

A person is sitting on a grassy area, wearing blue jeans and a grey t-shirt. They are focused on a wooden chessboard in front of them, with their hands positioned over the pieces. The background is a blurred cityscape with buildings and greenery. A yellow rectangular box is overlaid on the left side of the image, containing the title and subtitle.

Putting our minds to it

Addressing the invisible risk of mental health

The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font, with a yellow diagonal line above the 'Y'.

EY

Building a better
working world

Australian workplaces have traditionally focused on the individual when it comes to mental health and wellbeing with the emphasis on mental health illnesses that the worker brings to work from home.

This is now changing, with organisations subjected to more scrutiny over work health and safety risks beyond compliance. The role of the Chief Executive Officer (CEO) and executive teams is to create a psychologically healthy workplace. There is an increasing acknowledgement that workplace culture, leadership and organisational structures can create, or exacerbate, mental health issues or wellbeing hazards.

The Professor of Work, Health & Wellbeing at Deakin University, Tony LaMontagne, warns of the risk of having a narrow, traditional approach to work health and safety.

“If one’s definition of mentally healthy workplaces does not include mentally healthy working conditions then employers are missing a principal safety obligation.”

Tony LaMontagne, Professor of Work, Health & Wellbeing, Deakin University

Key facts about mental health

Australia is becoming increasingly aware of the cost and impact of mental ill-health and mental illness:

- ▶ 1 in 5 adults will experience mental ill-health in a given year
- ▶ Suicide is the leading cause of death for Australians aged 15-44
- ▶ The government spends \$10b per year on this issue
- ▶ Mental health is estimated to cost the economy up to \$28.6b a year, with lost productivity and job turnover costing an additional \$40b per year, or 2% of GDP¹
- ▶ The most psychologically unhealthy 25% of Australian workers cost \$17.8b in lost productivity according to Safe Work Australia
- ▶ Depression costs Australian employers approximately \$8b per annum as a result of sickness, absence and presenteeism with \$693m per annum of this is due to job strain and bullying²
- ▶ There exists \$305b in untapped potential across all productivity segments
- ▶ Four in five (85%) workers believe that they could increase productivity through improved staff management, motivation and reward and recognition in the workplace⁴
- ▶ Between 1992-93 and 2000-01, there was an 89% increase in the total number of claims where stress was the nominated cause
- ▶ Key contributing factors to mental health claims are work pressure and stress
- ▶ The average time off work for a mental health related workers compensation claim was 13 weeks, with the average cost of claim being \$15,000⁴

1 Contributing lives, Thriving communities - Report of the National Review of Mental Health Programmes and Services, National Mental Health Commission, November 2014

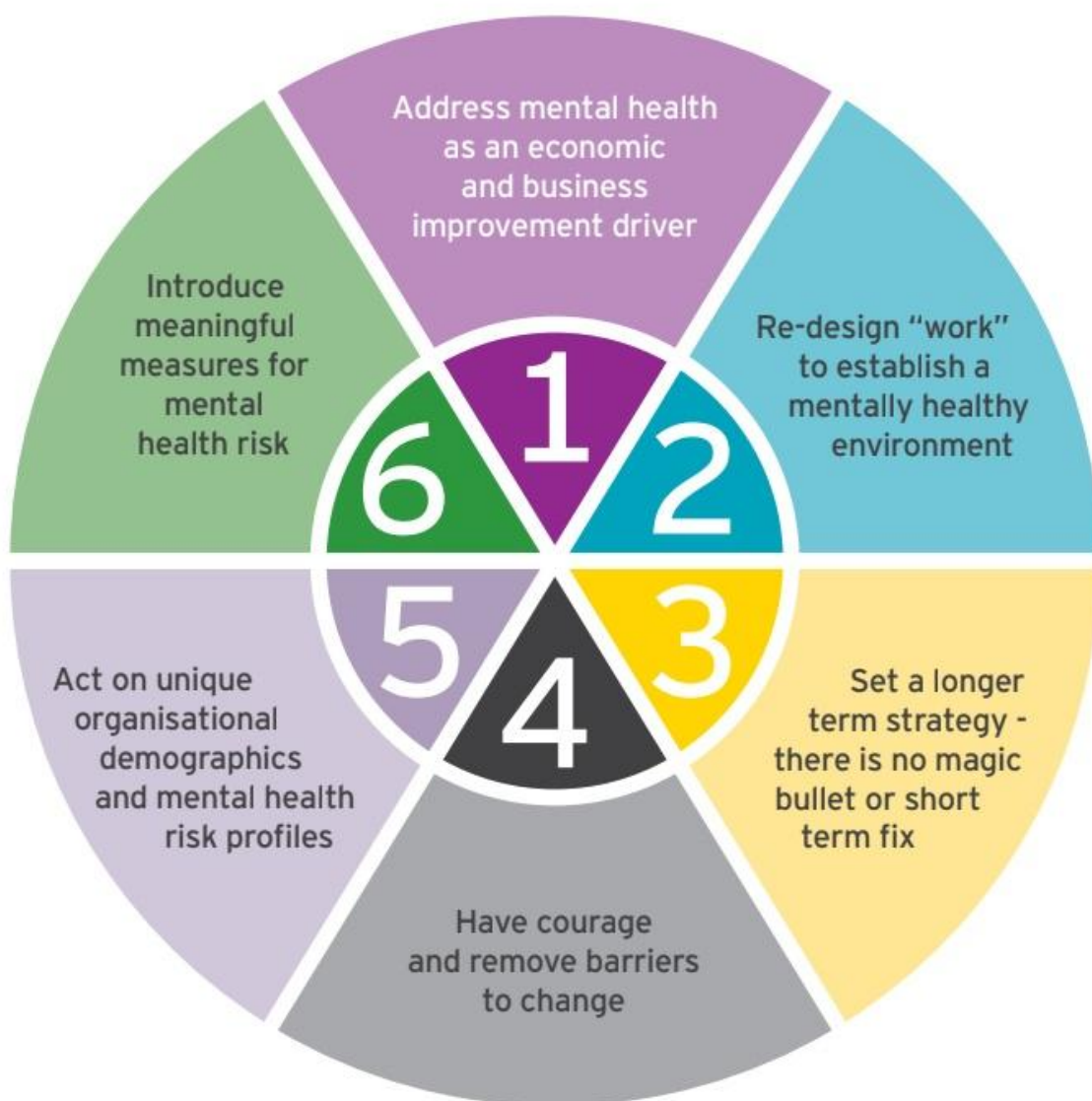
2 The Australian Workplace Barometer: Report On Psychosocial Safety Climate and Worker Health In Australia, Safe Work Australia, December 2012

3 The Ernst & Young Australian Productivity Pulse, March 2013

4 Work-related Mental Disorders In Australia, Australian Safety and Compensation Council April 2006

Six actions to improve mental health and wellbeing

Through its research, EY has identified six actions that organisations can take to improve mental health and wellbeing. This report outlines our findings against each action area.



1 Address mental health as an economic and business improvement driver

Mental health and wellbeing is often promoted in the workplace as part of a company's moral and legislative obligation. However, legal obligations and executives' "moral compass" should not be the principal motivations for taking action.

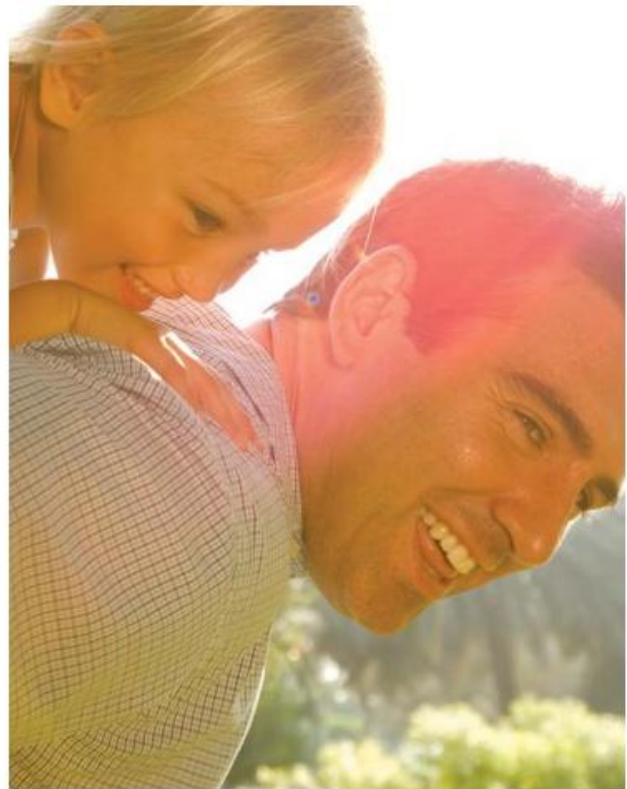
There is a significant positive impact to shareholders and customers to be gained from addressing mental health. According to beyondblue, for every dollar spent on successfully establishing a mentally healthy workplace, there is on average \$2.30 in benefits to be gained through efficiency, effectiveness and productivity.

There is a general consensus that psychologically healthy workplaces encourage improved productivity. According to Jono Nicholas, CEO of ReachOut Australia, people will behave differently depending on the cultural environment in which they operate. The responsibility of the executive management is to set up the right environment that would maximise productivity. The responsibility is then on the individual to respond appropriately within their own skills and capabilities.

The CEO of Headspace, Australia's leading provider of youth mental health services, Chris Tanti, supports the importance of discussing the economics of a psychologically healthy workplace. Mental health in the workplace is becoming more critical as Australia shifts away from industries that produce "things" towards industries that produce ideas. With the value of organisations becoming increasingly dependent on IP, brand and innovation and other intellectual output, there is a heightened need to protect and nurture the inputs generating that value.

"Most Australian businesses now make their economic return from the intellectual output rather than the physical output of their staff. In this circumstance, business needs to look at the inputs of that intellectual output."

Chris Tanti, CEO, Headspace



EY Wellbeing unlocks workplace productivity by helping people to understand and manage their wellbeing across their personal and working lives. Moving someone from a 'low' to 'moderate' wellbeing score delivers on average a 13% productivity dividend, at the same time dramatically reducing the risk of early exit from the workforce.

To achieve this, Tanti stresses that employees need to be mentally engaged with the work they do and that the level of training and education of the workforce is an important factor.

2 Re-design “work” to establish a mentally healthy environment

Good mental health at work, and “good work” requires appropriate resourcing for all tasks. LaMontagne advises:

“As a worker you have your job to do but your employer’s obligation is to provide you with the means to get that job done, whether it is a machine or appropriate skills, managerial support or other support, it can take many different forms.”

Tony LaMontagne, Professor of Work, Health & Wellbeing, Deakin University

One particular management practice that may lead to a poor psychological workplace or poor work satisfaction is micro-management by leaders and managers, indirectly suggesting that direct reports are untrustworthy. Safe Work Australia (SWA) also recognises job control and autonomy as a key issue in its Principles of Good Work Design handbook.

Occupational and work health and safety laws have always included a focus on developing a “safe system of work”. In some ways, the approach to “good work” is recognition of legislative obligation but in a fresh language that encourages consideration of broader issues such as job design, human factors and managerial expectations. Allowing workers to have some control over what they are doing on a daily basis builds trust and may enhance an individual’s view of self-worth and value.

In addition to job control, other key aspects of work design need to be challenged and re-designed. Organisations that are serious about creating mentally healthy work environments need to assess total hours worked, shift rotations, fatigue, sedentary work and to encourage healthier physical environments. For example, nearly 1 in 3 Fly-in-Fly-Out (FIFO) workers experience mental health issues, in comparison to 1 in 5 of the general population. In July 2015, the parliament of Western Australia delivered a report commissioned by the legislative assembly, examining the FIFO work practices on mental health. While the complexity and the challenges of the industry resulted in no simple solutions being presented, it is clear that unique, innovative and flexible solutions are required to address issues resulting from shift rotations and isolation from family and community.

Defining a good day

It is useful to try to understand what a “good day” looks like at the organisational and individual worker levels with the aim of creating more good days. At the organisational level, this involves refining business processes that include work design, performance management, training and recruitment. At the individual level, having a clear definition of success informs workers choices of actions, and which coping mechanisms may be needed.

3 Set a longer term strategy - there is no magic bullet or short term fix

The quantum of work re-design required is daunting and it is easy to be distracted by “feel good” initiatives that are marketable and quick to implement.

It is tempting to look for a short-term solution that demonstrates to the workforce that mental health and wellbeing are important corporate considerations and that action is being taken. However, establishing a longer term purpose and strategy is more effective and sustainable. Nicholas outlines the importance of a clear corporate purpose and the pathway to change:

“You have to tie mental health to the purpose of the company. In our company we have a clear understanding of our purpose, to help young people, and so mental health and wellbeing have a definite role in driving our business. Linking mental health to a company’s mission links it to executive responsibility and it is executives who make the investment decisions to maximise wellbeing.”

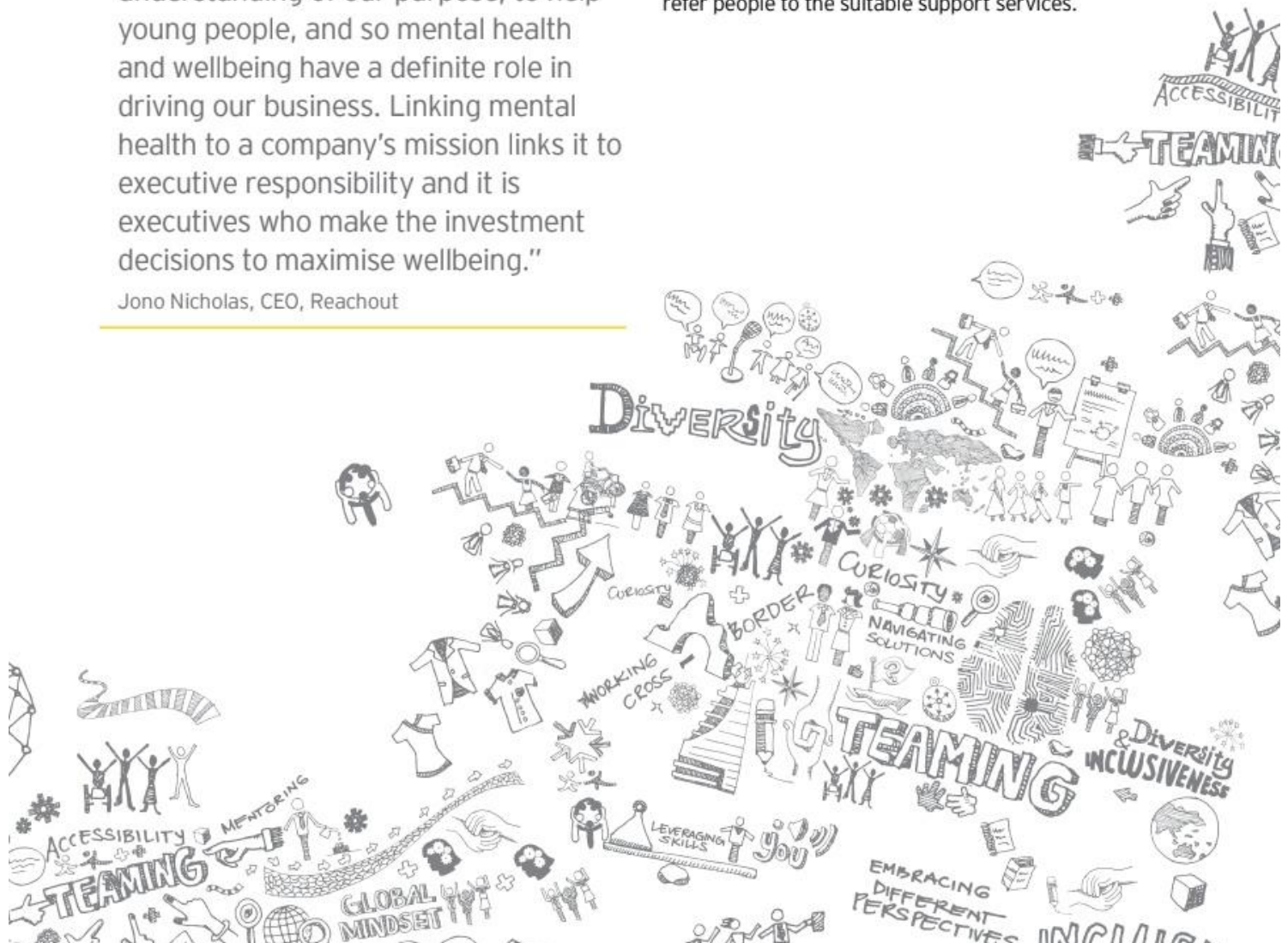
Jono Nicholas, CEO, Reachout

“In my experience, workplaces that are willing to make an effort in workplace mental health and ask what it is the workplace needs to do as well as what the workers need to do, tend to have a longer view and are more willing to invest in these sorts of programs.”

Tony LaMontagne, Professor of Work, Health & Wellbeing, Deakin University

Companies should develop mental health strategies in consultation with community health services, planning five year horizons and acting on them in the shorter and medium terms.

Companies also need to be aware of the early signs of poor mental health, start a gentle conversation and then refer people to the suitable support services.





4 Have courage and remove barriers to change

Even with a robust mental health strategy, there are a number of potential impediments or barriers to developing and improving a company's mental health and wellbeing status.

Lack of courage

Many organisations lack the courage for wholesale change and necessary organisational re-design. Organisations that really want to be successful in addressing mental health issues need to have the courage to do things differently. This may involve letting go of business processes, structures and fast held beliefs of what has worked well for the last twenty years for the sake of continuing for the next twenty years. Historic organisational structures are often barriers to the successful implementation of mental health strategies and interventions.

Globalisation also places substantial economic and competitive pressures on organisations that, although wanting to "do the right thing", feel that they cannot reduce the excessive workloads that contribute to mental health problems.

Exclusive focus on productivity

Tanti, CEO of Headspace, sees the main impediment to change being the exclusive focus on productivity and the bottom line to the detriment of culture, people and relationships. The "production line mentality", where workers are not valued and are discouraged from contributing to the company's operations and direction needs to be shifted.

The stigma of mental illness

Mental illness is talked about now more than it ever has been, but it is still seen as a weakness. Organisations need to undergo a behavioural change to be truly supportive of people who seek help.

In some organisations this change will be significant. Companies need to be prepared to "reject those workers who are not supportive of promoting mental health." Nicholas believes that the biggest impediment is the absence of a culture that rejects these behaviours. This can lead to a slow corrosion of wellbeing.

5 Act on unique organisational demographics and mental health risk profiles

Organisations need to make decisions based on evidence and risk assessments of the mental health of employees, performed in a discrete and respectful way.

Companies need to do more to accept the individuality of workers, and to acknowledge that large, diverse organisations will have pockets of risk that they are unaware of.

Tailored strategies are required based on understanding how mental health interacts with each workplace's or industry sector's particular demographics. For example, the construction company is different from the retail sector and will need a different response. Once the relationship between that demographic and mental health is understood, bespoke interventions need to be designed and applied targeting the right initiatives at the right people and at the right time.



At risk demographic: young workers

Unlike other chronic health burdens, such as cancer or cardiovascular disease, mental health has its onset in the teens and twenties and can set someone up for a lifetime of depression. Focusing on the younger age group, and promoting good working conditions early, can lead to the early management of mental illness, an enormous health care cost saving. It also makes a person much more likely to remain in the labour force and remain productive.

Andi Csontos, lead Partner of EY's Health, Safety and Environmental Services, believes that young people entering the workplace now face different challenges to those seen by previous generations. The pressure on young people to excel at work and rapidly progress in their careers is driving certain behaviours that affect their mental health and overall resilience.

At risk demographic: women

Data from SWA indicates that gender may indeed be a factor that companies need to consider in developing broad workplace mental health and wellbeing strategies. The statistical differences between women and men may tie back to the issue of job control. We know that, chronically, women tend to have lower job control than men. Women are still disproportionately in lower status jobs and casual employment arrangements. Women are also over represented in emotionally demanding occupations such as health care and teaching.

"Job control is certainly about gender equality and the disproportionate exposure of young women in casual employment getting sexually harassed and maybe the same is true for bullying, for instance, as the Brodie Panlock case showed."

Tony LaMontagne, Professor of Work, Health & Wellbeing, Deakin University

Assessing the current state of mental health

In order to help our clients understand how they can build a mentally healthy workplace, EY has developed a Mental Health Assessment tool that considers aspects such as work design, risk, leadership, responsibilities, culture, monitoring, and change management. The tool has been benchmarked against Comcare, HSE UK and the Canadian standard for mental health and provides a robust and comprehensive approach to determining the current state of mental health risk.

Client context:

Using the Mental Health Assessment tool, EY examined the mental health framework for a government client to determine if it was well-designed, if appropriate resources were allocated to support implementation and if implementation was successful.

Key takeaways from the assessment were:

- ▶ *While the design was technically astute, it did not directly address the organisation's risk profile for mental health*
- ▶ *Stand-alone elements of the framework did not reinforce expectations and responsibilities*
- ▶ *Implementation was inconsistent with disconnected internal networks and support communities*
- ▶ *Workforce planning, organisational culture and performance management processes did not encourage a mentally healthy environment*

6 Introduce meaningful measures for mental health risk

"If you don't care about it, if you don't measure what you're trying to do, you can't invest in it and you can't make it work." Jono Nicholas, CEO, ReachOut

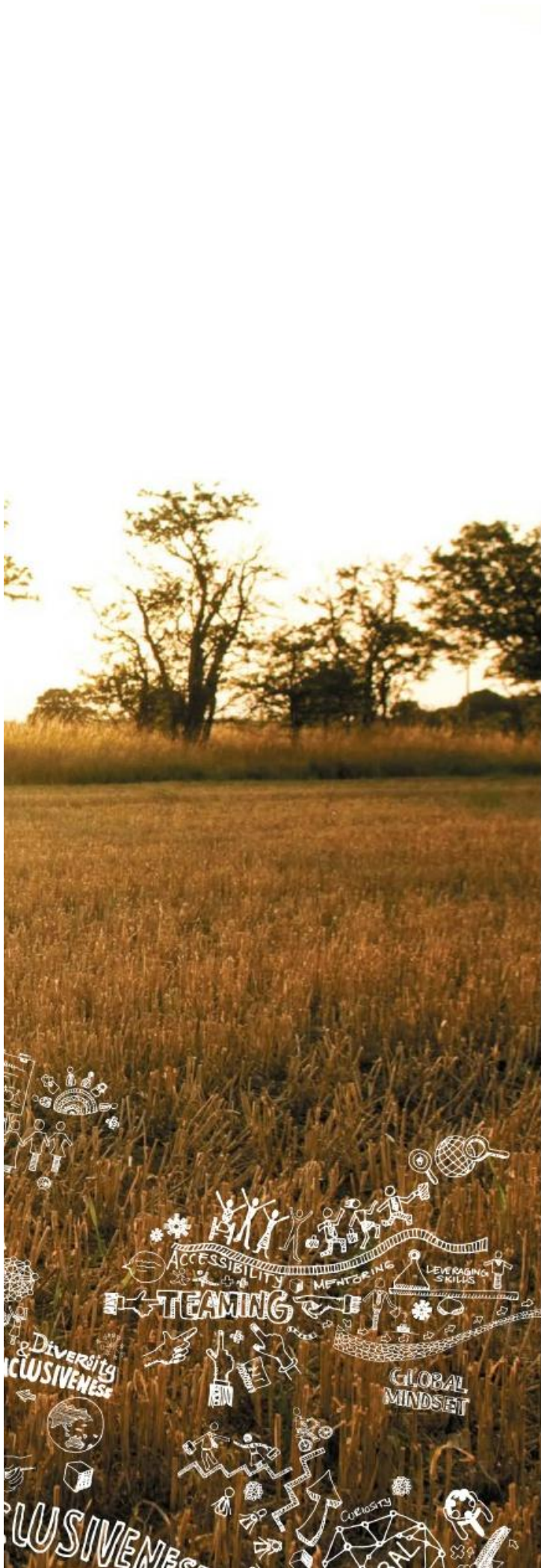
Company executives want to know how their business is performing, however, the measurement of psychologically healthy workplaces is problematic. The challenge is to determine a meaningful way to measure mental health beyond monitoring the number of workers' compensation claims.

One approach is to establish a data-driven risk profile for mental health to enable organisations to measure the shift in risk exposure over time. Flagging and monitoring work groups that are exposed to increased mental health risk, such as those groups working longer hours, facing increased work pressure or tight deadlines, can be more effective than counting claims.

An alternative is to introduce a consistent set of expectations. A national standard for mental health would provide Australian companies with a structure for improvement and comparison, as well as certainty around better practice approaches. However, Australia does not currently have such a framework in place and there is no consistent benchmark across businesses.

In this regard, Australia could learn from Canada. In early 2013 Canada launched a voluntary standard on psychological health and safety in the workplace, supported by the Mental Health Commission of Canada and developed with the cooperation of the Canadian Standards Association. The Canadian standard offers "the best thinking in this area to date" according to LaMontagne, by integrating the management of psychological hazards generated by the workplace and work activity and the approaches to this hazard from the health promotion and early detection sectors.





Have a good, long, hard look at yourself!

CEOs, executives and other managers need to understand the nature of their own business and how the business and the workers are co-dependent. The operation of these two business elements are constantly interacting and affecting each other so it is vital to understand this relationship and each other's expectations.

Such self-examination may be an uncomfortable place to start but it can also be enormously rewarding.

Successful companies rarely consider their workers as "units of labour" but such an attitude often lies behind many business assessments, advice and strategies. The days of ignoring the mental health needs of workers is over but it is taking some time for business to understand the challenges required to establish a profitable, sustainable, productive, safe and valuable business.

Employees expect to be valued; they expect to be involved in the future direction of the company and have their opinions actively sought by their managers. They are looking for jobs that are designed thoughtfully and progress their knowledge and careers without imposing mental health and physical hazards which diminish their quality of life and that of their families.

A mentally healthy workplace will improve the retention of a company's talent pool, and provide a better employee development. Companies that successfully meet this challenge and implement effective management structures that tackle mental health will find themselves as an employer of choice in that industry, with increased productivity, innovation, and profits.

Without the active commitment of the CEO, any improvements in this area are likely to fail or provide only symptomatic, short-term relief.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organisation, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organisation, please visit ey.com.

About EY's Climate Change and Sustainability Services

Governments and organizations around the world are increasingly focusing on the environmental, social and economic impacts of climate change and the drive for sustainability.

Your business may face new regulatory requirements and rising stakeholder concerns. There may be opportunities for cost reduction and revenue generation. Embedding a sustainable approach into core business activities could be a complex transformation to create long-term shareholder value.

The industry and countries in which you operate as well as your extended business relationships introduce specific challenges, responsibilities and opportunities.

Our global, multidisciplinary team combines our experience in assurance, tax, transactions and advisory services with climate change and sustainability knowledge and experience in your industry. You'll receive tailored service supported by global methodologies to address issues relating to your specific needs. Wherever you are in the world, EY can provide the right professionals to support you in reaching your sustainability goals.

© 2015 Ernst & Young, Australia.
All Rights Reserved.

APAC No. AU00002442
S1528612
ED NONE

This communication provides general information which is current at the time of production. The information contained in this communication does not constitute advice and should not be relied on as such. Professional advice should be sought prior to any action being taken in reliance on any of the information. Ernst & Young disclaims all responsibility and liability (including, without limitation, for any direct or indirect or consequential costs, loss or damage or loss of profits) arising from anything done or omitted to be done by any party in reliance, whether wholly or partially, on any of the information. Any party that relies on the information does so at its own risk. The views expressed in this article are the views of the author, not Ernst & Young. Liability limited by a scheme approved under Professional Standards Legislation.

ey.com

To discuss further please contact
your EY adviser or one of the
HSE Leaders below:



Mathew Nelson

Asia Pacific Managing Partner, Climate
Change and Sustainability Services
+61 3 9288 8121
mathew.nelson@au.ey.com



Dr. Matthew Bell

Oceania Leader, Climate Change
and Sustainability Services
+61 2 9248 4216
matthew.bell@au.ey.com



Andi Csontos

HSE Partner, Climate Change
and Sustainability Services
+61 2 9248 4642
andi.csontos@au.ey.com



Terence Jeyaretnam

Markets Partner, Climate Change
and Sustainability Services
+61 3 9288 8291
terence.jeyaretnam@au.ey.com