

A person in silhouette stands on a high-rise balcony, looking out at a cityscape. The balcony has a glass railing with metal fasteners. The background shows a hazy city view under a blue sky.

MANAGING **MENTAL HEALTH** IN THE **WORKPLACE**

SURVEY REPORT 2016

Index

Introduction	2
About this survey	3
Finding 1: Managing staff with mental health issues is an increasing concern for Australian employers	4
Finding 2: Depression and anxiety are the most common staff mental health issues	5
Finding 3: Organisations are not measuring the impact of staff with mental health issues on their workplaces	6
Finding 4: Most organisations do not have specific policies or procedures for identifying and managing staff mental health	7
Finding 5: Investment in preventative programs is not related to organisational size but does impact satisfaction with their organisation's management of mental health	8
Finding 6: There are opportunities in training and involvement by managers and executive teams in managing staff mental health	9
Finding 7: There are opportunities in managing risk factors inherent to roles and particular individuals	10
Finding 8: Half of participants feel they need additional skills to identify and manage staff mental health issues	11
We can partner with you to manage mental health at your workplace	12

Introduction

As employment lawyers, our team is witness to the manifestation of mental health issues often after things have reached a crisis point. At best we're asked to advise on a long term absence, performance management process, a termination, an unfair dismissal claim ... at worst we assist clients in the aftermath of a suicide attempt. Closer to home, mental health is a topic close to our hearts, with the legal profession itself overrepresented when it comes to mental health issues.

The management of mental health in the workplace is a complex area and one that clients tell us is at the top of their list of challenges and is of increasing concern. In addition to the legal risks, there are the practical difficulties that come with managing people who are genuinely not well, or not attending work or not responding to reasonable requests.

We decided to undertake a survey of our clients to get a better picture of the challenges they are facing in this regard and the data certainly mirrors their anecdotal concerns. In summary, our report has eight main findings.

1. Managing staff with mental health issues is an increasing concern for Australian employers.
2. Depression and anxiety are the most common staff mental health issues.
3. Organisations are not measuring the impact of staff with mental health issues on their workplaces.
4. Most organisations do not have specific policies or procedures for identifying and managing staff mental health issues.
5. The level of investment in preventative mental health and wellbeing programs is not directly related to organisational size but it does relate to how satisfied participants are with their organisation's management of staff with mental health issues.

6. Opportunities are apparent in terms of increased training and involvement by managers and executive teams in the management of staff mental health issues.
7. With workload and stress as the biggest risk factors for staff mental health, there are opportunities in terms of managing risk factors inherent to a staff member's role and also in managing risk factors associated with the individual staff member.
8. Half of participants feel they need additional skills and knowledge to proactively identify and manage staff mental health issues.

We have elaborated on each of these findings in the body of this report.

There are many more detailed studies into mental health and we would be delighted to point you in the right direction if you're looking for more reading, but most address the issue from the perspective of the employee. The *beyondblue* "State of Workplace Mental Health in Australia" is one such example. Among the sobering statistics in that study are the findings that only 52% of employees believe their workplace is mentally healthy and only 56% believe their most senior leaders value mental health.

We hope our findings offer you some insights into managing mental health from an organisational perspective. Some of this information will be a surprise, some data may support what you are seeing at your workplace. Regardless, we hope our report enables you to benchmark your workplace and provides either evidence that your organisation is implementing best practice strategies or gives you the information you need to drive the changes required to improve the management of mental health at your workplace.

MinterEllison Wellness Team Leaders



Samantha Betzien – Partner QLD

T: +61 7 3119 6429

M: +61 401 996 983

E: samantha.betzien@minterellison.com



Craig Boyle – Partner WA

T: +61 8 6189 7910

M: +61 422 130 009

E: craig.boyle@minterellison.com



Harriet Eager – Partner NSW/ACT

T: +61 2 9921 4932

M: +61 412 104 909

E: harriet.eager@minterellison.com



Trent Forno – Partner QLD

T: +61 7 3119 6339

M: +61 421 617 093

E: trent.forno@minterellison.com



Joelle Grover – Partner VIC/TAS

T: +61 3 8608 2956

M: +61 450 720 905

E: joelle.grover@minterellison.com

safety@minterellison.com

About this survey

We conducted the 2016 Mental Health in the Workplace survey to answer three broad questions:

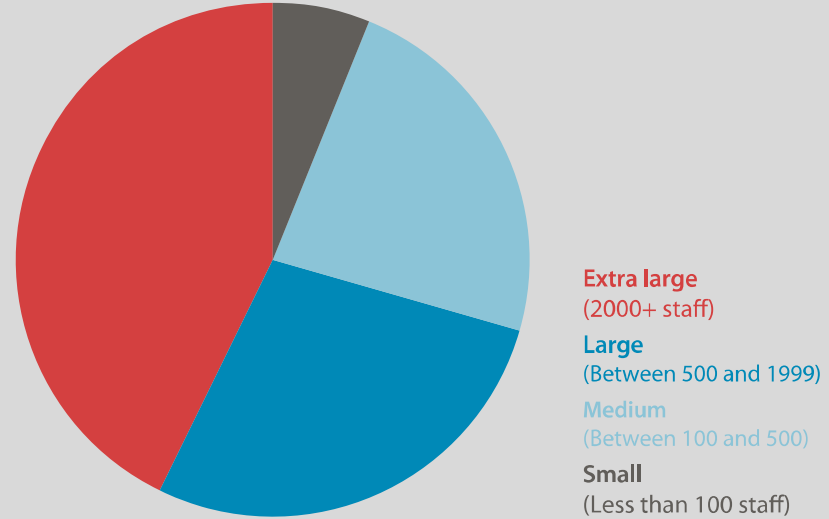
1. At an individual level, who is taking responsibility for managing mental health at our clients' workplaces and what does that involve?
2. At an organisational level, what policies, programs and measures are being implemented by our clients to manage mental health at their workplaces?
3. What can we do, as our clients' best partner, to support their management of mental health?

We distributed our survey to a diverse range of organisations of all sizes including overseas-owned enterprises, Australian listed and private companies, sole traders/partnerships, government entities and not-for-profit organisations.

Surveyed organisations operate in a broad range of industries including arts, construction, defence and aerospace, education, finance and insurance, government, healthcare, IT, manufacturing, media, mining and resources, professional services, property, retail, science, transport and logistics, tourism and utilities.

We received and evaluated 226 responses across all of these organisation types and industries.

Size of organisations represented in our survey



What do we need to do?

"We want to be more proactive rather than reactive and keep wellbeing front of mind for all employees."

Survey participant

1. Managing staff with mental health issues is an increasing concern for Australian employers

The Australian Work Health and Safety Strategy 2012-2022 (**WHS Strategy**) prepared by Safe Work Australia and endorsed by the relevant State and Territory Ministers, and launched by the federal government, has identified six work-related 'disorders' as national priorities. Mental health is one of those priorities – demonstrating just how prevalent an issue it is in Australian workplaces. The WHS Strategy also reveals that 90% of workers' compensation claims involving mental health issues are linked to different types of 'mental stress'.

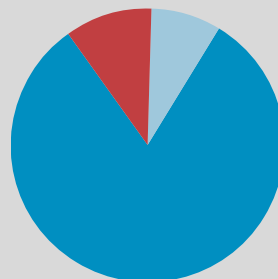
Our survey results indicate that one third of participants have had more than 15 instances of staff experiencing mental health issues in their organisation in the last 12 months. Consistent with our observation and experience, 56% of participants reported they were seeing more cases compared to the previous 12 months, while only 3% reported a decrease in instances of staff with mental health issues.

While there are various reasons for the higher levels of mental health issues affecting staff, it is clear the increased incidence of mental health issues in workplaces is affecting the performance of organisations and increasingly occupying the time of management, with 57% of participants spending up to 10% of their workload in a typical month managing staff mental health issues.

The overwhelming majority of organisations place the responsibility of managing staff mental health issues with HR professionals (94%) which suggests that HR professionals are often the people who are called on to offer guidance to managers who are directly responsible for managing staff with mental health issues. Consistent with mental health being treated as a WHS issue, 55% of participants identified their WHS experts as playing a role in managing staff with mental health issues. Other teams identified as having responsibility for managing mental health are workers compensation (40%), employee relations (26%), legal (11%) and employee benefits (10%).

Time spent managing staff mental health related issues

8.3% None
10.4% More than 25%



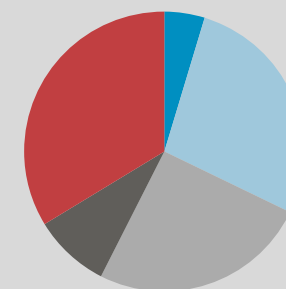
81.3%

of participants are spending 25% of their time managing staff with mental health issues

56%

of participants reported a year-to-year increase in the number of cases

Instances of staff presenting with mental health issues in the last 12 months



33.7% More than 15
8.9% 10 to 15
25.3% 5 to 10
27.4% less than 5
4.7% None

HR ON THE FRONT LINE

94%

of participants reported that the HR function had formal responsibility for the management of staff mental health matters

2. Depression and anxiety are the most common staff mental health issues

Our survey results reveal that, over the past two years, the two most common mental health issues affecting staff are depression and anxiety (94%).

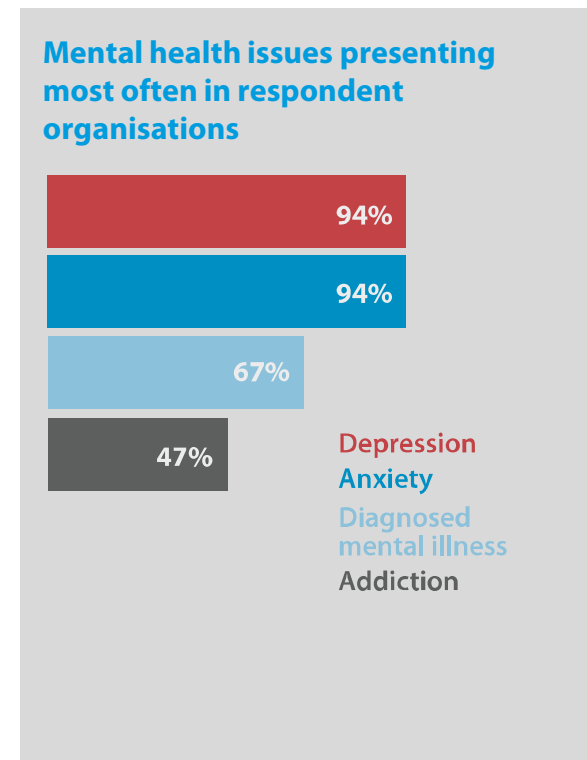
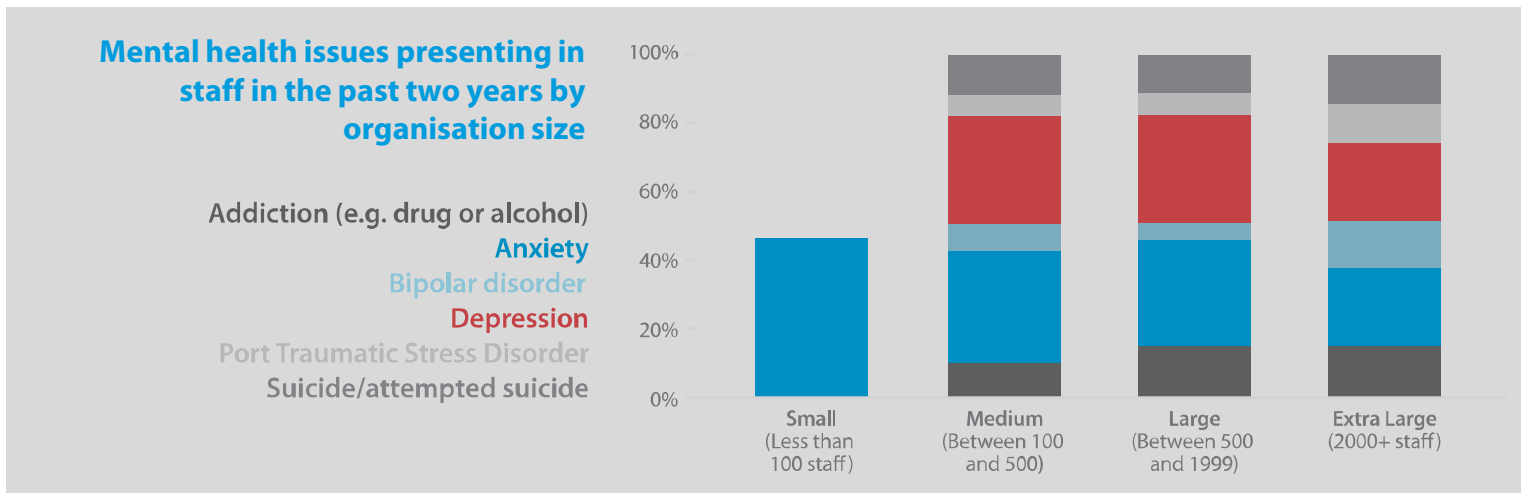
Addictions, including to drugs and alcohol and, interestingly, post-traumatic stress disorder were also nominated as significant mental health issues affecting staff, with 47% and 30% of participants respectively specifying these issues as being present in their workplaces.

Quite unexpectedly, 44% of participants reported suicide or attempted suicide at their workplaces in the last two years.

This statistic only emphasises the prevalence of mental health issues in the workplace and the need for HR professionals and managers to be appropriately equipped to deal with the full range of mental health issues and situations (including high risk situations) that may present in their workplace.

Interestingly, we found that once an organisation has 100 employees, the number of mental health issues increases - but the mix of issues remains relatively stable right up to the biggest organisations with more than 2000 employees.

44%
of participants reported incidences of suicide or attempted suicide in their organisation



What do we need to do?

"My wish would be to have a trained psychologist on site, at least one day per week, for the sole purpose of meeting with employees who have mental health issues, but haven't disclosed to HR or their manager. I'm sure there are many more cases than we realise."

Survey participant

3. Organisations are not measuring the impact of staff with mental health issues on their workplaces

A PWC study found that mental health issues have a substantial economic impact on Australian workplaces – approximately \$11 billion per year. This comprises \$4.7 billion in absenteeism, \$6.1 billion in presenteeism (reduced productivity when at work) and \$146 million in compensation claims. (PWC, “Creating a mentally healthy workplace, return on investment analysis”, March 2014.)

As the number of staff with mental health issues rises at workplaces, so too do the costs borne by organisations.

An overwhelming majority of participants (66%) stated they do not currently measure the impact of staff mental health issues on their organisations. Of the 34% that do, 39% indicated that absenteeism has the biggest impact on their organisations. Only 2% of participants said the financial impact of mental health issues is measured at their workplace.

We consider the benefit of measuring the impact of staff with mental health issues is enabling organisations to track whether staff mental health initiatives in place are effective and identifying areas requiring additional focus or expenditure.

The literature about managing staff mental health issues overwhelmingly supports having preventative mental health

and wellbeing programs that contribute to the creation of a mentally healthy workplace – and studies have found there is a measurable return on investment:

'[T]hrough the successful implementation of an effective action to create a mentally healthy workplace, organisations, on average, can expect a positive return on investment (ROI) of 2.3. That is, for every dollar spent on successfully implementing an appropriate action, there is on average \$2.30 in benefits to be gained by the organisation.' [PWC, “Creating a mentally healthy workplace, return on investment analysis”, March 2014.]

However, for organisations to receive a positive ROI, in addition to implementing actions, organisations also need to:

- ensure employees participate in the actions;
- develop and implement policies and procedures; and
- ensure that senior leadership is actively demonstrating its commitment to improving mental health in the workplace.

Generally, a positive response to mental health actions leads to an increase in productivity as a result of reduced absenteeism and presenteeism and there are fewer compensation claims.

Top 5 observed business challenges

Absenteeism

Determining fitness to return to work

Dealing with return to work

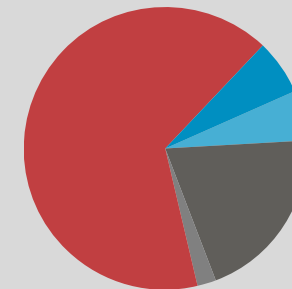
Proceeding with performance management

Obtaining appropriate medical evidence

How does your business measure the impact of staff mental health issues on the organisation?

65%

of participants do not quantify the impact of managing staff with mental health issues



6% Other

6% Lost productivity

20% No. of days absent

2% Financial value

What do we need to do?

“Recognise it as a legitimate issue and talk about it.”

Survey participant

4. Most organisations do not have specific policies or procedures for identifying and managing staff mental health

While most organisations consider mental health issues are becoming increasingly costly to their organisations (albeit, generally based on an unmeasured view – see finding 3), there appears to be an absence of specific formal policies and procedures for identifying and managing staff mental health issues. That said, some organisations may have incorporated the management of staff with mental health issues into their other policies and procedures.

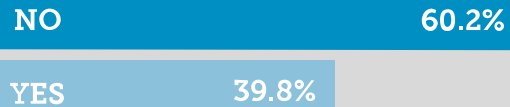
An overwhelming majority of participants (74%) reported that their organisation does not have any specific formal policies or procedures for managing staff mental health issues. Of those that do have a specific policy or procedure, 42% think it is 'somewhat effective', while only 10% think it is 'very effective'. The low satisfaction level with these policies may be down to the fact that the policy is the only action in place to manage mental health issues rather than one of a few actions in their workplaces.

Similarly, 60% of participants reported that their organisation does not have any processes or policies in place for identifying key risk factors that contribute to staff mental health issues.

The good news is there are clearly great opportunities for organisations to develop appropriate frameworks and protocols to address and manage the substantial and growing impact of staff mental health issues on the workplace.

We consider having a framework for identifying and addressing staff mental health issues is key to creating a mentally healthy workplace and responding appropriately to staff with mental health issues. Based on recent case law, we also know the industrial tribunals expect organisations to have such a framework.

Does your organisation have a policy or procedure to identify key risk factors?

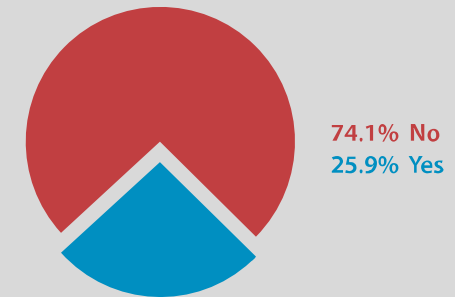


What do we need to do?

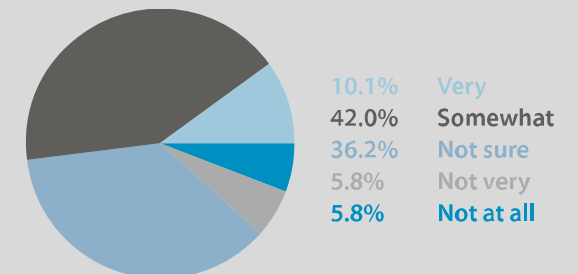
"Talk about it more. Have a policy in place that normalises mental health."
Survey participant

10% of participants consider their policies and procedures "very effective"

Does your organisation have a formal policy or procedure for managing staff mental health issues?



How effective are your formal policies and procedures for managing staff mental health issues?



5. The level of investment in preventative programs is not related to organisational size but does impact satisfaction with their organisation's management of mental health

The annual spend on preventative mental health and wellbeing programs was much lower than we anticipated.

Surprisingly, a majority of participants said their organisation makes no or little (up to \$20,000 annually) investment in preventative mental health and wellbeing programs. Consistent with this, many participants identified that they would like an increased budget to put in place preventative mental health and wellbeing programs.

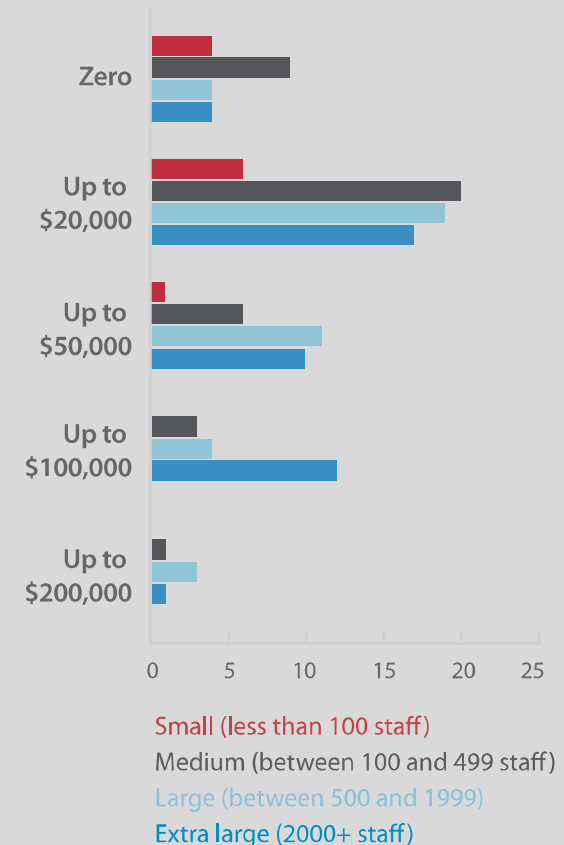
Less than 20% of participants reported preventative investment spending between \$20-50,000, while approximately 15% spent

\$50-200,000. Only around 10% reported spending in excess of \$200,000.

Interestingly, there was no correlation between the size of the organisation and the level of preventative investment.

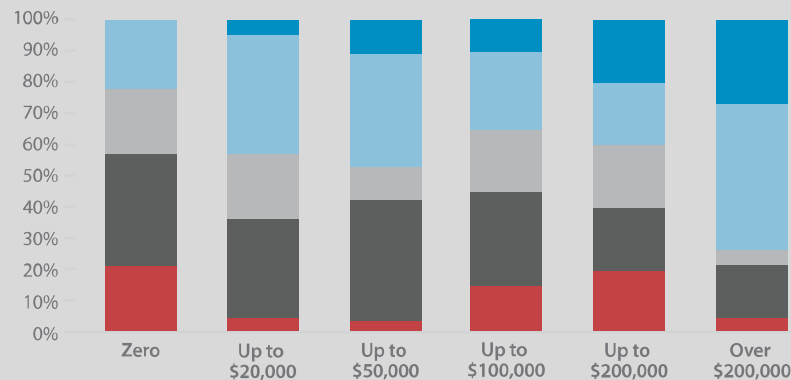
However, there was a relationship between the level of preventative investment and satisfaction with the organisation's management of staff mental health issues, particularly where the organisation makes significant investments (more than \$200,000). Tellingly, for organisations which do not make any preventative investment, none of the participants were satisfied with how their organisation manages staff mental health issues.

Level of spend according to size of the organisation



Participant satisfaction with the organisation's management of staff mental health issues against annual investment in preventative programs

Very satisfied
Somewhat satisfied
Neutral
Somewhat unsatisfied
Very unsatisfied



6. There are opportunities in training and involvement by managers and executive teams in managing staff mental health

Not surprisingly, and as outlined in finding 1, HR professionals have responsibility for the management of staff mental health in the majority of organisations, with input from WHS, legal and management.

However, 15% of participants reported that managers and leaders are *formally responsible* for managing mental health in their workplaces. This undoubtedly correlates to managers having the opportunity to play a crucial role in identifying the early stages of staff mental health issues among staff and taking steps to manage these issues.

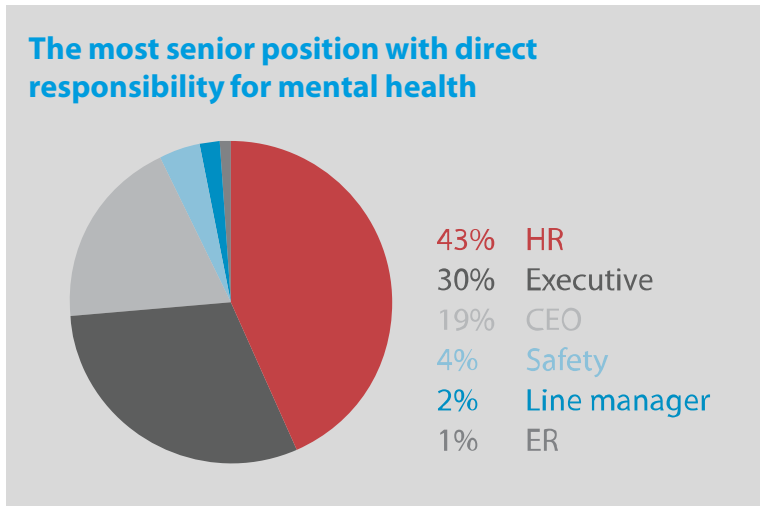
Separate to the notion of *formal responsibility*, participants identified senior executives and management, including CEOs/MDs, COOs and executive general managers, as having *direct responsibility* for managing staff mental health issues. While they may not necessarily be the primary person managing the day-to-day issues presented by staff with mental health issues, executive management has been clearly identified as playing a fundamental role in managing staff mental health – and often having ultimate responsibility for ensuring there is a mentally healthy workplace.

So, how do managers and executives become equipped to support the creation of a mentally healthy workplace and manage staff with mental health issues?

Unsurprisingly, participants considered that more needs to be done in terms of training, particularly for the managers who are expected, but may be ill-equipped, to proactively identify and deal with staff with mental health issues. In this regard, more than 70% of participants said their organisation needed more manager training about how to manage the practical matters involving staff mental health issues.

A common theme was that there should be a change in the focus from basic informational sessions towards more practical training for managers. Manager training should also include training around management styles and minimising the potential impact of particular behaviours on staff with mental health issues. More than 60% of participants wanted more manager training on the legal issues associated with managing mental health.

Somewhat surprisingly, only 30% of participants confirmed that the issue of mental health in the workplace has been discussed more than once at Board level in the last two years – however, our experience is that Boards are concerned about staff mental health issues and want to ensure their organisation has an appropriate and effective framework for ensuring a mentally healthy workplace and appropriate management of staff with mental health issues. Training sessions on staff mental health issues should extend to directors, which could form part of the training to assist them and other officers comply with their personal due diligence obligations under WHS law.



30%

of organisations have discussed staff mental health issues at Board level at least once

10%

of Boards have never had mental health on their agenda

7. There are opportunities in managing risk factors inherent to roles and particular individuals

Participants identified factors inherent to a staff member's role which may contribute to, or cause, staff mental health issues, both in relation to the workplace environment (eg, poor leadership, remote locations, call centres, constant workplace change, resourcing issues) and the nature of the work itself (eg, high pressure, dealing with increasing customer demands, lack of flexibility or aggressive people).

Workload/stress/fatigue were, by far, the main workplace factors identified by participants as exacerbating the risk to a staff member's mental health (66% - with the next closest risk factor being workplace change/job security at 31%).

In addition to identifying risks associated with roles, participants suggested a raft of risks created by the staff member's personal circumstances (eg, whether the staff member is dealing with external/personal issues or may have particular personality traits which may make them more susceptible to mental health issues). These risks accounted for 23% of the total risk factors.

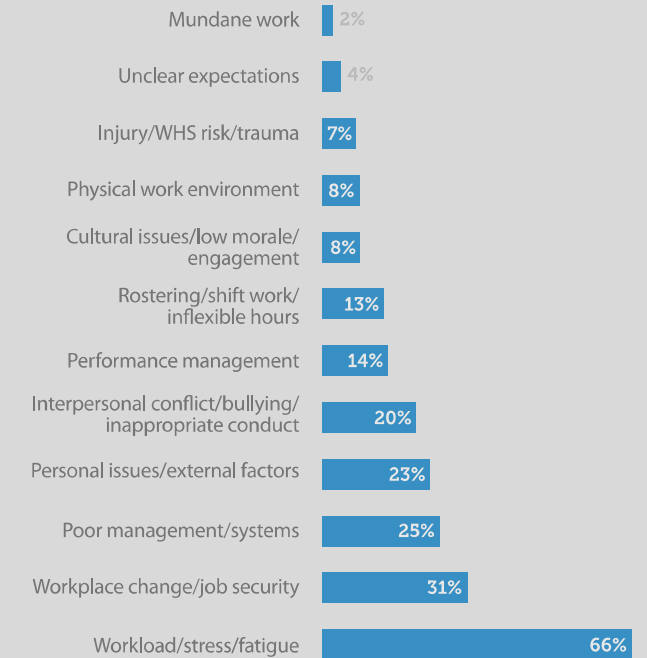
Regardless of whether risks are work related or attributed to the individual, adopting a risk-based approach to managing mental health can provide useful insights and help to identify areas in which to focus effort and expenditure on the creation and maintenance of a mentally healthy workplace.

Processes should be in place to proactively manage the risks. These processes could include, among other things:

- resilience training, where preferably small groups of staff are trained, including in how best to support staff with high stress workloads;
- mentoring programs, with regular catch-ups between a staff member and their manager and goal setting;
- manager training in relation to work allocation and management style, so as not to create or contribute to undue stress in the workplace; and
- manager/HR training about how to manage the practical matters involving staff mental health issues.

Crucially, there is an opportunity for organisations to cast a critical lens over their operations and identify their key risk factors and high risk roles. This will allow programs to be appropriately tailored to achieve better outcomes when managing mental health in the workplace.

Key risk factors



What do we need to do?

“Develop a stronger awareness of employer-employee boundaries to appreciate what support can extend beyond those boundaries and demonstrate our values as a caring employer and member of the community.”

Survey participant

8. Half of participants feel they need additional skills to identify and manage staff mental health issues

A common theme among participants is that HR, WHS, legal and management, need to continually learn when it comes to mental health as every situation is different.

Some of the key areas where participants feel they needed additional skills include:

- identifying the signs of mental health issues in the workplace, particularly early identification so proactive steps can be taken to achieve more effective outcomes;
- how to raise concerns and have conversations with staff members about their mental health;
- the circumstances in which it is appropriate to send a staff member to an independent medical examination and the legal and practical issues that arise if the staff member refuses to attend (only 10% of participants said they were very satisfied with the service provided by their independent medical examiners during the past two years; 20% were not very satisfied);

- the circumstances in which it is appropriate to terminate an employee's employment and identifying the legal risks of doing so; and
- responding to high risk situations.

Our survey also identifies that 45% of participants consider manager training is necessary to improve the management of mental health issues in their workplaces, particularly so they are better placed to proactively identify signs of staff with mental health issues and how to manage those issues. Our experience is that there is a real need for this training, particularly in light of the cases we have seen where mental health issues have only been identified as an underlying reason for a staff member's under performance late in the performance management process or after they have been terminated and have filed an unfair dismissal claim.

What can organisations do differently to better manage staff with mental health issues?

Greater leadership role played by Board, management and senior executives

Training and education for business leaders, front line managers and HR staff

Proactive approach to putting staff wellbeing front of mind for all employees

Supportive cultural context – create a safe environment for discussing mental health

Focus on early issues identification and preventive measures

Promote and encourage flexible work practices

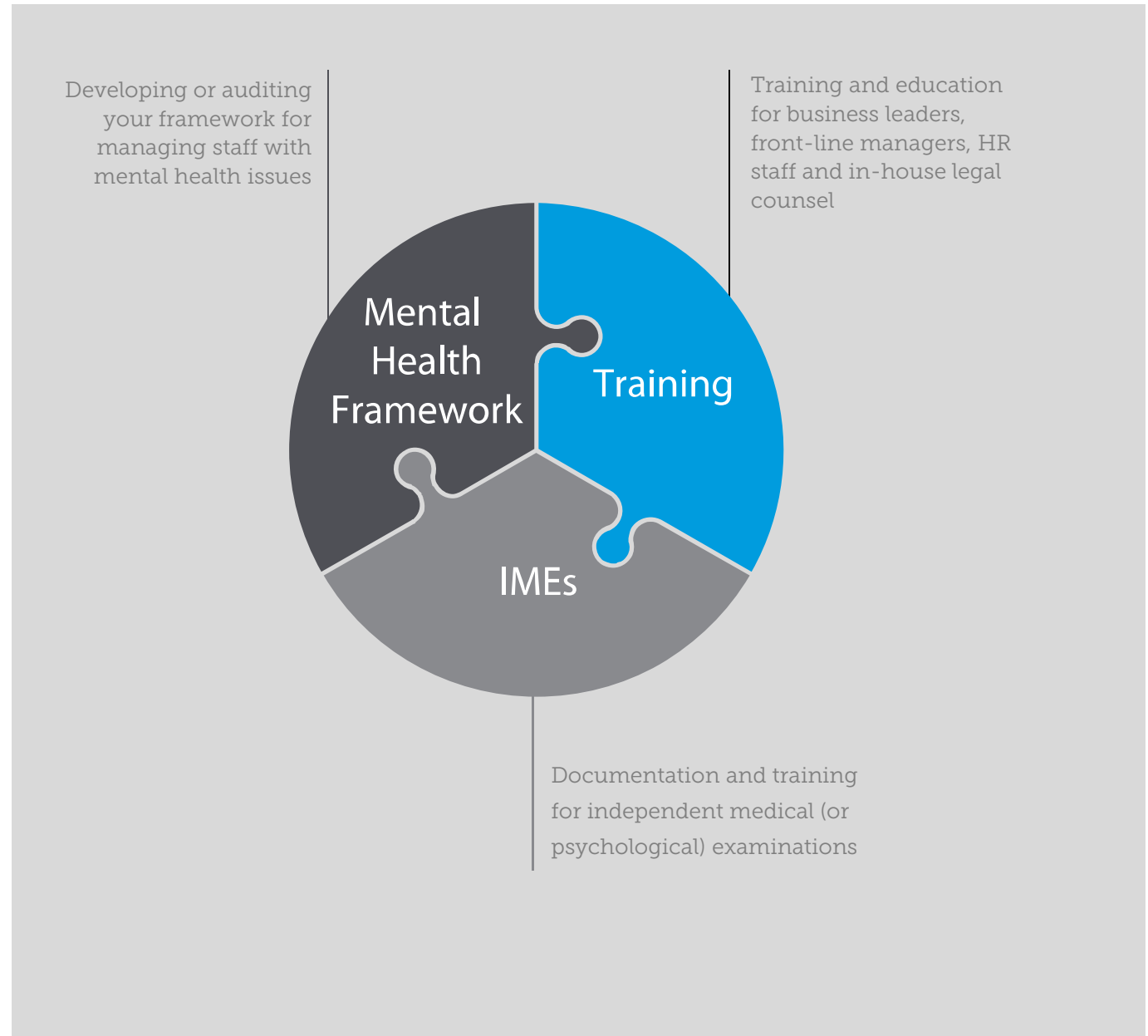
Improved screening processes at recruitment stage

Better training and tools for HR, line managers and leadership is required



We can partner with you to manage mental health at your workplace

The results of our survey show very clearly that organisations across Australia, regardless of size and industry sector, are facing an increase in mental health issues among their workforce populations. In response, we have identified three approaches to wellness to help you and your organisation manage mental health in a proactive and holistic manner.



We can partner with you...

1. Developing or auditing your framework for managing staff with mental health issues

We know many organisations either don't have a framework for managing staff mental health issues or consider their framework is deficient.

If you don't have a framework, we can work with you to:

- develop the appropriate policies and procedures; and
- tweak your current policies and procedures (eg about appropriate workplace behaviour, WHS) to ensure mental health in the workplace is appropriately addressed.

If you do have a framework for managing staff mental health issues we can review the processes you have in place and make recommendations about any areas for improvement.

2. Training and education for business leaders, front-line managers, HR staff and in-house legal counsel

We have developed training programs for all levels in your organisation. We'd be happy to discuss which might be most relevant to your organisation, or develop other sessions as required.

For your Board and executive team

We know Boards and executive teams are concerned about staff mental health issues and want to ensure their organisations have an appropriate and effective framework for enabling a mentally healthy workplace and for appropriately managing staff with mental health issues.

In developing our training for Boards and executive teams, we will work with you to develop a session that meets your organisational needs. Such a session can cover a range of matters, including:

- the prevalence of mental health issues in the workplace and common risk areas;
- the organisation's framework for managing staff mental health issues; and
- an understanding of the legal framework, and key risks, in managing staff with mental health issues.

In this session, if you consider it would be of benefit for your Board or executive team, we can also partner with a mental health service provider of your choice or with your HR or WHS professionals.

For managers

Front-line managers are key in proactively identifying staff with mental health issues, raising the issue and putting in place an appropriate management framework for the staff member. Ensuring your managers have the capability to do this is a key step in enabling your organisation to appropriately manage issues as they arise.

In our training session for managers, we can partner with a mental health service provider of your choice to deliver training which provides managers with:

- information about the benefits of a proactive approach to managing staff with mental health issues;
- an understanding of how to identify mental health issues among staff and the skills to have a conversation with staff members about their concerns;
- practical information about what to do in circumstances of a crisis or high risk situation;
- an understanding of the legal framework, and key risks, in managing staff with mental health issues; and
- how to identify workplace mental health hazards, assess the associated risks and select appropriate control measures.

3. Independent medical (or psychological) examinations

In many scenarios when you are managing a staff member with mental health issues you will want them to attend a medical (or psychological) examination with a medical practitioner or psychologist chosen by your organisation – even if the staff member has provided you with documentation from their treating doctor or psychologist.

Having the right medical evidence can enable your organisation to successfully manage the staff member and reduce legal risks – from ensuring they are set up for success on their return to the workplace to, if they are not able to perform their role on an ongoing basis, terminating their employment while reducing legal risks.

Some of the support we can provide includes:

- **best practice documents:** preparing or reviewing your current suite of letters (to the medical practitioner/psychologist and the staff member) about attending an independent medical examination, to ensure they reflect best practice; and
- **practical training:** providing training for managers, HR professionals and legal counsel involved in arranging independent medical (or psychological) examinations – for example, when to obtain medical evidence, what to do if a staff member refuses to attend, what to do if the medical report is not conclusive or is inconsistent with other medical information you have, how to accommodate restrictions identified in a report, considerations if a report says the staff member has a permanent medical condition etc.

Please contact one of our national wellness team leaders to discuss how we can assist or email us at: safety@minterellison.com