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MENTAL HEALTH AND BUSINESS

The cost of mental health and ways to
reduce the impact on business



Mental health problems are on the rise in many countries worldwide, with 1 in 4 people in the UK experiencing a mental health problem every year.

With the amount of time we now spend at work, it is unsurprising that the increase in mental health problems is costing businesses worldwide millions of pounds a year. The business practices of some companies are also playing a role in the causation of mental health problems and some small changes can improve the lives of employees and save businesses substantial sums of money.

‘Mental health problems’ is a broad term and in this case, it refers to clinically diagnosed conditions as well as anxiety, stress and depression that are often unreported to clinicians. It is important to keep in mind that many mental health problems are manageable and treatable.

What is the cost of mental health problems to businesses?

- The total cost of mental health and substance abuse to businesses annually in the USA is between \$80 billion to \$100 billion (Stadler, 2018).
- The UK economy is negatively affected by mental health problems; in the workplace, mental health costs businesses between £33 and £42 billion annually (GOV UK, 2021).
- This subsequently costs the UK economy between £74 and £99 billion annually (GOV UK, 2021).
- In the UK, Schizophrenia & psychosis are some of the costliest mental issues specifically (Christensen et al., 2020).

The above statements are quite alarming and highlight that mental health is not a small issue for economies worldwide. It affects businesses both directly and indirectly and the costs may even be higher, as many conditions and symptoms go unreported. As an employer you may believe that costs are generally due to employees missing work. Whilst this would be a reasonable assumption to make, research has shown this not the case. Instead presenteeism, (including reduced work output whilst being at work), has been found to cost substantially more per year. In fact, presenteeism costs UK businesses more per year than mental health related absences and staff replacement costs combined:

- Staff absenteeism and employee turnover both cost UK businesses £8 billion per year; with a loss of productivity and presenteeism costing up to £26 billion per year, because of poor mental health (Martin, 2020).

This all equates to vast losses in not only profit but potential output in the economy. In fact, millions of workdays per year are lost from the global economy due to mental illness and poor working environments.

- 55% of workdays are lost annually in the UK due to symptoms of mental illness (HSE, 2020).
- 17.9 million UK workdays were lost due to stress, anxiety or depression in the years 2019/2020 (HSE, 2020).

These numbers and statistics highlight that mental illness is a problem for many businesses worldwide. Whilst you may review these statistics and think that this is simply a cost that you as a business will need to absorb, you should be aware that many conditions are treatable and people are able to return to work. In fact, small changes to a workplace’s environment or culture can greatly reduce the risk factors of poor mental health.

Low cost ways to reduce impacts

There are many low cost changes that you as a business can make to improve the wellbeing of your employees which will, in turn, improve business productivity. In many cases these low cost changes will not involve a drastic business change but will instead alter already established practices.

A good staff/employer relationship is key as it allows for a more open and honest working environment, meaning that managers and employers are more approachable when something is not going well. Having these good relationships means that problems that arise can be dealt with immediately, giving them a better chance of being resolved before a person's mental wellbeing deteriorates.

This close relationship with staff allows a manager or employer to notice when an employee's behaviour has changed, which may be a warning sign for deteriorating mental health. Some behaviours to look out for include:

- Unexpected and sudden changes in mood.
- Decreases in work rate.
- A sudden reduction in the quality of work produced.
- An inability to focus.
- Repetitive questions.
- Anxious and fidgety behaviour.

All of the above behaviours can be signs that someone is struggling with their mental health. However, they can also be signs of other issues and so it is important to avoid assumptions and to have an honest conversation with

the employee, respecting their privacy boundaries. By being aware of these behavioural changes you will be able to establish ways to assist the employee and will be able to potentially reduce the cost of presenteeism or absences.

Small changes to the working practices of a company and the environment people work in can also greatly improve a person's wellbeing for very little cost. It may be that your company is already excelling in these areas, if this is the case then you may benefit from asking your employees to highlight areas they think could be improved.

Some areas we suggest focusing on are:

- Limiting working hours and out-of-hours email access.
- Where possible avoid isolated work. If a person works from home then ensure regular check-ins with them.
- Setting attainable deadlines and spreading the workload across teams.
- Providing support services and staff members that are trained to deal with workplace stress.
- Promote healthy eating and regular exercise.

As much as you are able to implement changes and to improve the working environment you are still likely to have employees that will need to take time off from work due to mental illness. In these cases we suggest working with the employee when they are ready to return to work and investing in a recovery plan. This may include scheduling in time slots to attend therapy sessions and making other concessions to accommodate a suitable return to work. This will help to reduce the costs of hiring and training new employees and will assist your employee in returning to the position they previously excelled in.

Screening for mental health problems

Screening for mental health problems, primarily depression and anxiety, can help to identify people who are at risk of illness, allowing assistance to be provided prior to any escalation. Whilst screening can be offered, as a business you should be mindful not to force this onto employees and to keep all findings confidential. Any screening results cannot be used to discriminate against employees or to be used as grounds for termination. You can however, use screening results to improve your business's mental health as a whole, and to offer treatment services where required.

Screening employees can seem like a costly option and will unfortunately not be viable for all businesses. However, the cost of screening should not be a reason to avoid a screening procedure as many studies have shown that screening and subsequent treatment costs are far outweighed by the benefits, such as reduced absences and presenteeism.

- Depression screenings have yielded a 1.7:1 return on investment ratio.
- The problems of absences and presenteeism cost employees up to four times the cost of many treatments.

These figures do show that a screening and treatment facility can be greatly beneficial to many businesses. With larger companies having a greater potential to see bigger financial returns on investment.

Benefits to employee wellbeing

Whilst this leaflet does focus on the financial benefits of making changes to your workplace environment, it is important to remember that your employees can be suffering, and making changes can greatly improve their day-to-day lives.

We appreciate that finances are a very important aspect of the business world, but we do hope that employee wellbeing will also be a factor in your decision to make change in your business.



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