the pandemic, for three main reasons:

- 1 the mental stress from being at the forefront of the pandemic response
- 2 greater workloads
- 3 greater risk of infection.

Key workers have been at the forefront of the response to the pandemic throughout the pandemic and have been under pressure to help society and the economy through unprecedented times. They have been under great stress, which has affected their mental health. In June 2020, the Chartered Institute of Personnel and Development (CIPD) found that 30% of key workers said that their work was having a negative effect on their mental health, compared to 23% of non-key workers.²⁸

Many key workers have been given heavier workloads as a result of the pandemic. For example, there was a huge increase in demand for healthcare professionals to treat those experiencing symptoms of COVID-19. Delivery, retail and transport workers have also been greatly affected: they had the biggest increase in workload among all key workers at the start of lockdown in March 2020.²⁹

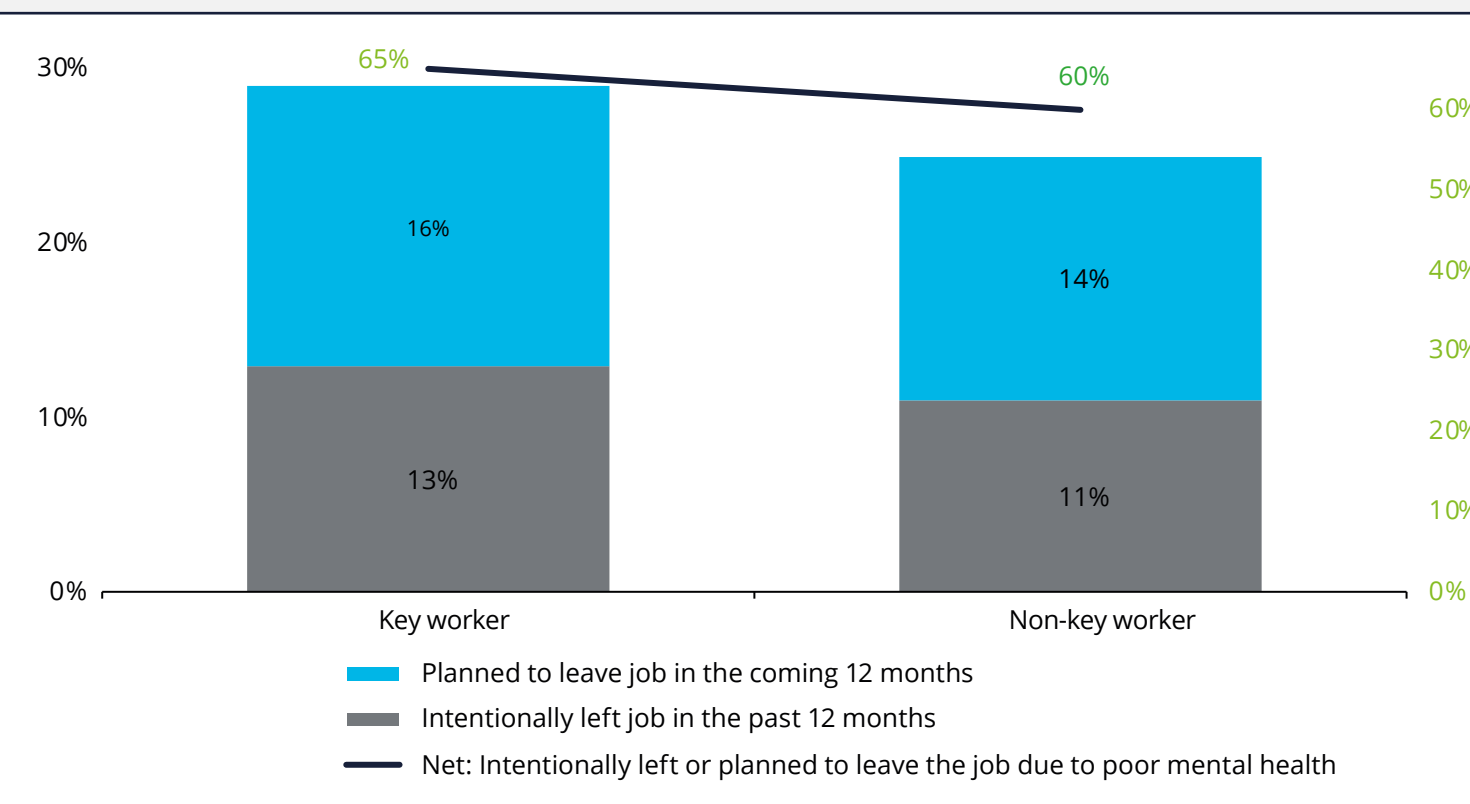
Costs of poor mental health: key workers versus non-key workers

Nearly one in ten of our survey respondents in employment reported an increase in their absenteeism due to poor mental health, although there was no significant difference between key workers (8%) and non-key workers (10%).

However, key workers were more likely to report that they had intentionally left or were planning to leave their job in the next 12 months, with 65% net reporting that this was due to poor mental health, compared to 60% for non-key workers (see Figure 28).

Presenteeism is also stronger among key workers (62%) than among non-key workers (54%) (see Figure 29).

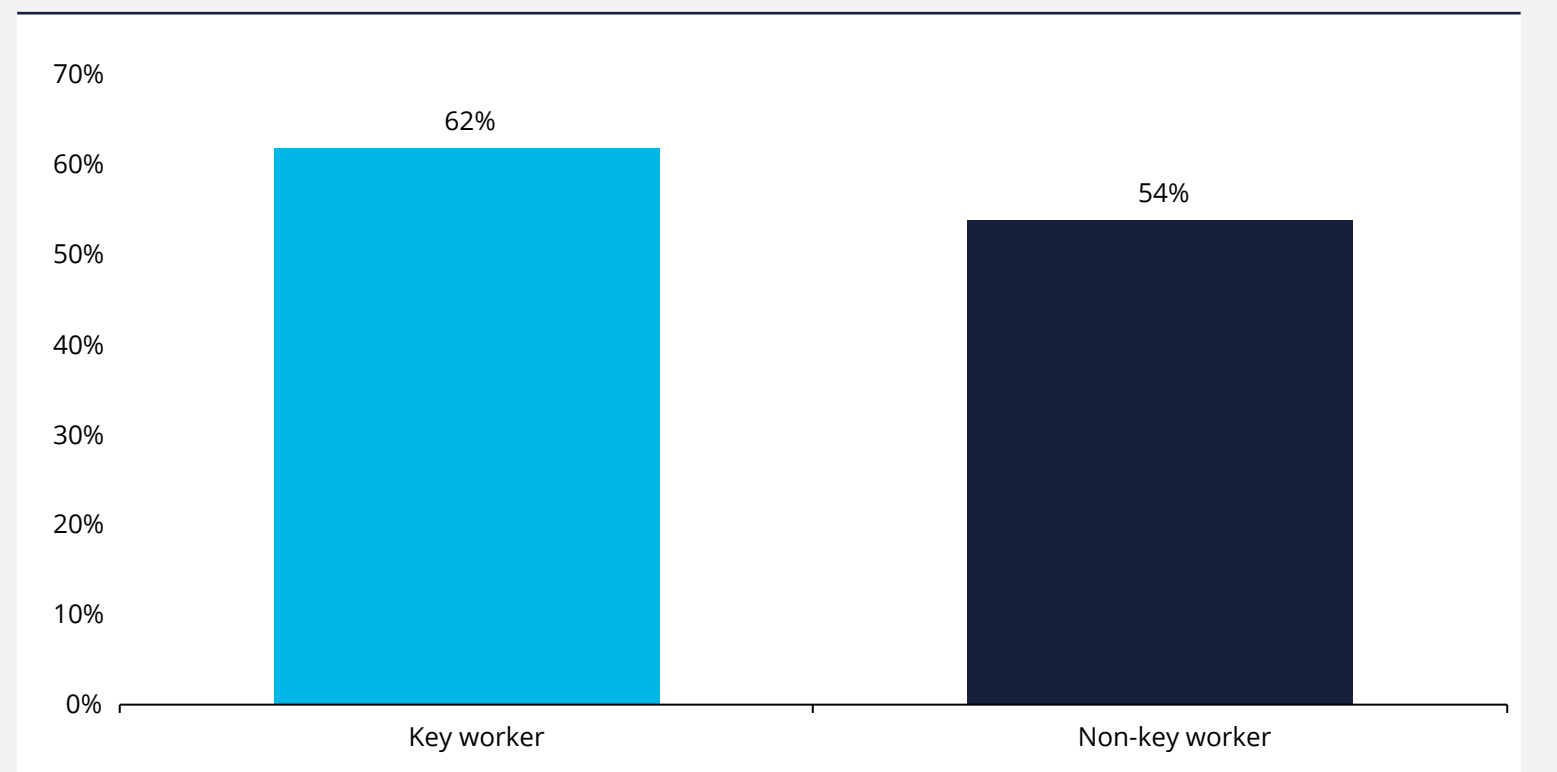
Figure 28. Turnover: key worker versus non-key worker



Note: N = 3,205, N = 941, UK Adults 18+ who worked in September 2020 –August 2021 and not self-employed. This chart doesn't show results for "Prefer not to say", "Furloughed" and "Other". Net: intentionally left or planned to leave the job due to poor mental health" includes a range of responses – "It was entirely/largely/somewhat due to poor mental health"

Source: **Mental health and employers survey 2021**

Figure 29. Tendency to work when taking time off would benefit poor mental health



Note: N = 3,205, UK Adults 18+ who worked in September 2020 –August 2021 and not self-employed. The responses are shown for the following question: "I often/always go to work when I am experiencing poor mental health and would benefit from time off"

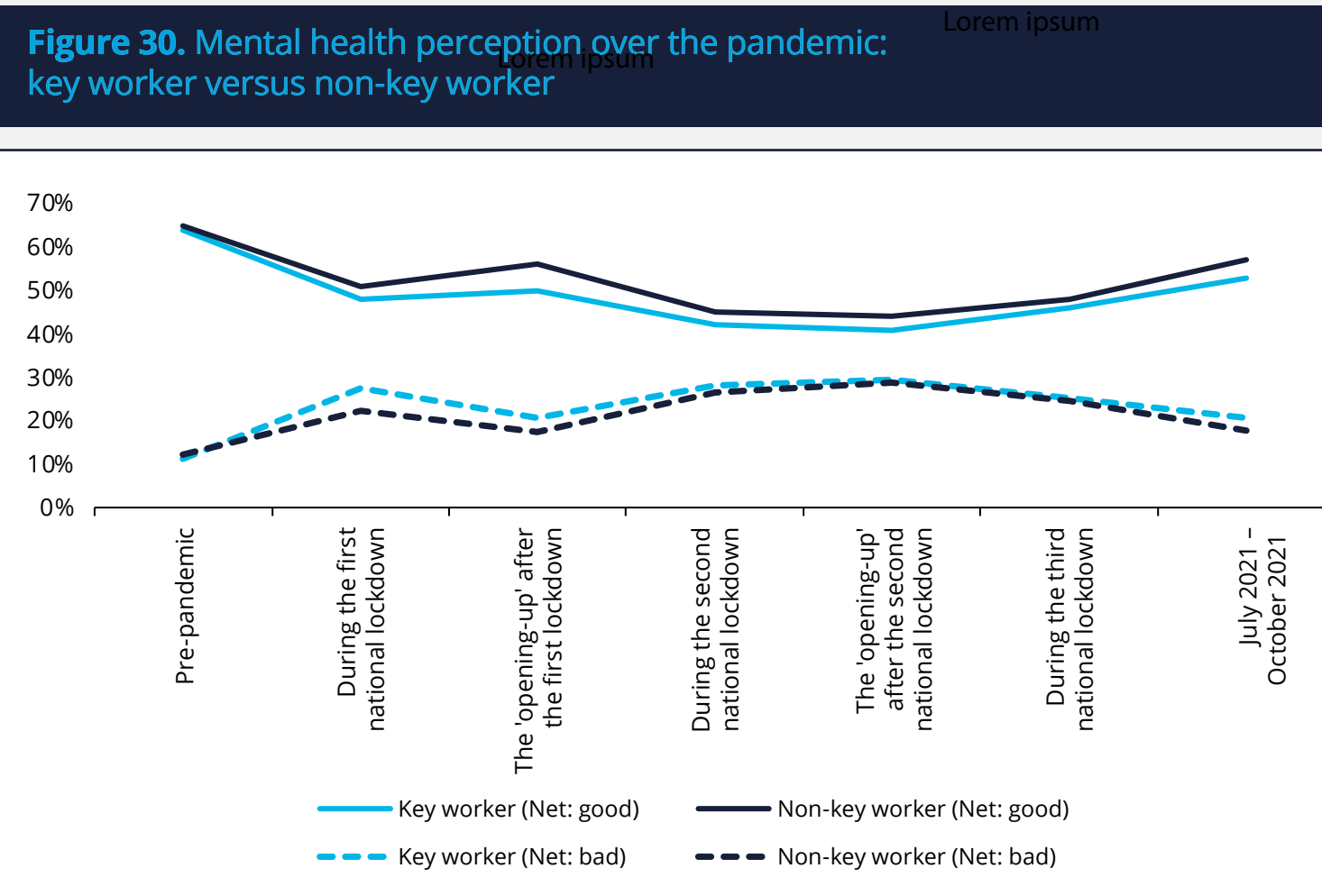
Source: **Mental health and employers survey 2021**

Mental health awareness: key workers versus non-key workers

Mental health levels have improved as society and the economy have emerged from lockdowns and the worst of the pandemic. However, the speed of recovery is different for key workers as this group has seen a slower recovery of their mental health compared to non-key workers (see Figure 30). Both key workers and non-key workers think about their mental health more now than before the pandemic.

Nearly 50% of key workers in the survey say they experienced some signs of burnout due to greater job demands/expectations, a much larger percentage than among non-key workers (38%). The main reason for burnout among non-key workers was longer working hours.

There was stronger demand among key workers in our survey (38%) than among non-key workers (33%) for more help from their employers to equip them to support their friends, family members or colleagues.



Note: N = 3,205, UK Adults 18+ who worked in September 2020 –August 2021 and not self-employed This chart doesn't show results for "Prefer not to say" "Net: good" figures include a range of responses –"I felt good/very good"; "Net: bad" figures include a range of responses –"I felt bad/very bad" All data points broadly reflect periods in time in which all UK nations were in lockdown

Source: **Mental health and employers survey 2021**

Key learnings for employers

- Key workers have been impacted by poor mental health during the pandemic experiencing greater stress levels, increasing workloads and responsibilities, and difficulties with concentrating.
- Post-pandemic, the lower rates of absenteeism could result in higher levels of presenteeism and sickness absence rates, leading to an increase in the costs associated with poor mental health.
- Employers can ease the pressure on key workers and support their mental health by offering a broad range of wellbeing services, reducing workloads and making changes to policy and workplace culture. Here are some examples of workplace changes: adapting workplace spaces to support in work re-charge; developing guidance and tools to respond to specific key worker needs, such as shielding.
- Since many key workers are in the health and education sectors caring for and teaching children or adults, it is important to research the impact of their mental health on teaching and patient outcomes.

Case study: Northampton General Hospital NHS Trust

Northampton General Hospital NHS Trust provides general acute services for a population of 380,000 and hyper-acute stroke, vascular and renal services to nearly 700,000 people living in Northamptonshire.³⁰

As an accredited cancer centre, it also provides services to 880,000 people living in Northamptonshire and parts of Buckinghamshire.

How were key workers supported during the pandemic?

Northampton General Hospital Trust has a multidisciplinary and collaborative approach to wellbeing with their Health and Wellbeing Collaborative consisting of services in staff psychology, health and wellbeing, occupational health and 'support our staff', as well as organisational development and human resources.

By combining the skills of experienced clinicians, non-clinical staff and voluntary staff, the Trust is able to "deliver exceptionally diverse, preventative and responsive effective outcomes for the entire workforce".³¹

Its health and wellbeing services include mental health first aid, self-help materials and lifestyle advice. The Trust has also responded to new challenges facing key workers, for example developing a resource to help staff with financial difficulties as a result of the pandemic.

Key initiatives launched since the pandemic also include 'Our Space' which provides a quiet time-out space, access to green space and resources to help staff relax, and the Return to Work Toolkit which provides psychological and practical support for shielding frontline and managerial staff returning to work.

Impact

Northampton General Hospital NHS Trust was recognised for its collaborative and integrated approach to the wellbeing of its workforce of over 5,000 employees, winning the award for Health and Wellbeing Employer of the Year in the NHS Our Health Heroes 2021 Awards.

Ethnic minorities

Our survey found that ethnic minorities were more likely to report that they had intentionally left their job in the past year or were planning to leave in the next 12 months.

The mental health of ethnic minorities has been disproportionately affected by the pandemic. The UCL COVID-19 Social Study found that during March-June 2020 nearly half of individuals from ethnic minority backgrounds had experienced a deterioration in their mental health since the onset of COVID-19 compared to just over a third of the overall population. Thoughts of suicide were a third higher among ethnic minorities compared to the rest of the population.³²

The pandemic had a disproportionate impact on the mental health and wellbeing of ethnic minorities due to the following factors:³³

1

existing inequalities

2

over-representation in key worker occupations

3

greater risk from COVID-19 as a consequence of the first two factors.

Our survey showed that turnover rates among ethnic minorities were higher (35%) than among white employees (26%).

Other factors also affected different ethnic minorities during the pandemic. These included the murder of George Floyd and the Black Lives Matter movement for the Black population and discrimination against the East Asian population driven by the narrative surrounding the origin of COVID-19.

Although we use the term 'ethnic minorities', we recognise that ethnic minority groups are not homogenous, and each has different identities and life experiences. However, our survey sample was not large enough to conduct a more granular analysis for ethnic minorities.

Key learnings for employers

- Ethnic minorities have been disproportionately impacted by the pandemic, experiencing more worries about employment, higher infection rates and greater deterioration of mental health, compared to white employees.
- When considering how best to support mental health, employers must acknowledge and act on existing inequalities, recognise individual ethnicities and understand their different identities and life experiences.
- Employers should co-create solutions with ethnic minority employees. They could consider initiatives such as engagement sessions with leaders and reverse mentoring, alongside tailored services and support structures to support the needs and mental health of employees from ethnic minority backgrounds.

7 Conclusions and recommendations

There are lessons that employers can learn from the pandemic and its effect on the mental health and wellbeing of their employees. While we hope that the worst experiences of the pandemic are over, investing in the mental health and wellbeing of employees not only benefits employees, it can also yield positive financial returns for employers and provide wider societal benefits.



Employers first need to understand the pressures of work and raise awareness around their impact on the mental health of their employees. They then should consider adopting measures to address them, preferably based on an understanding of different demographics of the employee population. In conclusion, employers and their leaders should consider the following recommendations.

Actions for leaders to consider

- Leaders of UK organisations should sign *The Mental Health at Work Commitment*,³⁴ a public declaration of your business' prioritisation of workplace mental health and / or, where an organisation has a global footprint, sign the *Global Business Collaboration for Better Workplace Mental Health Leadership Pledge*,³⁵ committing their organisation to promoting mental health in the workplace. Many, including Deloitte, have already done so.
- Set the tone at the top of the organisation and keep mental health concerns high on the leadership agenda, with the aim of increasing awareness and understanding across the entire organisation.
- Commit to learning from the pandemic, especially regarding the causes and implications of stress and burnout among employees. The pandemic could become an opportunity to tackle the stigma associated with poor mental health and stimulate more open conversations about mental health.

Actions to consider for monitoring and raising awareness in organisations

- Establish and monitor metrics including for happiness or wellbeing in the workforce (for example with a happiness index) mental health issues and anxiety levels within the business.
- Be alert to the particular difficulties for higher-risk groups within the workforce, who may have greater exposure to mental health problems, such as young people, people with caring responsibilities, key workers and their families, and employees from minorities. This may also require investment in financial literacy training, given the stress that can be created by concerns about household finances.
- The costs of presenteeism and turnover are much greater than the costs of absence from work. Organisations could consider how to practically better support employees to have effective work-life balance and reduce risk of burnout.

Considerations for changing culture and increasing support

- Providing greater support for employees with their mental health calls for a shift in organisational culture, and changing culture can take time. The workplace culture and job design should give employees the time and space to take care of their mental health and feel able, without fear of stigma, to express their concerns and worries.
- Support from employers cannot be a one-off exercise. Organisations should continue to educate all employees, and managers in particular, to understand their own mental health and spot the signs of poor mental health in others. They should also be supportive in helping employees with caring responsibilities for friends or family members.
- Employers should recognise the growing use of apps to support mental health and regularly review their use of these tools to support employees. Attitudes of individuals differ and the same interventions will not work for everyone. Employers should consider a portfolio of support measures available for the needs of different employees.



Appendix 1.

Costing methodology

In order to calculate the costs of poor employee mental health, we considered a range of costs including:

- absence from work
- presenteeism
- staff turnover

Based on overall cost impact, data availability and robustness, we have included absence, presenteeism and turnover costs for employees. We then calculated costs by sector (both public and private) and by industry groups within each sector.

Our modelling methodology aims at a detailed level of analysis of mental health costs, allowing for data availability and robustness. Research linked to presenteeism saw the widest possible range of assumptions (see Figure 31).

This is partly due to the difficulty of calculating presenteeism in industries which employ knowledge workers, and the inherent subjectivity of self-reporting around productivity.

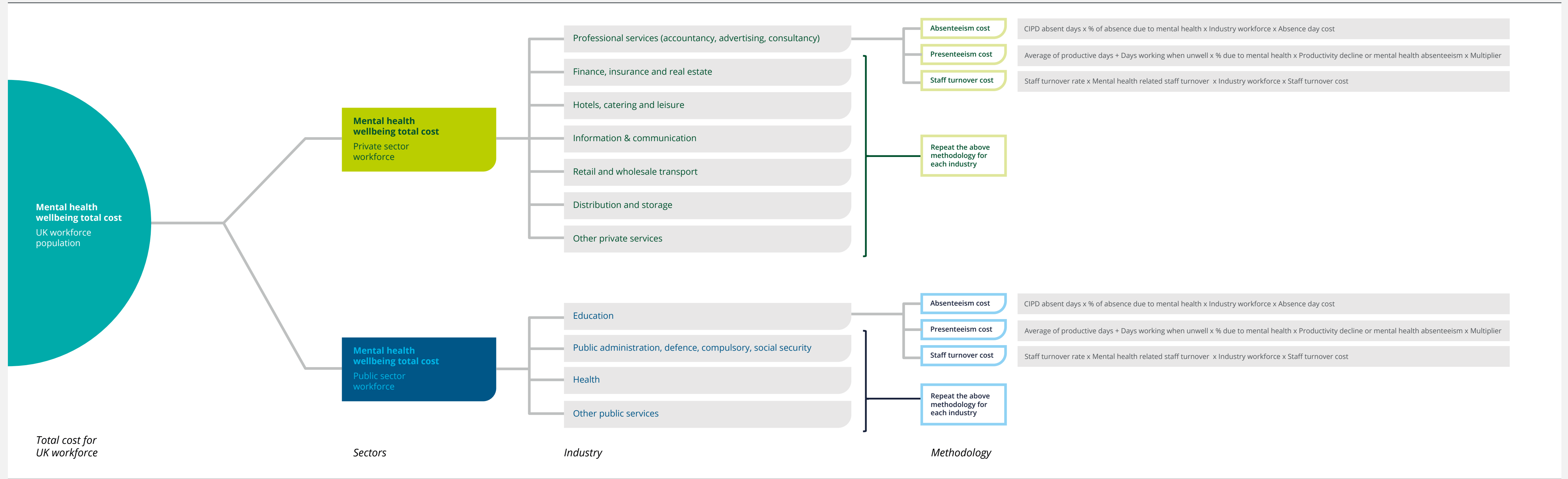
As a result, we have used two methodologies for presenteeism. The first relies on reported presenteeism days by industry and the second applies an absenteeism-presenteeism multiplier. Both of these approaches have been used in previous Deloitte research papers and are used for the high and low mental health cost estimates.

Adapting the methodology for regional and age-based analysis

We have adapted our analysis to evaluate the costs of mental ill health in specific regions and specific age groups, tailoring assumptions, wherever possible, based on the available data.



Figure 31: Modelling methodology





Definitions

In this report, we consider absence, presenteeism and staff turnover costs. We have used definitions commonly found in the relevant literature/sources and excluded costs that are not sufficiently well defined or do not have robust data to support them.

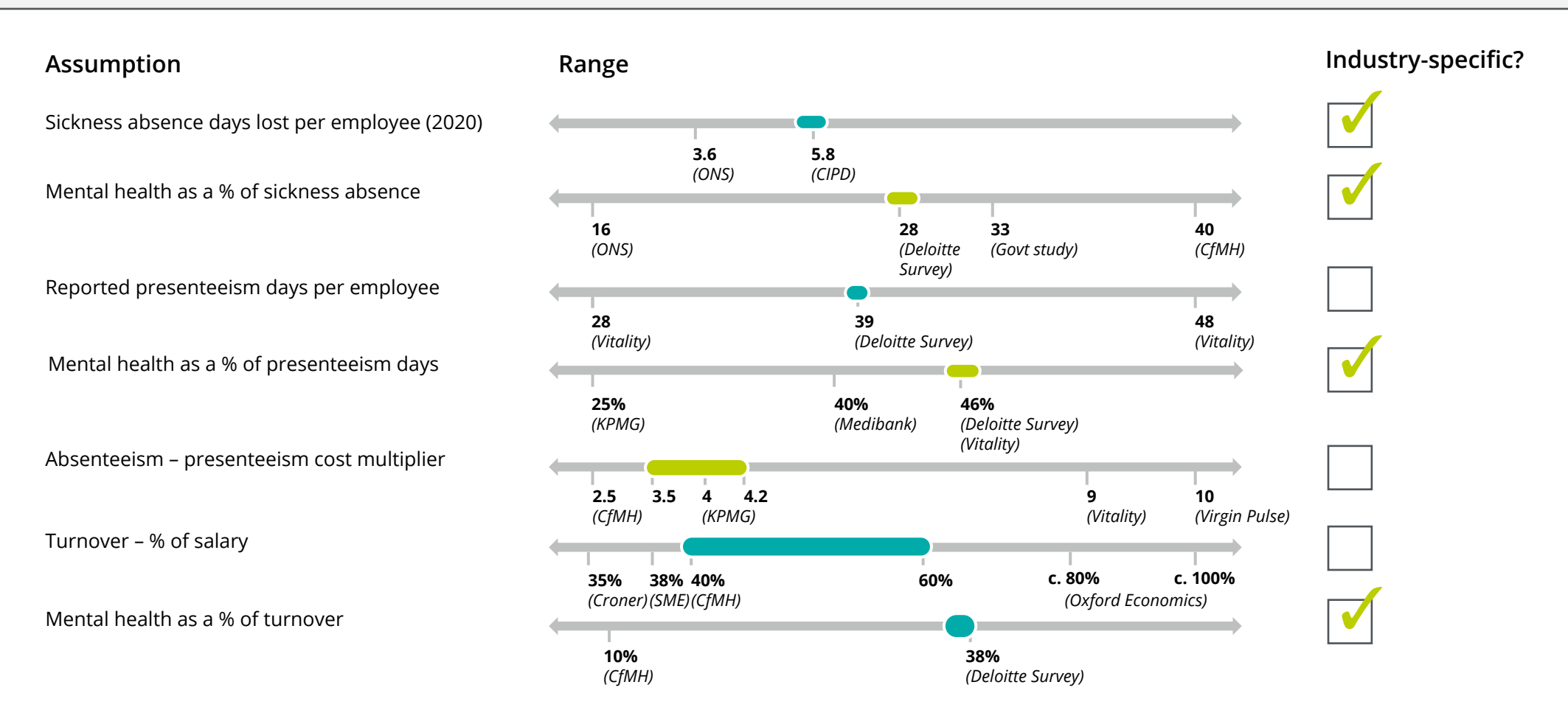
Methodology for evaluating regional costs

- The number of people working by industry and by region.
- Applying national average salary as well as absence, presenteeism and turnover rates by industry and by region from our survey
- Adjusting absence and presenteeism numbers for regional data on poor mental health

Methodology for evaluating age-based costs

- The number of people working and by age (and some factors by industry)
- Applying national average salary as well as absence and turnover rates by industry. Used age-specific presenteeism data
- Adjusting absence and presenteeism numbers for regional data on poor mental health by age from our survey.

Figure 32: Assumptions



Assumptions

There is a range of assumptions linked to our cost model. To select the most relevant assumptions, we judged the reliability and methodology behind sources to reach final assumptions, or ranges of assumptions.



Appendix 2.

ROI methodology

We updated our return on investment (ROI) for mental health intervention analysis by conducting a systematic literature review. The final review consists of 46 sources that were published since 2011, with only four reports being added since our last report in 2020. There have been limited studies around the ROI for mental health interventions since COVID-19, although it is likely that new reports will be published looking at the ROI in light of the pandemic.

The following steps were used to understand the return on investment of mental health interventions:

- 1** We conducted a keyword search using a combination of phrases linked to mental and emotional health and wellbeing, the workplace and ROI analysis via Google and Google Scholar. Different study designs were included, namely modelling-based, randomised control trials, and non-experimental (before and after comparison).
- 2** We excluded studies that could not be linked to either mental health or the workplace, or did not provide quantitative data on costs and benefits. In cases where ROI was reported, the methodology of calculation was examined. The formula used in this report is

ROI=(benefits-costs)/costs

However, it should be noted that in the literature ROI can also be calculated as

Benefits/costs

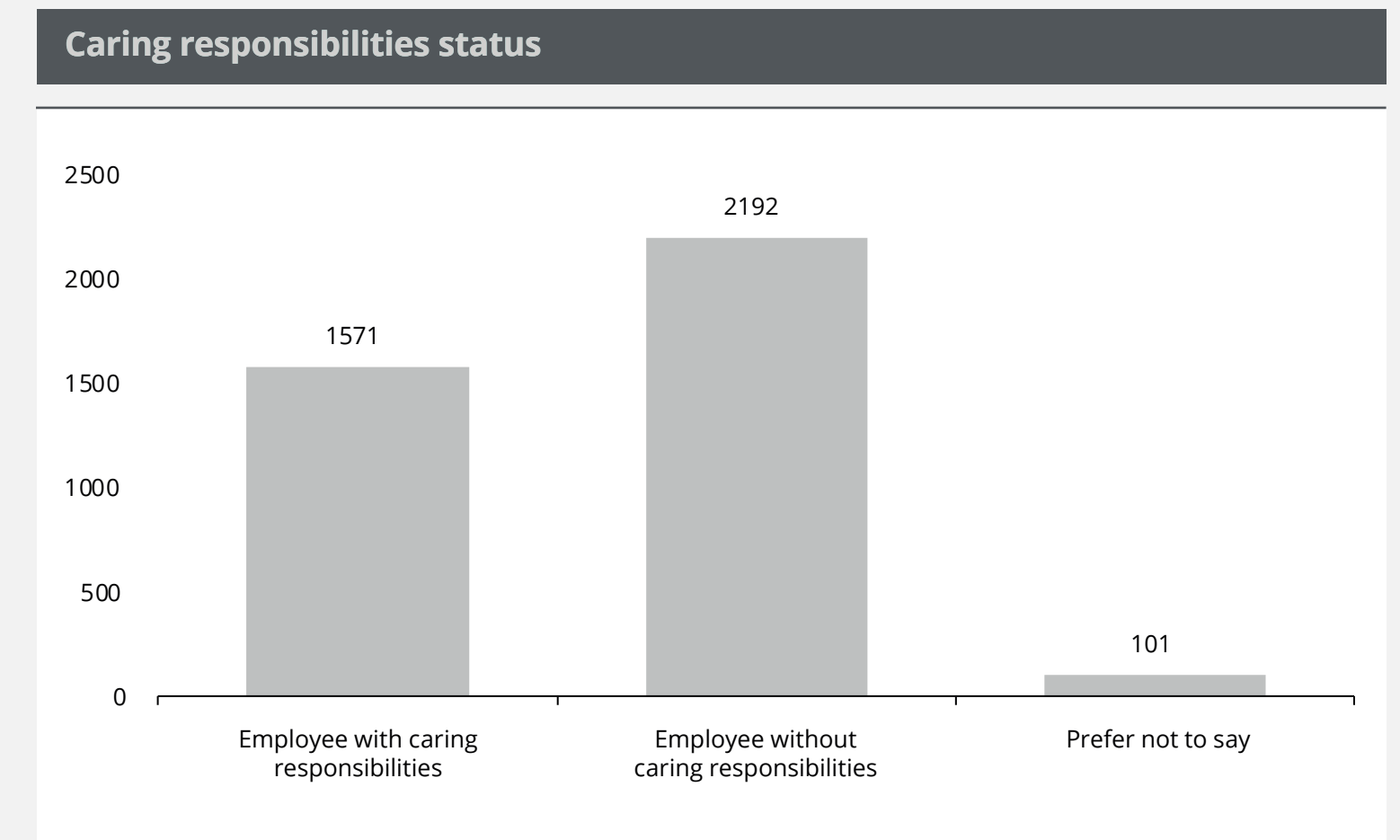
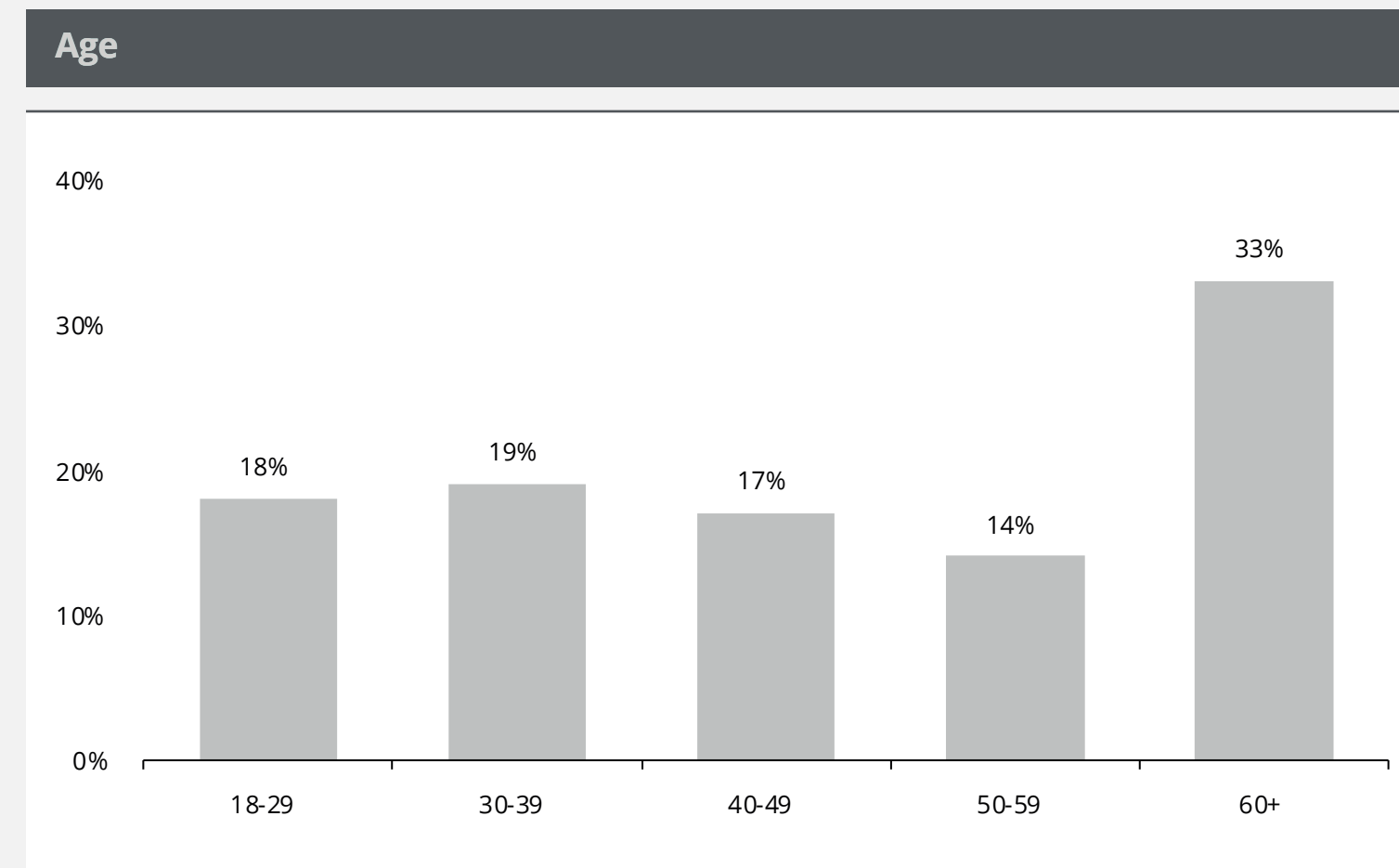
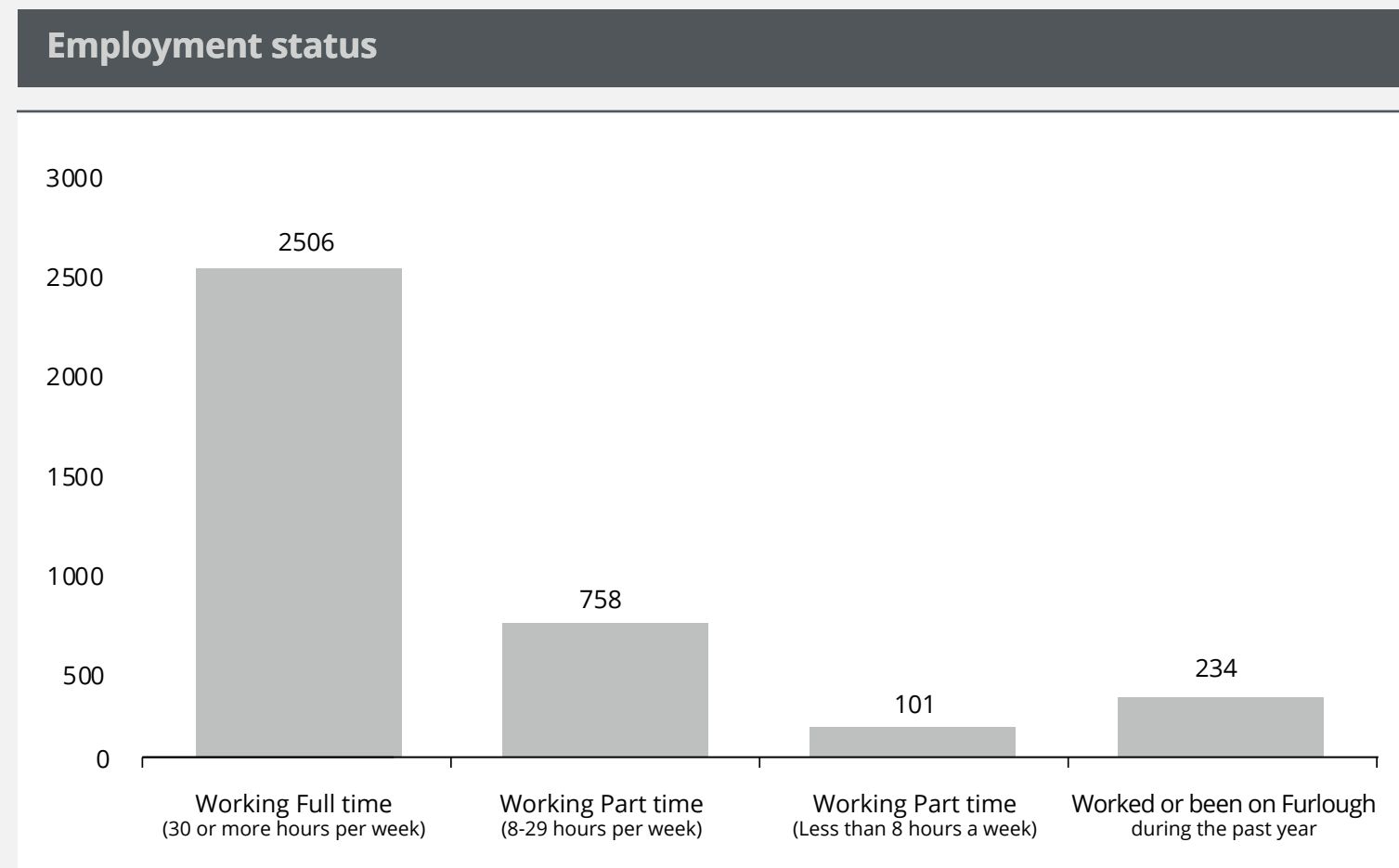
This was taken into account and all numbers were adjusted.

- 3** We then reviewed the reports based on the evidence, clarity of methodology and data robustness. All the studies were then ranked based on confidence levels that were defined based on number of the citations in secondary and tertiary reports, detail on the specific interventions and their impacts.

We conducted ROI evaluation of these primary reports to reveal final, high-confidence ROI ranges. As a result of our analysis, we identified three new primary studies/sources with a ROI range of 0.6:1 – 7.3:1.

Appendix 3.

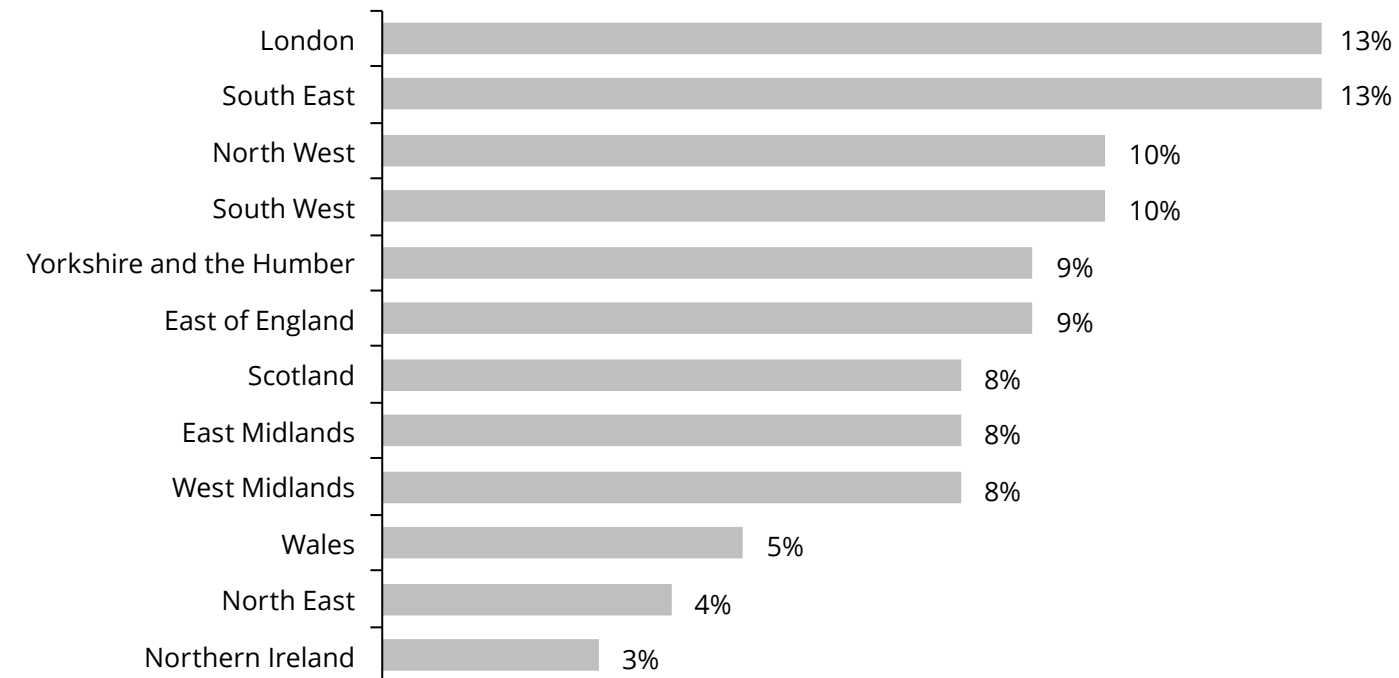
Survey demographics



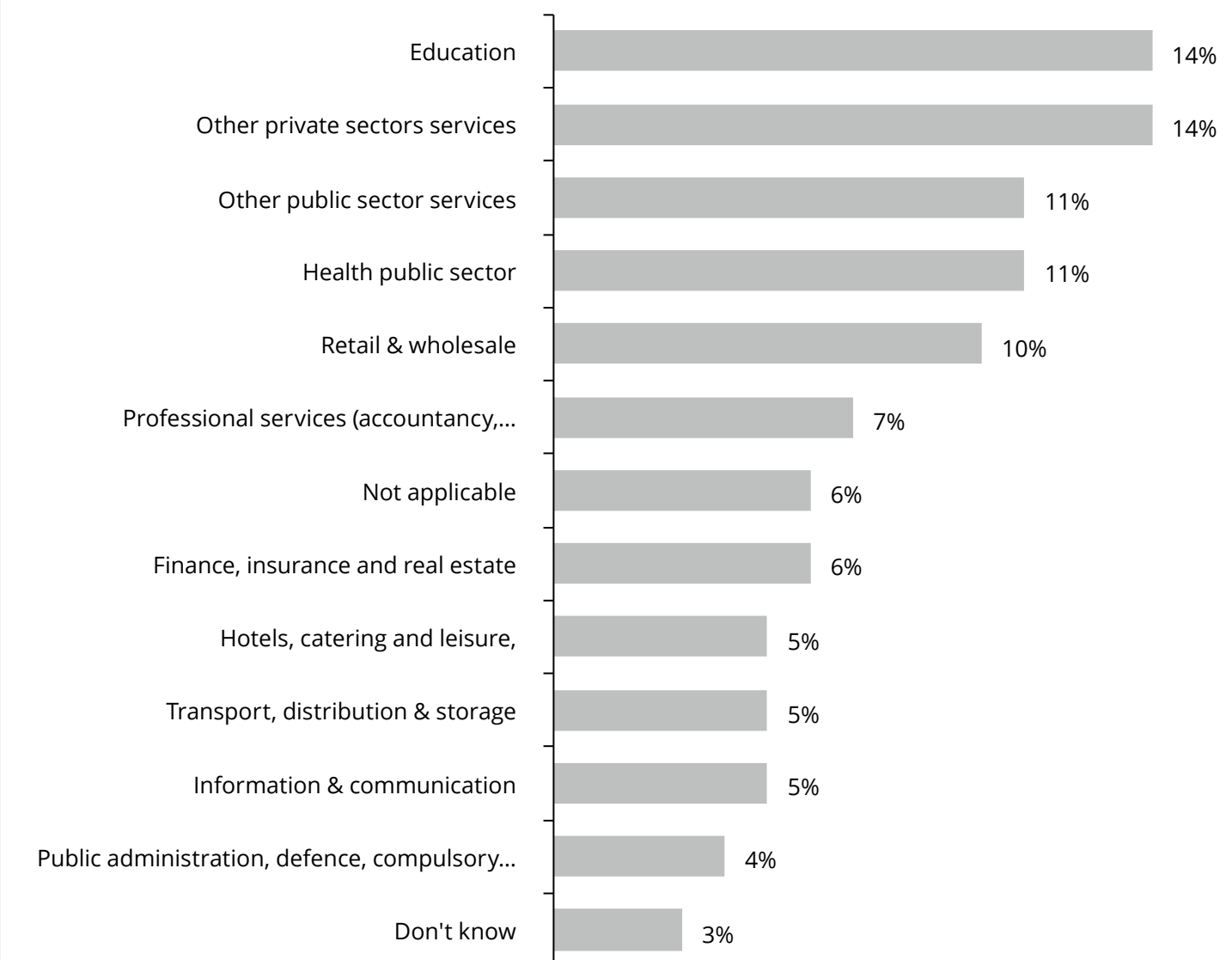
Appendix 3.

Survey demographics

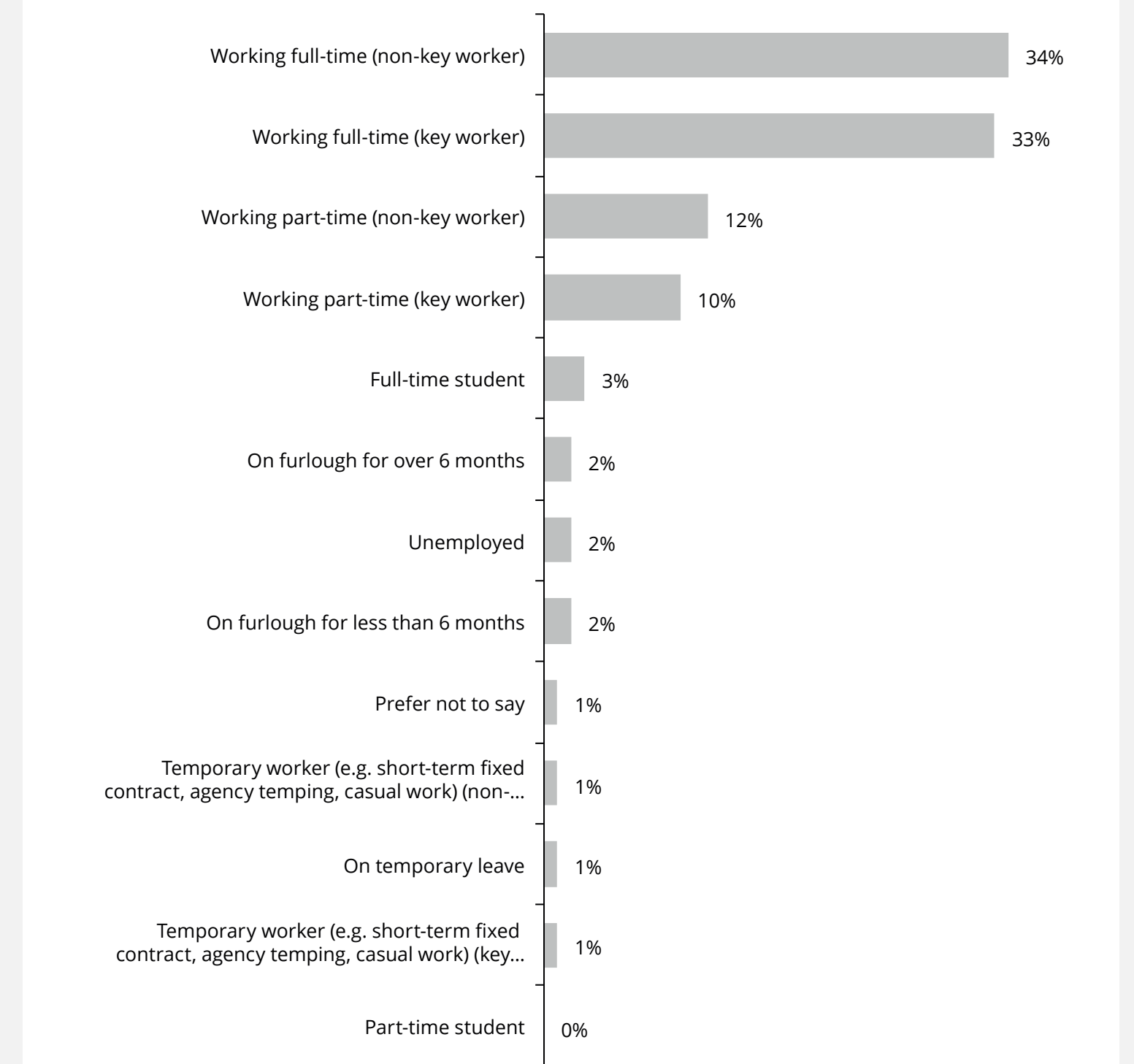
Regions



Industry



Working status



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Endnotes

Endnotes

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