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Mental health and productivity: evidence from Midlands firms

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Workplace mental health: background



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- 61% of employees have experienced mental health issues where work was a contributing factor (BITC, 2018)
- 300,000 UK employees lose their jobs annually due to MH issues (Stevenson & Farmer, 2017)
- Costs of mental health issues to UK business estimated at £42bn to £44.7bn (Deloitte, 2020) – around 1/3 the annual cost of the NHS
 - Absenteeism (the time workers spend off work due to ill-health)
 - Staff turnover (the need to replace workers who leave employment due to ill-health)
 - Presenteeism (workers being at work but not performing as expected because of ill-health, or working beyond contracted hours)
- Each of these has a negative effect on individual and firm productivity an effect which is likely to have increased in importance since the pandemic

Workplace mental health

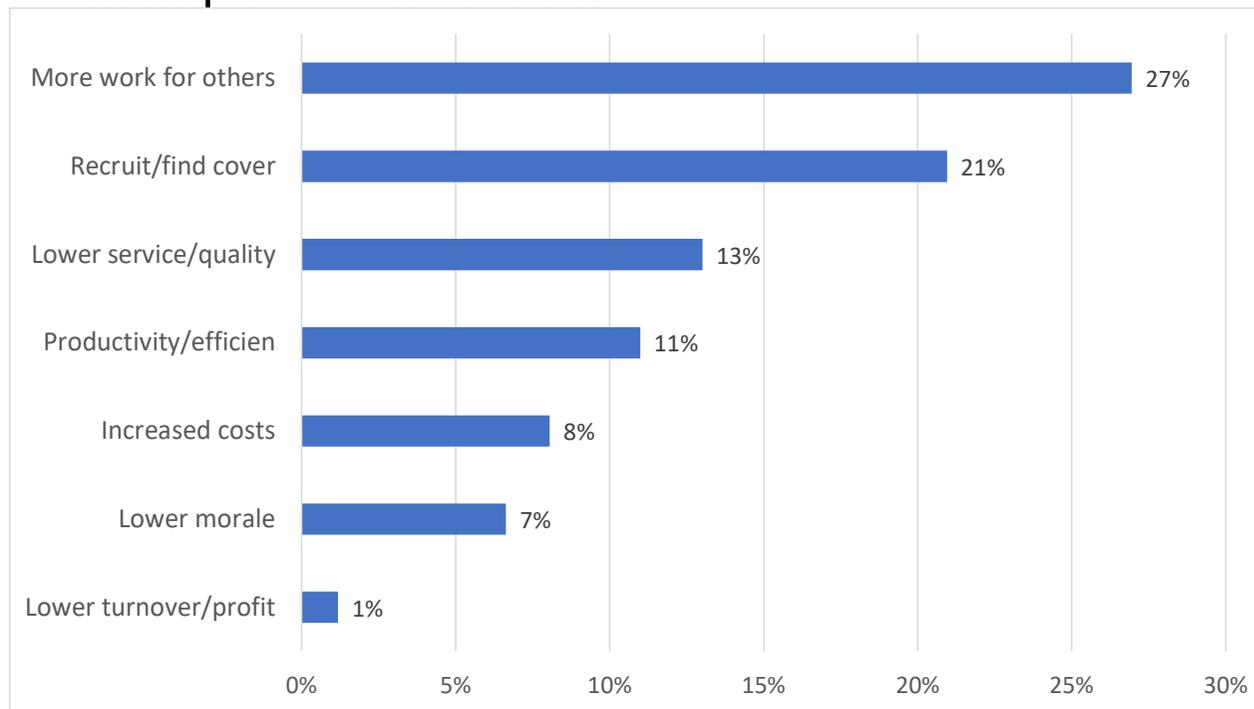
- How do employers typically experience and manage workplace mental health issues?
- How things have changed as the COVID-19 pandemic has unfolded?
- What are the implications for the management of workplace mental health issues?
- Data:
 - Survey of 1,899 private sector firms in the Midlands, Jan-March 2020
 - Survey of 1,551 private sector firms in the Midlands, Jan-April 2021
 - Depth interviews pre- and during the pandemic

Workplace mental health issues: pre-COVID-19

- Presenteeism reported by 33% of firms
- Mental health related absence reported by 30% of firms
 - 37% of firms said that at least some of the absence was long-term
 - 39% reported repeated mental health-related absence
- 55% of firms with MH sickness absence said it impacted on the business
- Activities to support mental health offered by 44% of firms
- Sickness related to mental health is associated with productivity which is lower by 18.3%, and in firms reporting an impact, with productivity which is lower by 24.5%

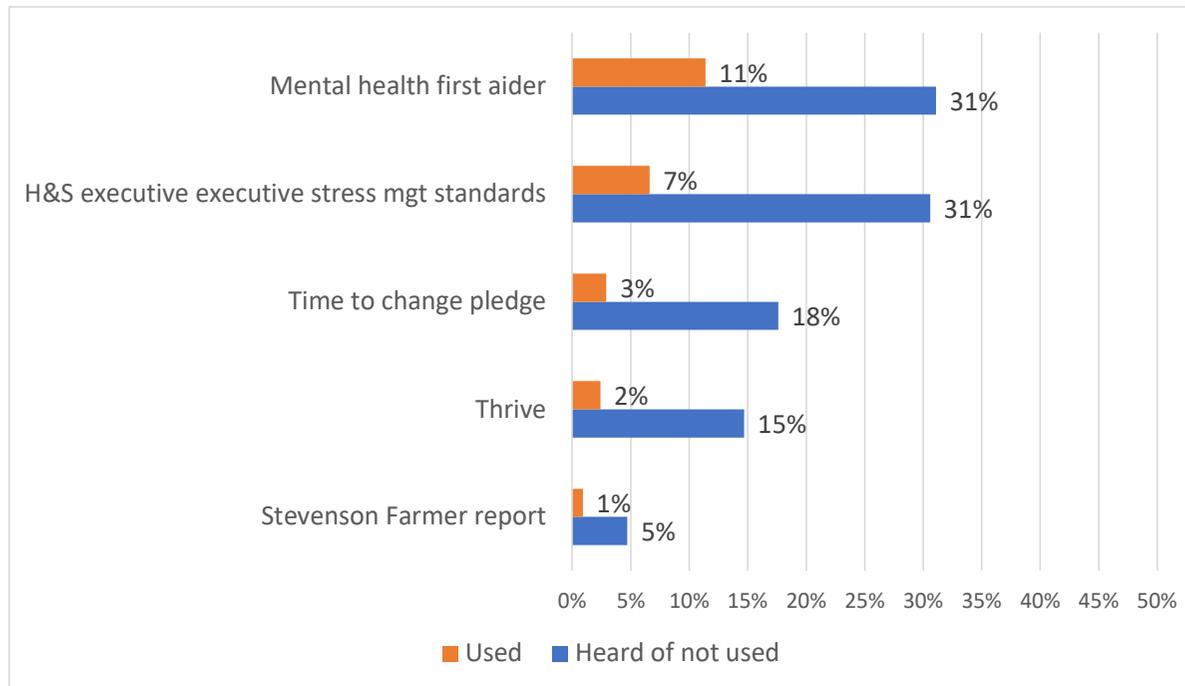
Workplace mental health issues: pre-COVID-19

- 55% of firms reporting mental health absence said there was an impact to the business



Workplace mental health issues: pre-COVID-19

- Low awareness and adoption of external initiatives



Source: ERC (2020) A baseline study for the Mental Health and Productivity Pilot project

Workplace mental health issues during COVID-19



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- Presenteeism is down (reported by 17% of firms vs 33%)
- Fewer firms reporting mental health related absence (25% of firms vs 30%), however 53% say it accounts for a greater proportion of their sickness absence
- Fewer firms reported an impact of MH sickness absence (41% vs 55%)
- Changing patterns of workplace mental health: new triggers & groups affected, more difficult to identify
- Activities to support mental health offered by 52% of firms, up from 44%, but pattern of support unchanged

Conclusions

- MH issues are widespread & have productivity implications
- Employers often unaware of the extent & impacts, & over-reliant on untrained line managers to address MH issues
- COVID-19 impacted significantly
 - Presenteeism is down – but is this a temporary effect?
 - The picture with regard to mental health absenteeism is complex
- Firm-level adoption of practices and engagement with initiatives similar pre- and during pandemic



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Workplace mental health issues: ERC publications



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ERC (2020) *A baseline study for the Mental Health and Productivity Pilot project* Available at: <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2020/05/Employee-Wellbeing-Mental-Health-and-Productivity-in-Midlands-Firms-May-2020.pdf>

ERC (2020) *Talking about workplace mental health: How do employers in the Midlands understand and experience mental health issues?* Available at: <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2020/11/ERC-Insight-Talking-about-workplace-mental-health.pdf>

ERC (2020) *Workplace mental health and Covid-19: experiences of firms in the Midlands* Available at: <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2020/11/ERC-ResReport-Workplace-mental-health-and-Covid-19-experiences-of-firms-in-the-Midlands.pdf>

ERC (2021) *Workplace mental health and wellbeing in Midlands firms before and during the COVID-19 pandemic* Available at: <https://www.enterpriseresearch.ac.uk/publications/workplace-mental-health-and-wellbeing-in-midlands-firms-before-and-during-the-covid-19-pandemic/>

ERC (2021) *Workplace mental health in Midlands firms 2021: Baseline report* (Forthcoming)