

McKinsey Health Institute: Employee mental health and wellbeing

McKinsey Alumni Webcast

August 16, 2022

Q & A

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Today's presenters



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Introduction to the McKinsey Health Institute

McKinsey
Health Institute

Who we are

The McKinsey Health Institute (MHI) is an enduring, **non-profit-generating entity** within the firm. MHI believes, over the next decade, humanity could add as much as **45 billion extra years of higher-quality life**, which is roughly six years per person on average—and substantially more in some countries and populations.

MHI's mission is to **catalyze the actions** needed across continents, sectors, and communities to realize this possibility.

What we do

Convene and enable leaders

Bring leaders together to share learnings and take action

Advance research

Design, conduct, invest in, and share research

Promote & create open-access data assets

Gather, secure, integrate, enrich, and openly share useful data

Stimulate innovation

Catalyze and scale innovation through several initiatives



Martin Dewhurst

McKinsey Health Institute Global Leader, Senior Partner, London



Erica Coe

McKinsey Health Institute Co-leader, Partner, Atlanta



MHI is seeking to collaborate on seven key areas of focus

Focus of today



1 Brain Health



2 Infectious Diseases



3 Healthy Living



4 Equity and Health



5 Healthcare Worker Capacity



6 Healthy Aging



7 Sustainability and Health

Six shifts are needed to reach the full potential for human health

Improve measurement of health with better data

Innovate more, and more quickly

Empower individuals to steward their own health



Invest more disproportionately on prevention and promoting optimal health

Scale what works

Unleash the full potential across industries

Mental health is a continuum, ranging from wellness to illness



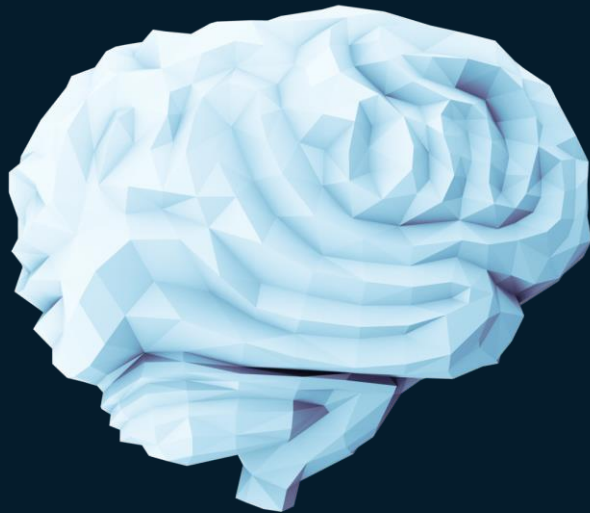
Mental wellness
(may require wellness supports)



Individuals move back and forth along this continuum over the course of their lives



Mental illness
(may require high-acuity supports)



Burnout — is also represented in this continuum

According to the World Health Organization, **burnout is an occupational phenomenon**, driven by a **chronic imbalance between job demands** (e.g., workload pressure and poor working environment) **and job resources** (e.g., job autonomy and supportive work relationships).

It is **characterized by extreme tiredness**, reduced ability to regulate cognitive and emotional processes, and **mental distancing**. Burnout has been demonstrated to be **correlated with anxiety and depression**.

Mental health across working population is declining, and work-related stress is one of the contributors

~7 out of 10

employees in 2021 were struggling or suffering, rather than thriving, in their overall lives globally¹

~54%

of employees in 2021 reported being stressed or very stressed across 5 higher income countries²

85%

of US employees across industries strongly agrees that workplace stress affects their mental health³

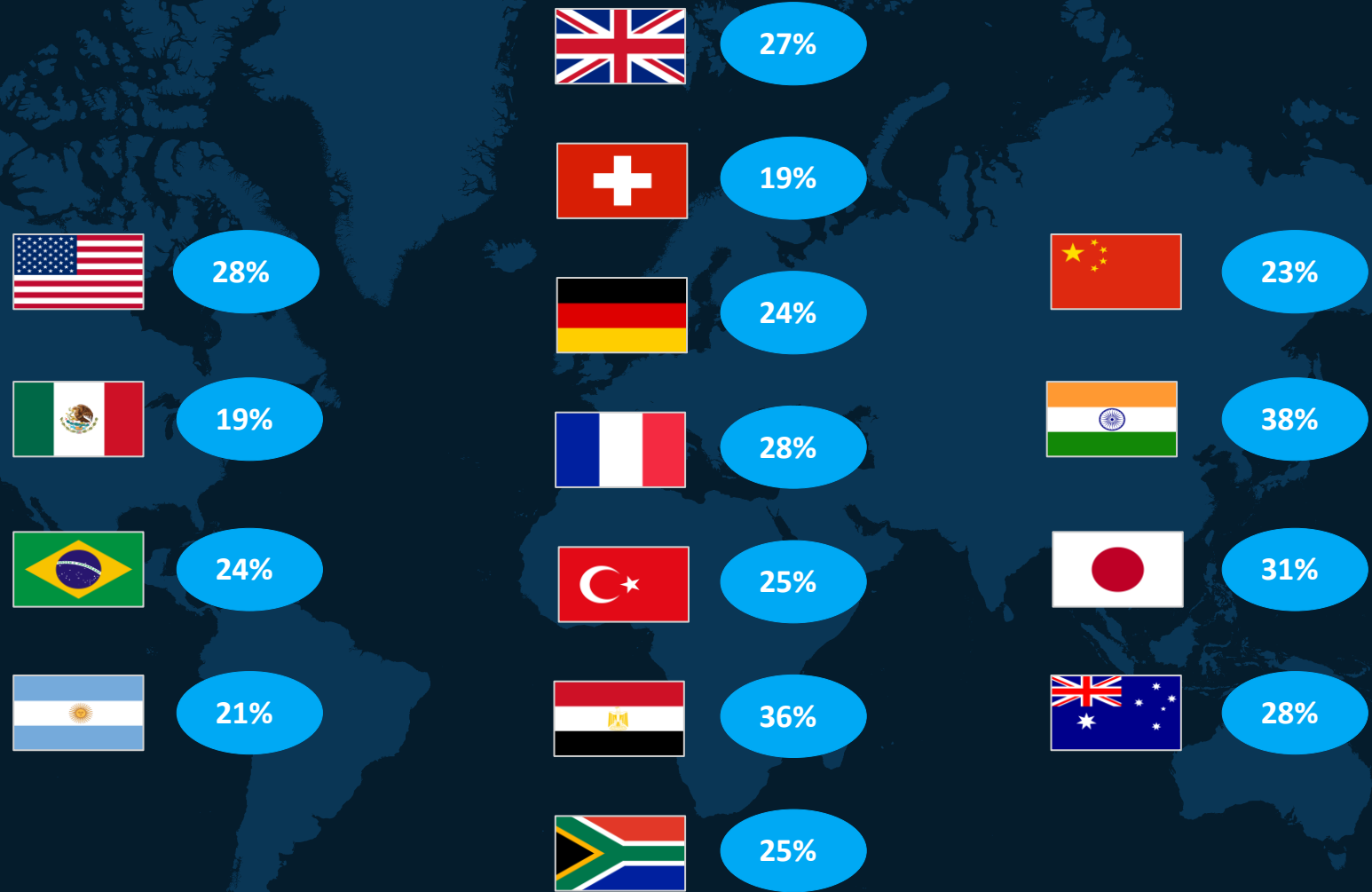
25%+

increase in major depressive disorder and anxiety disorders compared to pre-COVID-19 worldwide⁴



Based on our survey, 1 in every 4 employees indicates experiencing burnout symptoms

● Employees experiencing burnout symptoms¹



1. Calculated by creating average of 12 burnout items - including employees with averages greater than or equal to 3 (sometimes experience symptom)

Note: estimates are based on employee responses, n= 13,239, data from 15 countries: Argentina, Australia, Brazil, China, Egypt, France, Germany, India, Japan, Mexico, South Africa, Switzerland, Turkey, United Kingdom, and United States, estimates rounded to the nearest 5%

We have assessed relevant factors across the 3 dimensions, and their outcomes on the individual health and business

Positive outcomes Negative outcomes



**Company /
senior leaders**

Workplace factors assessed

Leadership commitment

Access to resources

Organizational accountability



**Manager /
peers**

Toxic workplace behavior

Inclusivity and belonging

Growth environment

Sustainable work



**Individual
employees**

Self-efficacy



Outcomes assessed

Health

Burnout symptoms

Distress

Depression symptoms

Anxiety symptoms

Business

Intent to leave

Work engagement

Organizational advocacy

Work satisfaction

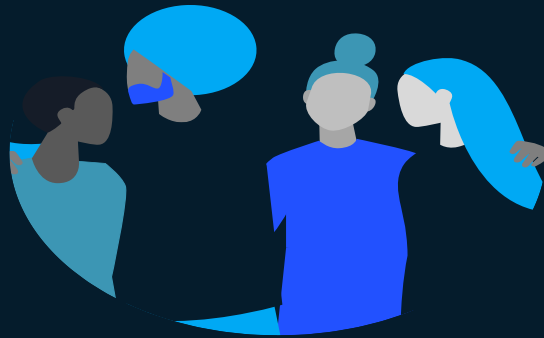
Survey across 15,000 employees and 1,000 HR decision-makers in 15 countries

Our survey results show that achieving positive outcomes requires a comprehensive approach

Three workplace environment factors predict

~60% of positive outcomes

across job satisfaction, work engagement, and organizational advocacy



Workplace environment factors



Inclusivity and belonging

Contribution to positive outcomes

~30%



Supportive growth environment

~20%



Sustainable work

~10%

1. % values indicate the relative contribution of each predictor to the proportion of variance explained for each outcome. These metrics were forced to sum to 100% (instead of R2 or no meaningful sum) to allow for direct comparisons of the proportion of total variance explained across outcomes. total r-squared for each outcome: Work engagement: 0.53; Org. advocacy: 0.51; Job satisfaction: 0.51; Burnout symptoms: 0.36; Intent to leave: 0.34; Distress: 0.22; Depression symptoms: 0.21; Anxiety symptoms: 0.19

However, when it comes to negative outcomes our survey shows that some workplace factors outweigh the others

Three workplace environment factors predict

~75 – 95 % of negative outcomes

across symptoms of burnout, anxiety, distress, or depression and intent to leave



Workplace environment factors

Contribution to negative outcomes



Toxic workplace behavior

~60 – 70%



Inclusivity and belonging

~10 – 15%



Sustainable work

~5 – 10%

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What are toxic workplace behaviors?

Toxic workplace behaviors include the range of behaviors that leave people feeling unvalued, belittled, or unsafe, such as unfair or demeaning treatment, non-inclusive behavior, sabotaging, cutthroat competition, abusive management, and unethical behavior from leaders or coworkers.

How we measure toxic workplace behaviors in our research



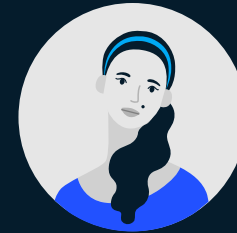
My manager **ridicules** me



I work with people who make **derogatory remarks** about me



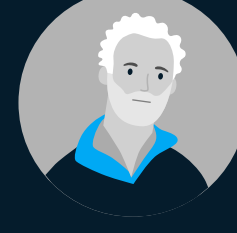
My manager **puts me down** in front of others



I work with people who **belittle me** or my ideas



My manager **makes negative comments** about me **to others**



I work with people who **shut me out** of conversations



Poll

Thinking back over your career, which of these examples of toxic workplace behaviors have you personally experienced?



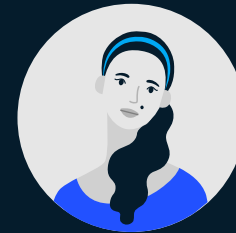
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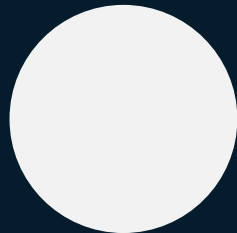
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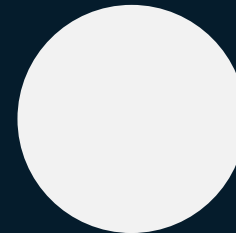
My manager **makes negative comments** about me **to others**



I work with people who **shut me out** of conversations



Other

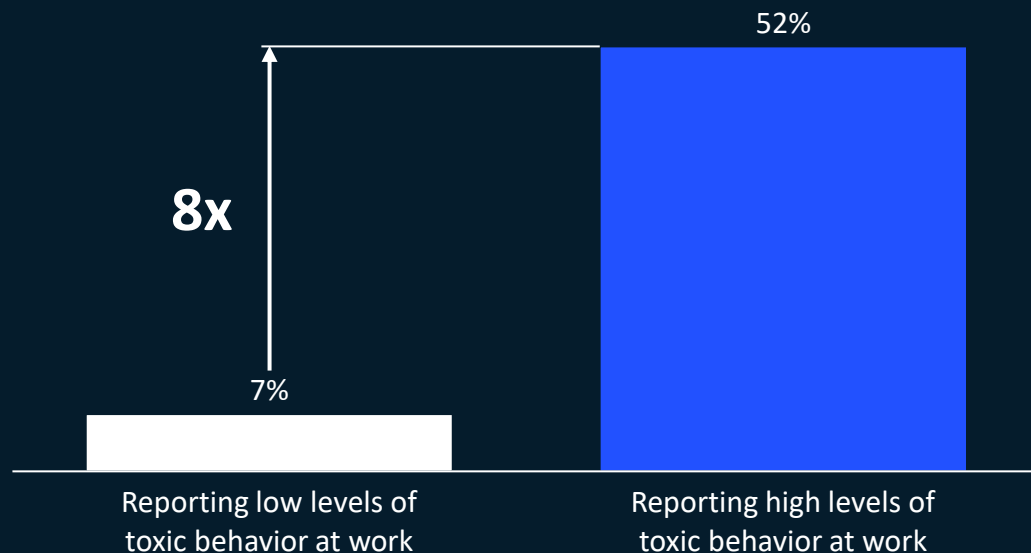


None of the above

Toxic workplaces are a major cost for employers and strong predictors of attrition

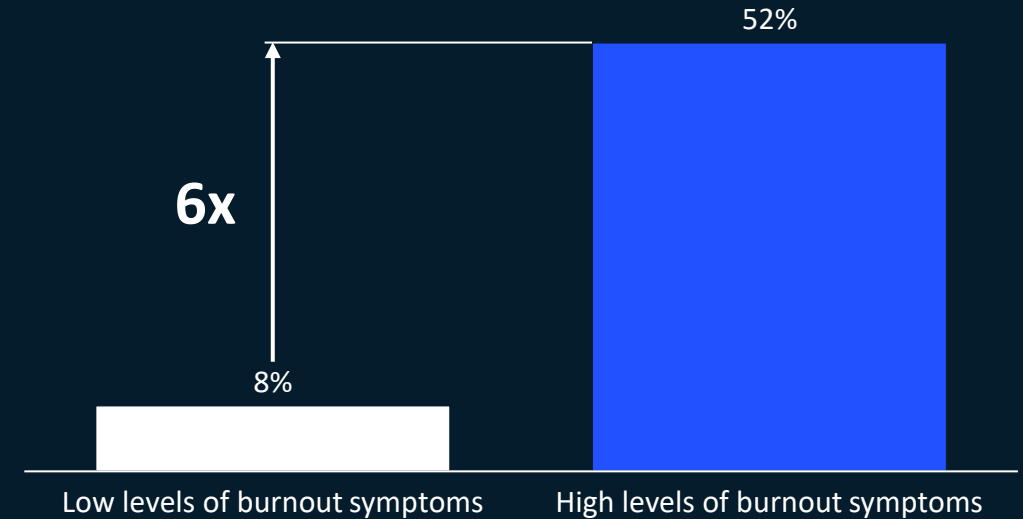
Employees reporting high levels of toxic behavior at work are 8x more likely experience burnout symptoms...

% of employees reporting burnout symptoms¹



...and those experiencing burnout symptoms are 6x more likely to want to quit

% of employees reporting intent to leave their jobs in the next 3-6 months²



Note: "low" refers to bottom quartile (25%) of respondents, and "high" refers to top quartile (25%) of respondents

1. Out of the respondents reporting to experience the highest toxic behavior at work (25%), 55% report to experience high levels of burnout symptoms
2. Out of the respondents reporting to experience the highest burnout symptoms (25%), ~50% report they intend to leave their organization in the next 3-6 months

Source: Employee Mental Health Panel Survey 2022

Although affective adaptability buffers the effect of toxic workplace behavior, it is not sufficient to overcome a bad environment



Employees with low affective adaptability reported a **~70% decrease in work engagement in high toxic environments**



However, employees with high affective adaptability in high toxic environments only reported a **~18% decrease in work engagement**



However, employees with high affective adaptability were

60% more likely

to report **intent to leave their organization** if they experienced high levels of toxic behavior at work than those with low adaptability

Note: "low" refers to bottom quartile (25%) of respondents, and "high" refers to top quartile (25%) of respondents

1. Among employees reporting the lowest toxic behavior at work (25%), the least adaptable employees report 23% of top quartile engagement and the most adaptable employees report 65% of top quartile engagement.
2. Among employees reporting the highest toxic behavior at work (25%), the least adaptable employees report 4% of top quartile engagement and the most adaptable employees report 51% of top quartile engagement.

Source: Employee Mental Health Panel Survey 2022

We have identified 8 key actions driving improvement in employee mental health and wellbeing





Poll:

To what extent has your organization been affected by high turnover?

No effect

Significant effect

1

2

3

4

5



These actions can have significant impact on employee mental health and wellbeing, which in turn impacts the business



Workplace factors



Employee outcomes¹



Business outcomes²

1. Toxic workplace

60-70%

of variance in intent to leave is explained by toxic workplace behavior

~\$50B

was the cost of the turnover triggered by a toxic culture in the US even before the Great Resignation began³

#2. Inclusive environment

~30%

of positive variance in employee engagement in an inclusive environment

34%

Loss of productivity and absenteeism through salary from disengaged employees⁵

3. Sustainable workload

2x

more likely for employees to experience anxiety symptoms in unsustainable work environment

~12B

working days are lost annually due to depression and anxiety⁴

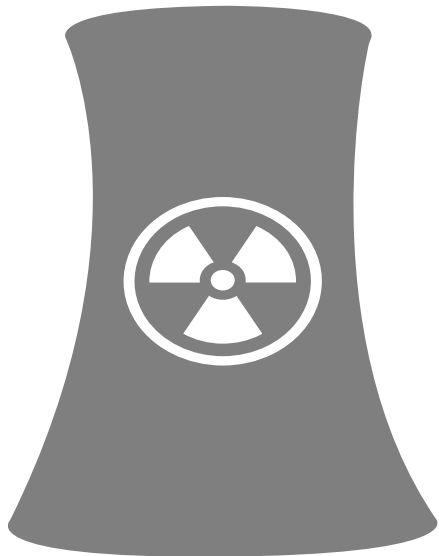
1. Based on MHI's 2022 Employee Mental Health and Wellbeing Panel Survey outputs; 2. Based on external research; Thematic correlation between the employee and business outcomes— no statistical causality implied Sources: 3. MIT research, 2022: Why Every Leader Needs to Worry About Toxic Culture; 4. Lancet Psychiatry – Chisholm et al. "Scaling-up treatment of depression and anxiety: a global return on investment analysis; 5. Forbes, 2022: "Companies Need To Know The Dollar Cost Of Employee Turnover"

1. Eliminate toxic workplace behaviors

Employees who experience high levels of toxic behavior at work are over

~4x

more likely to report burnout symptoms



Previously published with approval

How can this manifest in the workplace?

Neal Patterson, **the CEO of Cerner, sent an e-mail** intended for just the top 400 people in the company, complaining that few employees were working full 40-hour weeks and that **“as managers—you either do not know what your employees are doing; or you do not care.”**

Patterson said that he wanted to see the employee parking lot “substantially full” from 7:30 AM to 6:30 PM weekdays and “half full” on Saturdays. If that didn’t happen, he would take harsh measures. **“You have two weeks,” he warned. “Tick, tock.”**

As the email leaked, **the company’s stock value plummeted by 22 percent in three days.** Patterson handled the aftermath well and sent an apology email to his employees. The share price did bounce back.

2. Foster inclusivity and belonging

Employees in environments with high inclusivity and belonging are

~2x

more engaged at work



Previously published with approval

How can this manifest in the workplace?

The CEO of one company was horrified when **two female executive vice presidents pulled him aside** after a meeting. The women, who kept careful tallies, informed the **CEO that he had interrupted each of them at least six times**, but **never interrupted the four male executive vice presidents**.

Stunned and embarrassed, the CEO asked for forgiveness and for them to **keep tracking his interruptions**, vowing to intentionally address inequity in meetings. He didn't want to feel that self-loathing again.

3. Enable a sustainable work model

Employees are

~2.6x

more likely to advocate for their organization when their work is sustainable²



Previously published with approval

How can this manifest in the workplace?

According to research³, half of those who say they have engaged in uncivilized behavior at work also say they **have no time to be nice.**²

Senior executives at Dropbox attacked the problem with an “Armeetingeddon” initiative: **IT staff went into each employee’s online calendar and deleted** virtually all **upcoming meetings except those with customers.**

This **“meeting subtraction” forced employees to think about the overload they inflicted on themselves** and others and reflect on how meetings could be scheduled less often, be shorter, involve fewer people, or be eliminated.¹



Poll:

How equipped is your organization to prioritize mental health in challenging economic times?

Not
equipped

Well-
equipped

1

2

3

4

5



All employers play a key role in **promoting health across the world**

We encourage you to **collaborate with MHI** to add years to life and life to years



How you can get involved

We are **engaging organizations through our Employee Mental Health and Well-being Initiative**, in collaboration with partners, including



Organizations are engaging with this effort by **deploying our assessment, sharing data, radiating insights, joining roundtables**, and more

Follow McKinsey Health Institute public Engagement Platform



Read "Addressing employee burnout: are you solving the right problem?"



Join our Employee Mental Health and Well-being Initiative



Questions? Please reach out . . .



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Questions: please contact us at alumni_relations@mckinsey.com