

Mental Health The Last Workplace Taboo

Key Findings from Independent Research
into What British Business Thinks

June 2006



Commissioned and written
by Shaw Trust



Research conducted
by Future Foundation

Time To Tackle The Last Workplace Taboo!



Holding down a job, with all the joys and frustrations that it brings, is for most of us, a defining part of who we are. Few of us would willingly give it up.

Yet many people across the UK are forced to give up their job each day and many more struggle

against prejudice, stereotyping and discrimination to be given the chance of a job.

According to MIND, one in four of us will experience some form of mental ill-health during our lives. With the support of our partners, Shaw Trust commissioned the Future Foundation to carry out research with senior executives in a cross section of 550 British businesses, to get a clear understanding of how British Business perceives mental health in the workplace. We were also keen to find out what employers feel they need in order to be able to support and retain valued employees and recruit new ones.

Having a job means moving from a place of exclusion to inclusion, from poverty of choice and lack of control to independence and stability. Exclusion from the labour force, media and society means that people with mental ill-health struggle daily to have a sense of identity, dignity and independence, contributing to a downward cycle of poverty and further mental ill-health. With support and the removal of discriminatory barriers, people with mental ill-health can make a valuable contribution to society and have the same right as everyone else to do so.

In the 21st Century, it's time to tackle this last workplace taboo.

This research is the first step on that journey. We at Shaw Trust applaud and thank our partners for supporting this research and leading the way forward. I urge all employers across the UK to put this issue on your organisation agenda, and join us in the next step of this journey.

Tim Cooper, Managing Director, Shaw Trust.



As a Patron of Shaw Trust and someone with a business background, I am really pleased to be involved in this very important campaign, because a failure to manage mental health in the workplace costs.

It costs in terms of the impact it has on individuals' lives and it costs in terms of the effectiveness and profitability of British Business.

The implications in this research are alarming and if not tackled will only grow.

A quarter of your staff are likely to be dealing with a mental health issue at some point in their life, and the conservative estimate is that not effectively managing mental health in the workplace is costing British Business £9 billion.

The question all Chief Executives need to be asking is 'what impact is this having on my business?'

The answer is, it is costing you money in terms of repeated recruitment and training costs, by not supporting and retaining valuable staff, costing you your competitive edge if others are managing this issue better than you, and you are losing employees who are the future leaders of your organisation and costing you in terms of lost productivity due to the impact and strain it puts on colleagues of the person who is not being supported. Costing you customers, if you are not engaging, communicating and reflecting the diversity of your customers, (one in four of them will be dealing with a mental health issue also!). Finally it is costing you in terms of employee loyalty by not being perceived as an organisation that values and cares about it's workforce, and missing out on the cream of the graduate crop, who value an organisation that cares, as highly as they value other important benefits of a job!

In short by not effectively managing mental health in your workplace you are not maximising your growth and productivity or retaining your competitive edge. Can you really afford to ignore this issue?

So, what should you do?

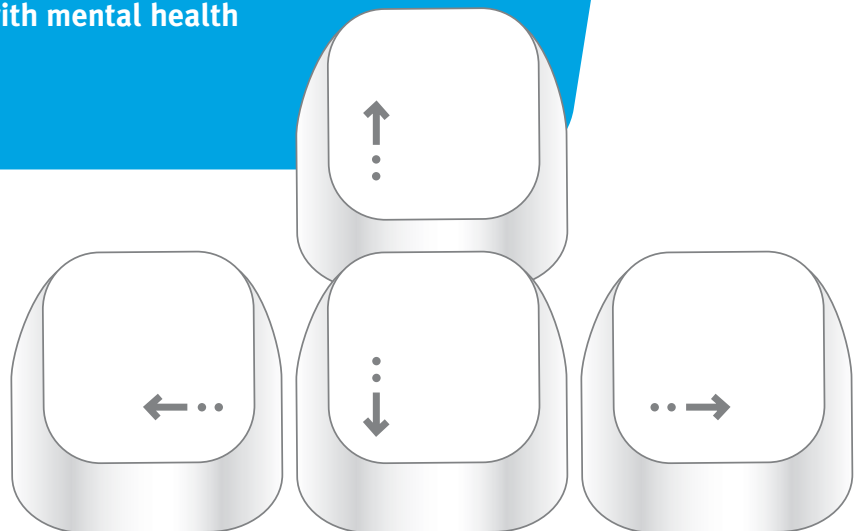
The first step is to read this report, then visit www.shaw-trust.org.uk/mentalhealth for more information and support.

Do this today to build a stronger business for the future.

Oliver Stocken, Deputy Chairman of 3i plc, Non-Executive Director of GUS plc, Non-Executive Director of Rutland Trust plc, Non-Executive Director of Standard Chartered plc, Non-Executive Director of Stanhope plc, Patron of Shaw Trust.

Summary of Key Findings

- The cost of mental ill-health to business is as much as £9 billion in salary with a further unknown cost in terms of lost time and productivity.
- Employers seriously underestimate the extent to which employees and fellow managers are experiencing stress, anxiety, depression and other forms of mental ill-health.
- Most organisations don't have effective policies to deal with employees' mental health and don't know enough about their legal position.
- Most companies don't have effective provision to identify and manage mental health in the workplace.
- Workplace attitudes indicate widespread discrimination towards people with mental ill-health, although this may not be conscious or intentional.
- The majority of directors believe British businesses need significantly more support to deal with mental health in the workplace.



Introduction

As the UK's leading provider of employment and training opportunities for disabled and disadvantaged people, working with employers and individuals alike, Shaw Trust is committed to full employment for all. We believe that employment brings dignity and is an essential part of a person's well being. At Shaw Trust we work with over 50,000 people a year who are disabled or disadvantaged in the workplace. Increasingly we are seeing the prevalence of mental health issues amongst our client groups and a growing need for employers to make better provision for managing mental health in the workplace.

Unfortunately, even in today's more enlightened society, mental health comes with the additional problem of added stigma. It is not well understood, often not discussed and many people still fear it.

As a charity, we are concerned with highlighting the moral arguments and the cost to society and the individual. It is also equally important to recognise this is a huge problem for business. From an economic perspective, the cost to business is truly staggering (and set to grow), with costs due to lost productivity, reduced profits, higher turnover and the increased cost of recruiting and training.

Over recent years significant strides have been taken to tackle many of the major issues of discrimination and inequality in the workplace – age, gender, sexual orientation, race and religion. At Shaw Trust, in the 21st century, we believe it is now time to tackle this last taboo of mental ill-health.

Methodology

Employer survey

Interviews were undertaken with 500 CEOs and directors as well as a "control" booster sample of 50 senior HR professionals.

People who have experienced mental health disorders

Interviews were conducted with clients of Shaw Trust.

Expert interviews

In-depth interviews were conducted with authoritative commentators from organisations active in employer relations, those dedicated to the study and promotion of mental health awareness and representatives from Shaw Trust corporate partners.

Desk research

A review of published research was carried out.

For a complete methodology please see the full report by visiting www.shaw-trust.org.uk/mentalhealth

Nearly three in every ten employees will have a mental health problem in any one year.¹

Mental health problems account for the loss of over 91 million working days each year²

It has been estimated that nearly 10% of the UK's gross national product (GNP) is lost to work generated stress³

Fewer than four in ten employers say that they would consider employing someone with a history of mental health problems, (compared to more than six in ten for someone with a physical disability)⁴

¹ MIND 'Stress and Mental Health in the Workplace', May 2005.

² The Mental Health Foundation, 'Mental Health in the Workplace: Tackling the effects of stress', 1999.

³ 'Mind, Stress and Mental Health in the Workplace', May 2005.

⁴ Social Exclusion Unit, 'Action on Mental Health: A Guide to promoting social inclusion', 2004.



The cost of mental ill-health to business is as much as £9 billion in salary with a further unknown cost in terms of lost time and productivity.

The CBI has estimated that, based on a working year of 228 days, 3% (6.8 days/year) are lost due to absence, and 36% of absences are caused by stress, anxiety and depression.⁵ This is 2.5 days per person per year caused by those mental ill-health problems most commonly experienced. In a labour force with 31.9 million employees, that amounts to approximately 80 million working days.

Based on the average salary as provided by Labour Force Statistics for full time workers, this would equate to a stunning £9 billion a year lost to sickness absence caused by stress – solely in terms of paid out salary.

These calculations are conservative, considering that they do not take into account turnover, lost time on the part of colleagues who must provide cover when these absences take place, or other costs which would derive from the absences.

There is a high financial cost of mental ill-health to businesses and the public sector. The cost in human terms and spoiled lives is incalculable. It is in everyone's interests - employers, employees and society at large - to do something about this.

⁵ CBI report 2005 – this figure is likely higher in reality, as CBI methodology is derived from employers' own reporting, which may understate the extent to which absences are attributed to mental ill health reasons.



Employers seriously underestimate the extent to which employees and fellow managers are experiencing stress, anxiety, depression and other forms of mental ill-health.

Around three in every 10 employees will experience stress, depression or some other form of mental health in any one year.⁶ Around one in four people will experience mental ill-health at some point in their lives.⁷ Yet only around 17% of employers recognise this national average is likely to apply to their people.

Almost half of employers surveyed (45%) thought that none of their employees would be suffering any form of mental ill-health.



Unum Provident

This campaign addressed the need for greater understanding of the extent and impact of mental ill-health in the work-place. It thereby identified ways to reduce the prejudice and stigma that surrounds the issue.

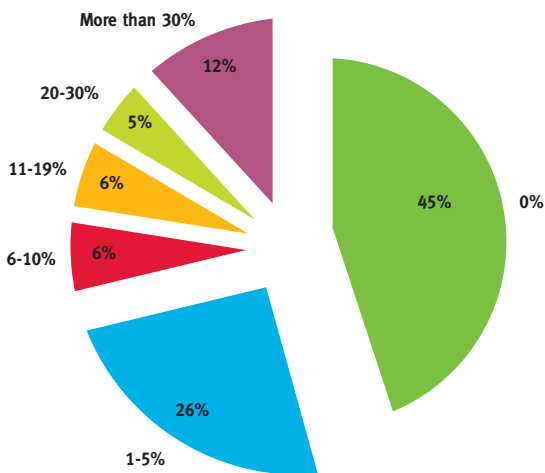
We supported this piece of work because we feel there has been a lack of robust evidence from which to tackle mental health as a barrier to employment. There is a significant risk that employers will lose out on skills and experience and never realise the full value of the 'talent pool', unless mental health is better understood and managed.

We need to encourage a clearer understanding among employers of mental illness in the workplace if we are to bring about a shift in thinking and practice. Unum Provident recognises that, in common with all employers, it benefits us to become better informed about employer attitudes to mental health in the workplace and how it impinges upon our own business.

Joanne Hindle, Director of Corporate Services, Unum Provident

Proportion of employees that are believed to have a mental health problem

“What percentage of employees do you think will have a mental health problem at some point during their working life?”



Source: The Future Foundation, 2006
Base: 480 enterprises

⁶ MIND 'Mind, Stress, and Mental Health in the Workplace.' May 2005.

⁷ MIND 'How Common is Mental Distress?' January 2005.

Those companies with the fewest employees were more likely to believe this. However, even in companies with over 100 employees, nearly one in ten directors still believed that none of their employees would have a mental health issue at some point during their working life.

Almost three quarters of employers (71%) thought the incidence of mental ill-health among their workforce would be 5% or less which is a fraction of the national average.

We would have expected a higher rate of understanding from HR Directors, yet only one in five (18%) estimated anywhere near the correct figure. In fact, nearly half the HR directors surveyed suggest 5% or less as the correct figure, grossly underestimating the extent of the problem.

Asked if they knew of any employees in their organisation with current mental ill-health, around 9 in 10 employers did not. Even among HR Directors around two thirds did not know.

It was evident that many employers don't even know what mental health is. One third of employers have no concept of specific disorders which are covered by the term 'mental ill-health in the workplace'. Among those Directors who were able to name specific disorders, the most commonly mentioned were stress (43%) and depression (19%).



HSBC

At HSBC we recognise the importance of removing barriers to ensure employees are effectively supported at work. There are many benefits of positively tackling mental health, including increased productivity, reduced absenteeism and improved staff retention and morale. As a progressive employer, we welcome this research and look forward to its benefits, in terms of enabling companies to increase opportunities and improve the level of support for employees in the workplace with mental health problems.

*Elaine Bromberg, Diversity Manager,
HSBC Bank plc*



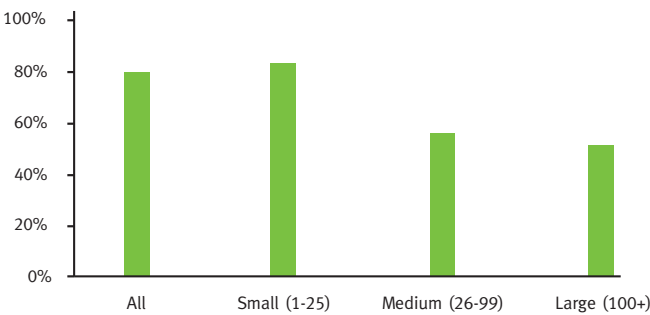
Most companies don't have effective policies to deal with employees' mental health and don't know enough about their legal position.

8 in 10 directors say their company has no policy to deal with stress and mental ill-health in the workplace. Even amongst companies employing more than 100 people, around half have no policy. Furthermore, only just over one third of HR directors (36%) said their company had a policy.

Lack of formal mental health policies, by size of company

"Does your company have a formal policy on stress and mental health in the workplace?"

Those who responded 'no'



Source: The Future Foundation, 2006
Base: 550 enterprises

Of the organisations that confirmed they have a formal policy, only very few (14%), suggested that these were effective. This may be related to the high proportion of directors who believe that none of their employees would be experiencing mental ill-health, which suggests the policies are not being used.

If we include all respondents then only about 3% of directors think their company has a policy that is effective.

Around seven in ten employers recognise they don't know enough about their legal position and obligations relating to mental health in the work place. This applies across all types of companies irrespective of size.



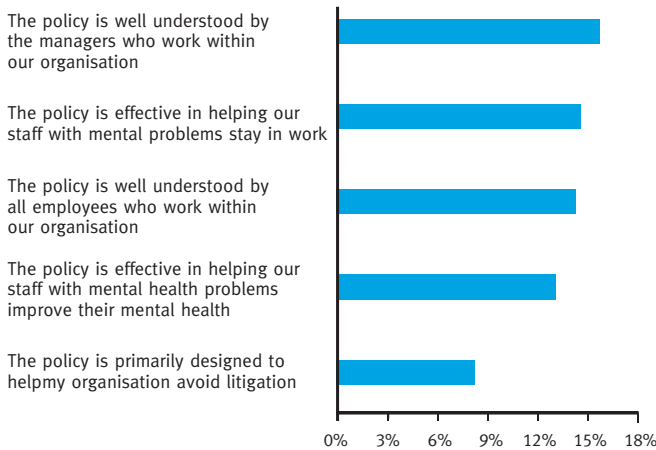
GlaxoSmithKline

GlaxoSmithKline's mission is to improve the quality of human life by enabling people to do more, feel better and live longer and this applies equally to our employees as well as our customers. We recognise that we operate a highly complex global business in a fast paced and continuously changing environment which creates significant demands on everyone. The GlaxoSmithKline Employee Health Management Team has developed a proven, leading edge approach for our employees to help them recognise the critical link between individual health and performance, organisational stress and the risks/opportunities they present to our business performance. GlaxoSmithKline is pleased to continue its support of Shaw Trust and delighted that our donation, and that of other organisations, will help the Trust to highlight the issues surrounding mental health and it's impact in the workplace.

*Dr Justine Frain, Vice President,
Global Community Partnerships,
GlaxoSmithKline*

Self-evaluation – policy effectiveness

“To what extent would you agree or disagree with the following statements about your organisation’s policy on stress and mental health in the workplace.”

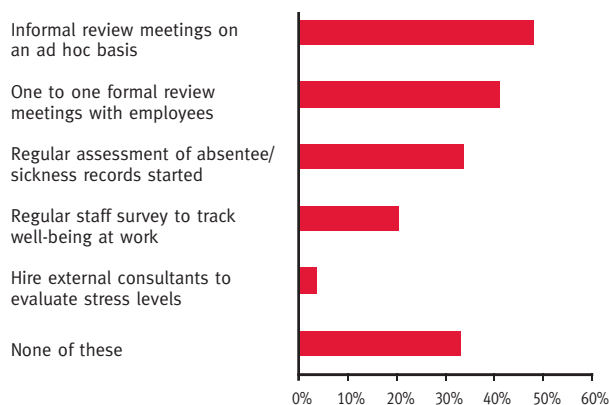


Source: The Future Foundation, 2006
Base: 194 enterprises that have a formal policy on mental health in the workplace

An employee’s mental ill-health may often be directly attributed to the workplace environment. Even if the problem stems from circumstances in the employee’s private life, it still gets taken into work, it cannot be left at the door. If it is not addressed, it is likely to become worse and impact on the employee’s performance. Employers and employees alike recognise this when the disability is physical, they need to do the same when it affects the mind.

Methods used to measure stress in the workplace

“Which of the following measures, if any, does your organisation use to measure the stress levels of employees on an ongoing basis?”



Source: The Future Foundation, 2006
Base: 550 enterprises



BT

Good mental health is achieved when an individual is able to use his or her intellectual and emotional potential to function in society and meet the ordinary demands of everyday life. Skills that are absolutely essential for successful societies and businesses alike. As well as the personal difficulties experienced by many people with mental health problems, and their families, there are also financial costs to individuals, families, employers and society in general. At BT, we have a number of ways of supporting people, for example, we believe that enabling open and trusting communication with informed colleagues plays a vital part in a person’s recovery from mental illness. That’s why we support this important research and will continue to work closely with Shaw Trust to create working environments that allow everyone to contribute.

Sally Ward, Diversity Manager,
BT Group plc



Most companies don't have effective provision to identify and manage mental health in the workplace.

Approximately one in three companies do not use any of the standard ways to monitor stress levels of employees on an ongoing basis (see chart on page 7).

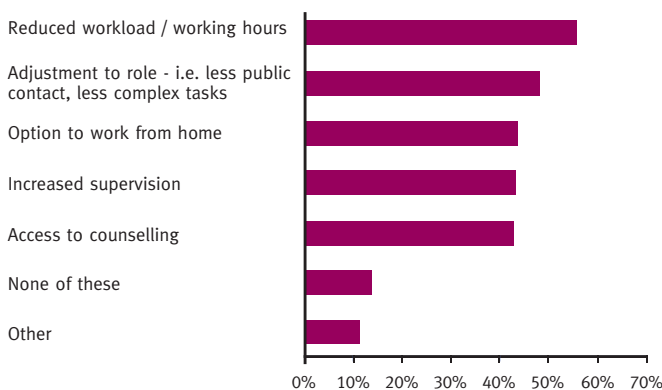
One to one meetings, either formal or informal, are the most frequently used means of evaluating stress in the workplace, with more than 40% using these processes. However, within smaller organisations, it is a safe assumption that such reviews may not take place frequently. Only about a third of companies (34%) have started regular assessment of absentee and sickness records.

About one fifth (21%) have regular staff surveys to check the well being of their employees. Only about 20% of the employers in the survey made any sort of accommodation for employees with mental ill-health.

Among the 129 employers who have a formal approach to mental health in the workplace, the main accommodations they made for employees are likely to be flexible working hours and adjustments to the job role.

Accommodations made for employees with mental health problems

“What accommodations have you made for employees with mental health problems?”



Source: The Future Foundation, 2006
Base: 129 enterprises that have a formal policy on mental health in the workplace

“It all depends a bit on the boss and their personal circumstances. If they have had a relative who’s suffered from mental illness they might have more understanding”

Shaw Trust Client



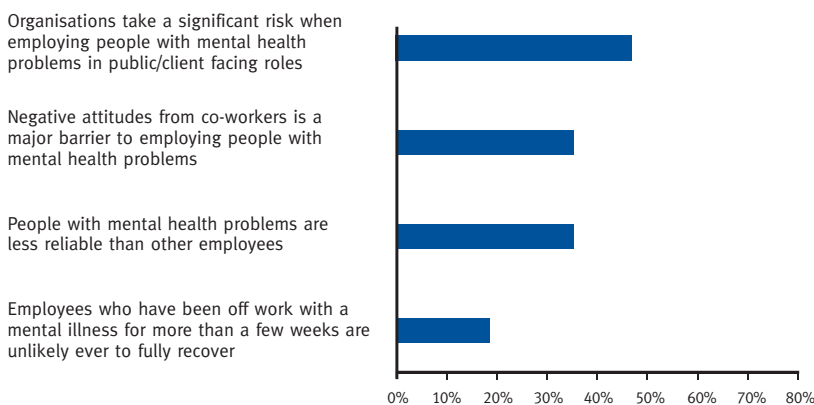
Workplace attitudes indicate widespread discrimination towards people who have suffered from mental ill-health, although this may not be conscious or intentional.

Workplace attitudes indicate prejudice against people who have suffered from mental ill-health, although this may not be deliberate or even conscious. A daunting one in five employers admits to believing that employees who have been off work with stress, depression or some form of mental ill-health for more than a few weeks are unlikely ever to fully recover. This is in comparison with the DWP's employer survey which indicates that 78% of companies would be willing to hire long term unemployed.

One in three employers think that people with any form of mental ill-health are less reliable than other employees. A similar number say that negative attitudes from workplace colleagues are a major barrier to employing people with any form of mental ill-health. Around one half think that organisations take significant risks when employing them or keeping them in client facing roles. There was no significant difference between small and large employers.

Attitudes to mental health in the workplace

"To what extent would you agree or disagree with the following statements?"



Source: The Future Foundation, 2006
Base: 550 enterprises



Employers' Forum on Disability

Effective management of mental health in the workplace is good for business. Up to thirty per cent of a workforce will experience mental health problems in a year.

Not only that, mental health problems account for for the loss of over 91 million working days each year.

Failure to manage mental health problems effectively can also have high costs in terms of productivity, team morale and interpersonal relationships, staff turnover and individual performance.

Many organisations are addressing the issue of mental health in the workplace - the Forum has around 25,000 copies of its briefing paper on adjustments for people with mental health problems in circulation. However, much still needs to be done to raise awareness.

Here at the Employers' Forum on Disability, we appreciate that providing a supportive work environment will benefit both the Forum as a business, and its employees.

Susan Scott Parker, Chief Executive

These responses show a widespread lack of understanding and discrimination towards people who are suffering or have suffered from mental ill-health. The attitudes that emerge from our research might account for why so many employees try to soldier on with stress, depression, anxiety or other forms of mental ill-health and risk making their situation worse rather than telling anyone about their problem. It is evident that those experiencing mental ill-health naturally feel there is a stigma attached.

Hardly surprising therefore that in reality employees or potential employees tell their employer as little as possible until it is 'safe', despite the fact that both parties agree that disclosure is beneficial in dealing with any issues.

The statistics reveal the extent of the dichotomy, with 8 out of 10 employers suggesting that applicants should disclose any condition prior to being hired, yet fewer than 4 in 10 employers saying they would consider employing someone with a history of mental health problems.⁸

The picture painted by the statistics is that most employers think applicants should tell them if they have experienced any form of mental ill-health. However, the findings also indicate that most employers wouldn't employ someone who has suffered from mental ill-health. These two findings, put side by side, could create the impression that they want to be informed in order to disqualify the candidate. Employers need to ensure that their recruitment practices eliminate both the reality and the perception of discrimination.



Merrill Lynch

Merrill Lynch is proud to partner the Shaw Trust in this campaign. The research findings, highlighting the lack of knowledge about mental health in the workplace and the attitudes that stem from that, serve to strengthen our resolve to promote inclusion and widen understanding about this issue in UK industry as a whole.

Sue Henley, Head of Diversity and Inclusion at Merrill Lynch, EMEA

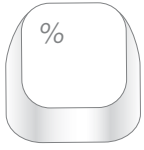
“There is no incentive for a person to disclose their condition really – they would have to be heroic to do such a thing”

Shaw Trust Client

“I have been told to leave out that I am a mother, much less anything else”

Shaw Trust Client

⁸ 'Social Exclusion Unit, Action on Mental Health: A guide to promoting social inclusion', 2004.



The majority of directors believe British businesses need significantly more support to deal with mental health in the workplace.

Although naturally more guarded and positive when asked about their own business practices, there was a general consensus that British industry needs significantly more support and help in coping with mental health in the workplace.

Three quarters of employers agreed that British industry loses a great deal of talent because it doesn't know how best to deal with mental ill-health and an overwhelming 8 in 10 agreed that more support was required in improving the way industry deals with mental health in the workplace.



Business in the Community

As the health debate moves into the workplace, few employers acknowledge mental health as a workplace issue, yet the cost of ignorance to both the business and the individual is huge. This research will highlight the need to develop the capacity of employers and line managers in particular to recognise and work with their employees. This is a huge opportunity to make an impact on a major social issue which lies hidden in the depths of the corporate soul.

Graham Bann, Executive Director, Workplace and Diversity

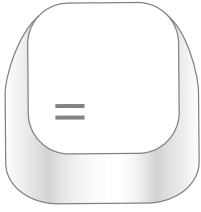
A third of people with mental health problems report having been dismissed or forced to resign from their job⁹

“If you are out of work for more than six months, your chances of committing suicide are 40 times higher than if you are working. Being out of work is more dangerous to your health than smoking 60 cigarettes a day!”

Professor Mansel Aylward, Chair in Psychosocial and Disability Research at the UnumProvident Centre for Psychosocial and Disability Research, Trustee of Shaw Trust.

⁹ Social Exclusion Unit, 'Action on Mental Health: A Guide to promoting social inclusion', 2004.

Towards a Solution



Shaw Trust is committed to making a real difference to the way mental health is viewed and managed in the workplace. This report is simply the start of that process, designed to raise and keep mental health at the top of the agenda for British Business.

The real work will start now, and over the coming months we intend to work closely with our corporate partners to develop a range of new and innovative support services that will offer the real solutions that business is asking for. Solutions that will make a tangible difference to employers and employees alike, morally, socially and economically.

These solutions will be developed under four main themes:

1 Awareness

To increase awareness of the scale and prevalence of mental ill-health & implications for business.

2 Health & Well-being

Assistance in preventing the development of mental ill-health and approaches to health promotion in the workplace.

3 Early Warning

Systems that allow potential mental health issues to be identified and managed before they become too severe.

4 Workplace support

A range of innovative and effective services for employers and employees, from training & guidance for line managers, specialist occupational health support, vocational rehabilitation support to condition management programmes.

In the short term, Shaw Trust can help you take some immediate action to tackle many of the issues highlighted in this report through our:

1 Staying In Work Service

To support people to retain employment.

2 Recruitment Service

To enable employers to achieve a more diverse workforce

3 Awareness training

To raise the level of understanding of mental health in the workplace



BUPA

BUPA is very proud to be supporting Shaw Trust in their Mental Health Campaign to support employees with mental health issues in the workplace. As one of the largest providers of workplace counselling services in the UK we see the stigma mental health issues can cause on a daily basis. The research and work of Shaw Trust will help these people by de-stigmatising mental health issues and creating a better awareness and understanding of those who are affected.

Tony Urwin, Clinical & Business Development Manager, BUPA Psychological Services

For more information on these services, for regular updates on developments and to ensure that your organisation is one of the first to benefit, visit www.shaw-trust.org.uk/mental-health and register your details.

People are not disabled simply by their impairment but rather by the discrimination and barriers they experience as a result.

This is an opportunity for informed employers to challenge these barriers and pave the way forward.

Will you be part of the solution?

www.shaw-trust.org.uk/mentalhealth

About the Future Foundation

The Future Foundation is a leading international consumer think-tank and strategic consultancy. Specialising in understanding socio-economic change and consumer behaviour, the Future Foundation provides intelligent research analysis and commentary.

About Shaw Trust

Shaw Trust is a national charity that provides training and work opportunities for people who are disadvantaged in the labour market due to disability, ill health or other social circumstances. We are the largest UK provider of employment services for disabled people.

Registered Charity No. 287785

With thanks to our partners for supporting this research.

In association with



Business in the

Community

