Policy Brief
Recovering better – improving mental health in the workplace

Summary
This policy brief from ReWAGE argues for the urgent need to reduce rising levels of mental ill-health among those in work and to ensure that organisations are better adapted to retain and integrate those with mental conditions.

Addressing this need is vital both for the welfare of workers and improving job performance and productivity. The Covid pandemic has sharply accentuated the importance of these issues due to increased pressures from long covid, personal financial difficulty and new patterns of remote working. Recent and current policies, which have been primarily advisory, have proved inadequate. An effective policy requires improved consultation with workers as a lever for creating healthier work conditions. There is also a need to reform company reporting to provide greater transparency about the quality of work conditions.

Policy recommendations
BEIS, working with DWP and the Health and Safety Executive (HSE), should strongly consider requiring greater transparency from employers about the level of, and trends in, work-related risk factors for mental health by publishing relevant indicators in their annual company reports.

a. These indicators should include representative evidence from employees on key aspects of their work conditions known to affect mental health. These indicators should allow comparability with wider national data sets, making it possible to assess both trends over time within the organisation and the relative position of the organisation in relation to national and industry norms.

b. Results should be presented overall and by major occupational groups and by gender. The design, collection and interpretation of the data should be carried out with the involvement of worker representatives.

c. Initially, such reporting should be mandatory for public sector organisations and for private companies with 250 employees or more. Subsequently, the provisions should be extended, progressively, to all private companies with 50+ employees.

Why is this an important issue now?
While fatal and non-fatall physical injuries at work have reduced substantially in recent decades, there has been a notable rise in work-related mental ill-health. There has been a rising trend from 2014/15, with a particularly sharp increase between 2018/19 and 2019/20. In 2019/20 work-related stress, depression or anxiety was the most frequent type of work-related illness in Great Britain, accounting for around half of all cases of self-reported work-related ill-health.¹ Rising mental ill-health has severe personal and economic effects:

- For workers, in addition to the direct distress of mental ill-health, it is also a source of physical ill-health, in particular with respect to an increased risk of cardiovascular disease.
- For employers, it is a major source of sickness absence, resulting in 17.9 million working days lost in the year 2019/20.

Although definitive calculations are tricky, the OECD estimates that in 2015 the cost of mental ill-health for the UK with respect to lower employment and productivity and social security programmes was £69bn, equivalent to 2.7% of GDP (4.1% if healthcare costs are included).\(^2\)

The trend in rising mental ill-health at work predates Covid but the pandemic has led to a marked increase in mental illness for those both in and out of work, affecting large numbers of people. The prevalence of anxiety and depression rose not only in the UK but in all OECD countries for which data is available.\(^3\) The effects could be long-term. Those who survived Covid had nearly double the average risk of psychiatric illness six months later, with the risk increasing the greater the severity of their experience of Covid.\(^4\)

To achieve a better recovery, employing organisations face the double challenge of both reducing the mental ill-health generated in the workplace itself and improving their capacity to integrate new workers who may have experienced psychological illness in part as a consequence of Covid.

**What are the most important work-related risks to mental health?**

A number of work-related factors have been identified as important sources of increased risk of mental ill-health. These relate primarily to job quality rather than to the length of working hours.\(^5\)

The principal cause of work-related mental ill-health reported by those who experience it is **workload**.\(^6\) There is consistent evidence that work intensity has been rising over recent decades in the UK.\(^7\)

International research has shown that the health consequences of high levels of workload (or work demands) are greater when workers lack control over the way their work is carried out. Work that involves high demands but low worker control (technically termed 'job strain') leads to increased risks of psychological and physical illness.

- A systematic review of studies of the relationship between high demand-low control work and psychological illness has shown that such conditions lead to a 74% increase in depressive symptoms.\(^8\)
- A systematic review of research on the implications for physical health found that work of this type led to a 1.23 increased risk of an incidence of coronary heart disease.\(^9\)

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A systematic review of research on the implications of workplace stressors for mortality risks has shown that workers with low job control have a 21% increased risk of all-cause mortality and a 50% increased risk of coronary heart disease mortality.\textsuperscript{10}

Poor quality line management is also a major contributor to mental ill-health. Lack of managerial support is the second most frequently cited source of work-related stress by those affected.\textsuperscript{11} A study based on over 40,000 UK employees found that those without a supportive manager were twice as likely to report poor mental health as those with a supportive manager.\textsuperscript{12} Supervisory support has been found to be the most important component of overall social support that affects both general psychological stress at work and symptoms of burnout.\textsuperscript{13}

There is also consistent evidence that job insecurity is a major risk to mental health. There are two forms of job insecurity:

- job tenure insecurity (sometimes termed quantitative insecurity)
- job status insecurity (sometimes termed qualitative insecurity).

Job tenure insecurity consists of a fear of involuntarily losing employment with the organisation; job status insecurity involves a fear of a deterioration in the quality of the job even though remaining part of the organisation.

Job status insecurity is even more prevalent in the British workforce than job tenure insecurity. The two types of insecurity are driven by different factors: job tenure insecurity is strongly linked to technological change and downsizing, while job status insecurity is most strongly associated with past changes in work organisation.\textsuperscript{14} However, both forms of insecurity are strongly, and independently, related to mental ill-health.\textsuperscript{15}

Financial insecurity is also a significant source of psychological distress. People with low incomes suffer from greater anxiety and depression than those with higher incomes.\textsuperscript{16} Perceived risk of a worsening in financial situation in the next 12 months has a stronger effect on mental health than an existing health problem, even for those with permanent full-time contracts.\textsuperscript{17} With the onset of the Covid crisis, financial stressors were a key determinant of the deterioration of mental health among working parents and affected


\textsuperscript{13} Hämig, Oliver. (2017) Health and well-being at work: The key role of supervisor support. \textit{SSM-Population Health} 3, 393-402.


common mental disorders even after the relaxation of lockdown measures.\textsuperscript{18} Financial insecurity clearly is accentuated by jobs with low pay, short contract durations and unpredictable work hours.

\textbf{What helps to prevent mental ill-health at work?}

\textit{Worker Participation}

Research has highlighted the role of worker participation in reducing work-related mental ill-health either by enabling people to cope better with given levels of job demands or by reducing the prevalence of work conditions that are sources of mental ill-health. It has focused on two aspects of participation – the degree of control that workers have over decisions about their immediate work task (task discretion) and the influence (or voice) that they can exercise with respect to wider organisational decisions that affect their work.

It is notable that there is a significant effect of task discretion on affective well-being among British workers, even when a wide range of other factors are taken into account.\textsuperscript{19} Task discretion lies at the heart of one of the most influential, and best supported, explanations of work-related mental health – demand-control theory.\textsuperscript{20} Workers with high control over their jobs are better able to find ways of coping with high job demands. The positive effect of task discretion is also consistent with an extensive literature on the importance of self-determination as a basic psychological need.

Participation in wider organisational decisions or voice is also important in that it moderates the severity of the effects of job insecurity. It has a direct effect of reducing perceived insecurity with respect to both job tenure and job status and helps reduce the insecurity deriving from changes in work organisation.\textsuperscript{21}

A notable feature of employment relations in the last 25 years however is that, despite their well-established importance in helping to reduce work-related mental ill-health, there has been no increase in the prevalence of either form of participation among British workers. Task discretion has declined over time, while organisational voice had remained at a low level available to only 30\% of the workforce.\textsuperscript{22}


\textsuperscript{21} Gallie et al. (2017) ibid,

Skills and Training

In a rapidly changing technological environment, an important source of protection against the risks of both job status and job tenure insecurity, as well as of financial insecurity, is the ability of workers to update and upgrade their skills. More highly skilled workers are less likely to lose their jobs and find it easier to obtain another job if they are made redundant. Improving skills depends on two types of learning opportunity: formal training provided by the employer and the opportunities for informal learning on the job itself.

However, those most at risk – the low skilled – are the least likely to be given opportunities for training. While 37% of workers in professional occupations in the UK participated in training over a three-month period in 2017, only 15.2% in elementary (or low skilled) occupations did so. Moreover, overall trends in training in the UK show a marked decline both in the proportion of workers obtaining job-related training and in the amount of training received by those who are trained (and hence arguably in the quality of training). The investment made by firms on training has fallen in recent years, with firms preferring to address skill shortages with recruitment rather than training. The Covid crisis has accentuated the disadvantage of the lower skilled: training provision has fallen particularly sharply for those less able to work from home - occupations largely concentrated among lower paid workers.

The incidence of training provision increases with the size of the organisation and is more common in the public sector. The existence of channels of organisational voice for workers is associated with both better training opportunities and longer training spells. The design of jobs that allow workers to exercise initiative in work is important in increasing the prevalence and quality of informal learning at work. Participation then indirectly contributes to mental health through its implications for skill development. Importantly, the strongest benefits of both types of participation in improving formal training and informal learning opportunities are for relatively low skilled workers.

Improving line management

The emotional and instrumental support given by supervisors when people face problems at work is particularly important for mental health. The quality of supervision also contributes to workers’ mental health in indirect ways. It is one of the main factors that affects workers’ sense of organisational justice, which is related strongly to mental health. Furthermore,
supervisors are central to the informal training on the job that can reinforce skill development and reduce feelings of insecurity.

A critical factor is the training given to line management for detecting and supporting those with mental health problems. Despite its demonstrated importance for well-being, only 51% of organisations train managers to support staff with mental ill health, while only 25% of managers feel confident to spot early warning signs of mental ill-health and 31% of feel confident in discussing such issues with their staff.29

The quality of line management reflects the prevailing organisational culture that in turn derives from the importance that higher management attaches to worker welfare. A factor strongly associated with the supportiveness of supervisors is the level of participation in the organisation, in part because it provides a channel for enhancing managerial awareness of the job pressures confronting workers.30

Why do we need new policies?

A good deal is known about the key factors that increase the risk of mental ill-health at work – in particular high work intensity, low control at work, unsupportive line management, job insecurity and income insecurity. There is considerable scope for employers to make adjustments to work organisation and work conditions to reduce the prevalence and impact of such factors.31 But the notable fact is that, with the important exception of government furlough policies to lower job insecurity during the pandemic, there has been little sustained improvement over the last two decades in the prevalence of such risk factors and, in some cases, a marked aggravation of risks.

The advisory approach, embodied in the ‘Management Standards’ developed by the HSE has proved insufficient to prevent a significant rise in work-related mental ill-health. Although introduced in 2004, by 2020, only 20% of employers were using the HSE’s Management Standards.32 There has also been a sharp reduction in the resources of the main regulatory agency for ensuring adequate work conditions – the labour inspectorate. Between 2011 and 2020, the number of labour inspectors in the UK declined by 34%, the largest reduction in Europe after Romania and far higher than the EU average at 7%.33 This loss was associated with a 27% reduction in the number of inspections carried out.34 The limited effectiveness of existing safeguards suggests the need for major new initiatives to raise employer awareness of the issues and stimulate them to take stronger preventative action.

The way forward - mandatory monitoring and transparency of workplace risks to mental health

The 2017 Stevenson/Farmer Review ‘Thriving at Work’, commissioned by the UK Government, made a persuasive case for a more strategic approach by employers involving the adoption of ‘core standards’ that would include the formal adoption of a ‘mental health at work plan’, the provision of good working conditions and routine monitoring of mental health and well-being.35 It also recommended that large organisations should introduce ‘enhanced

33 https://www.ilo.org/shinyapps/bulkexplorer56/?lang=en&segment=indicator&id=LAI_INSPISEX_NB_A;
34 https://www.ilo.org/shinyapps/bulkexplorer10/?lang=en&segment=indicator&id=LAI_VIST_NOC_NB_A
standards’ involving greater employer transparency through disclosure of information in their annual reports about their initiatives to support their employees’ mental health and possibly involving amendment of the Companies Act.

The review helped raise the profile of the issue of workplace mental health, leading to the creation of a business-led Leadership Council to increase employer awareness and the availability of information about support resources through its Mental Health website. There have been a number of new initiatives in the public sector, for instance by National Health England, which included collaboration with Business in the Community (BITC) in the development of toolkits to help guide employers in their actions to provide support for mental health. However, the Chartered Institute for Personnel & Development (CIPD) found that in 2020 still only a minority (44%) of employers in its surveys of predominantly large and medium-sized organisations had a strategic approach to employee well-being and that there had been only a very small increase in the proportion between 2018 and 2020.36 Further, analysis of the 2021 annual reports of companies in the FTSE100 suggest that only 13% discuss mental health problems.37

In the light of the failure of purely advisory approaches, our main recommendation is that employers should be required to introduce greater transparency about trends with respect to work-related risk factors for mental health by publishing relevant indicators in their annual company reports.36 These indicators should include representative evidence from their employees on key aspects of their work conditions known to affect mental health and allow comparability with wider national data sets, making it possible to assess both trends over time within the organisation and the relative position of the organisation in relation to national and industry norms.39 Data should be collected for all employees, including those on part-time or temporary contracts. Given evidence of the significant differences in job quality nationally between occupations and between the jobs held by men and women, results should be presented for comparability not only overall, but also by major occupational groups (using the ONS Standard Occupational Classification) and by sex and contract status.40 The design, collection and interpretation of the data should be carried out with the involvement of workforce representatives.

The introduction of these new monitoring and reporting requirements should be phased. The public sector has been seen traditionally as a central driver of progressive human resource policies and it scale makes it well placed to implement them. Most large companies of 250+ employees also will have the experience and administrative capacity to introduce the measures. Smaller private companies may need time to acquire the knowledge and skills to collect and present the data needed and to ensure that they have adequate dialogue structures for the involvement of workforce representatives. Our proposal is that the new mandatory monitoring and reporting requirements should be introduced initially in the public sector and in large companies with 250+ employees, with a schedule for phased extension.

38 The broad case for the need for corporate reforms that include the use of metrics to strengthen companies’ performance with respect to their wider social responsibilities can be found in the British Academy report: British Academy (2021). Policy and Practice for Purposeful Business. The final report of the Future of the Corporation programme. London: British Academy. It drew on extensive consultation with more than a hundred stakeholders across the corporate, government, regulatory, civil society and investor sectors.
39 Examples of relevant national data sets are the Skills and Employment Surveys Series Dataset, and the UK Working Lives Surveys.
within a three-year period of their introduction to smaller companies with at least 50 employees.\footnote{Companies with 250+ employees are already subject to mandatory gender pay gap reporting in the UK. French works councils (now Social and Economic Committees) have long had extensive information and consultation rights on work conditions and changes to work organisation in companies of 50+ employees.}

The introduction of such procedures would enhance the salience of the issue of worker mental health within the organisation and help to highlight the key factors that might be a danger to it. It also would provide a stronger sense of worker involvement in the search for practical improvements in the work process and thereby contribute to higher organisational productivity.

**About the Authors**

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- This policy brief represents the views of the authors based on the available research. It is not intended to represent the views of all ReWAGE members.

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**About ReWAGE**

- ReWAGE is an independent expert advisory group modelled on SAGE, which supports government's strategic response to the recovery and renewal of work and employment in the UK as it tackles the impact of Covid-19. Its scope covers employers, employees and the self-employed.

- Website: [https://warwick.ac.uk/fac/soc/ier/rewage/](https://warwick.ac.uk/fac/soc/ier/rewage/)

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