



Peak performance: The impact of mental health in the workplace

Australia | New Zealand

Foreword

A word from Bertrand Stern-Gillet, CEO at Wisdom Wellbeing, part of the Peninsula Group Global

2025 has already been a challenging year. With global economic uncertainty and on-going recruitment challenges, it's no surprise that both employees and employers are feeling the strain.

While it's encouraging to see a year-on-year decline in mental health-related absences, it's clear that more needs to be done by employers to bring these figures down further. Our survey found that a huge percentage of Australian and New Zealand employers (76% and 77% respectively), are not fully confident that their employees would disclose a mental health concern to their manager.

Whilst the onus isn't solely on the employer, what this does tell us is that mental health stigma in the workplace is still very much present, and more open conversations are needed to reduce it and foster a positive working environment. This can help employers improve workplace performance, as well as provide the necessary accommodations – as is their legal obligation – to further reduce mental health-related absences.

The pandemic may now feel like a distant memory, many businesses are again adapting, with a marked shift back to pre-pandemic in-office working. While there can certainly be some benefits to a flexible working model – and it is a reasonable adjustment that works for many with disabilities, family or caring needs – fully remote working also has a part to play in the increased mental ill-health we've seen in recent years.

This is reflected in our survey responses, with one employer commenting “A lot of our WFH employees are experiencing more mental health problems than office workers. This trend has been slowly increasing in the last few months, and I expect to see another increase in the coming months.”

The move back to in-office working is seen by many employers as a way to achieve peak performance. However, employees believe remote working is a positive move in our current climate. While there are certainly benefits, being with your team at the office greatly benefits mental wellbeing, performance and collaborative working.





Glossary

Employee Assistance Program: Also known as an “EAP”, this is a confidential employee benefit service that provides support and resources to help employees manage personal or work-related issues that may be impacting their overall wellbeing or job performance.

Mental-health related absences (or sickness): Refers to absences reported by the employee that stem from mental health-related reasons.

Mental health stigma: Negative attitudes towards mental health and conditions, often caused by perceived stereotypes from the media, society and cultural belief. This may lead to discrimination and prejudice towards those with mental health concerns.

Mental wellbeing: A state of positive mental health. This is not necessarily due to an absence of a mental health condition, but rather, resilience and positive attitudes towards work and the stresses of everyday life.

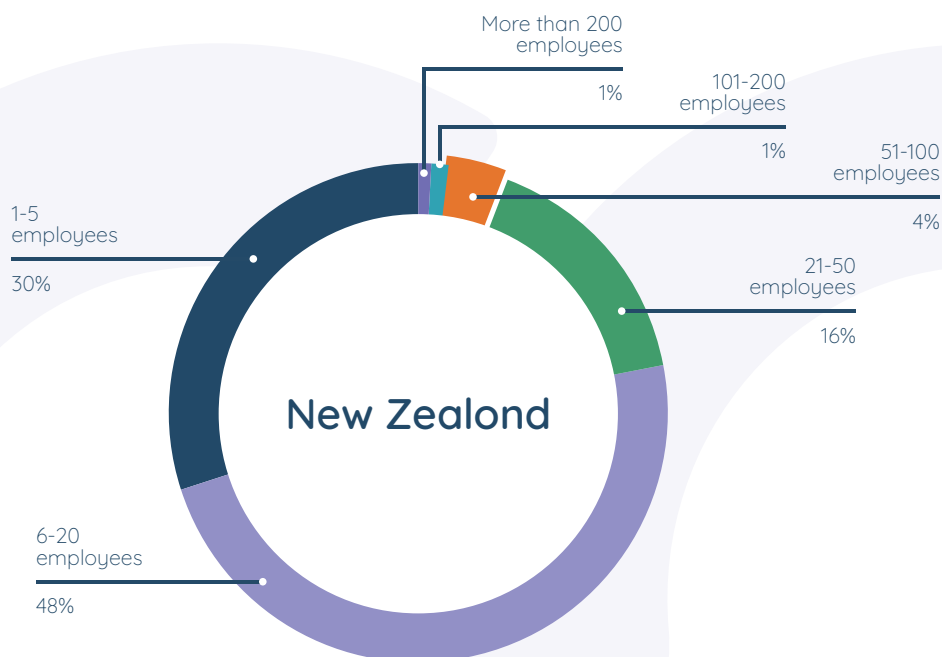
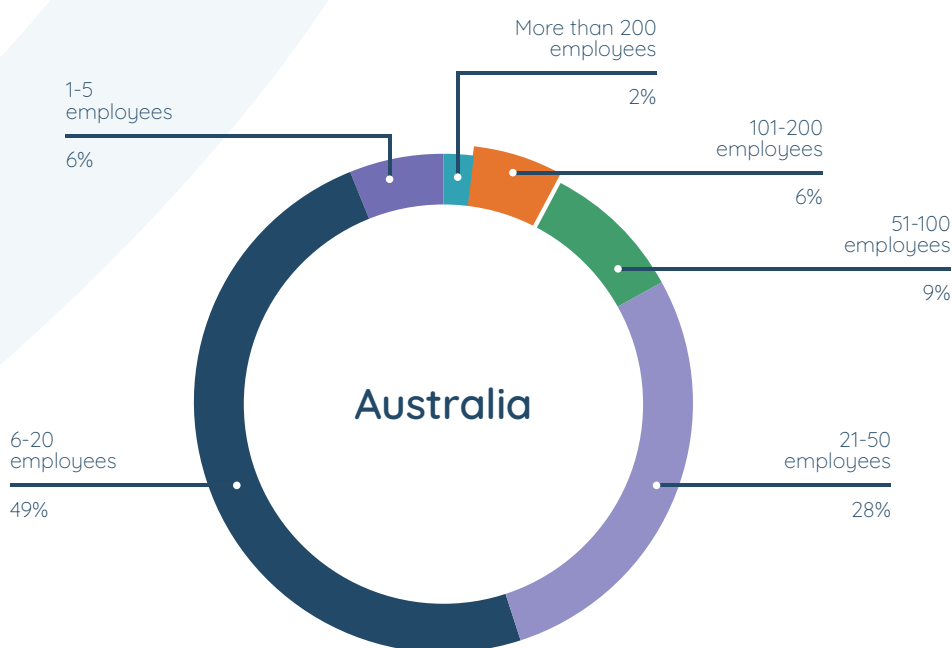
Peak performance: Achieving optimum performance at work.

About the research

Every year, The Peninsula Group conducts a global survey to analyse attitudes towards mental health in the workplace. This year, we surveyed 79,000 businesses across Australia, Canada, Ireland, New Zealand, and the UK to better understand how these trends are changing over time. As the conversation around mental health opens up further, we can see where organisations are placing their priorities and where changes still need to be made around attitudes towards mental health in the workplace.

Businesses of all sizes, across a wide range of industries, shared details of how mental health is impacting the workplace. This report specifically explores Australia's and New Zealand's results, and how they compare globally.

Company sizes surveyed

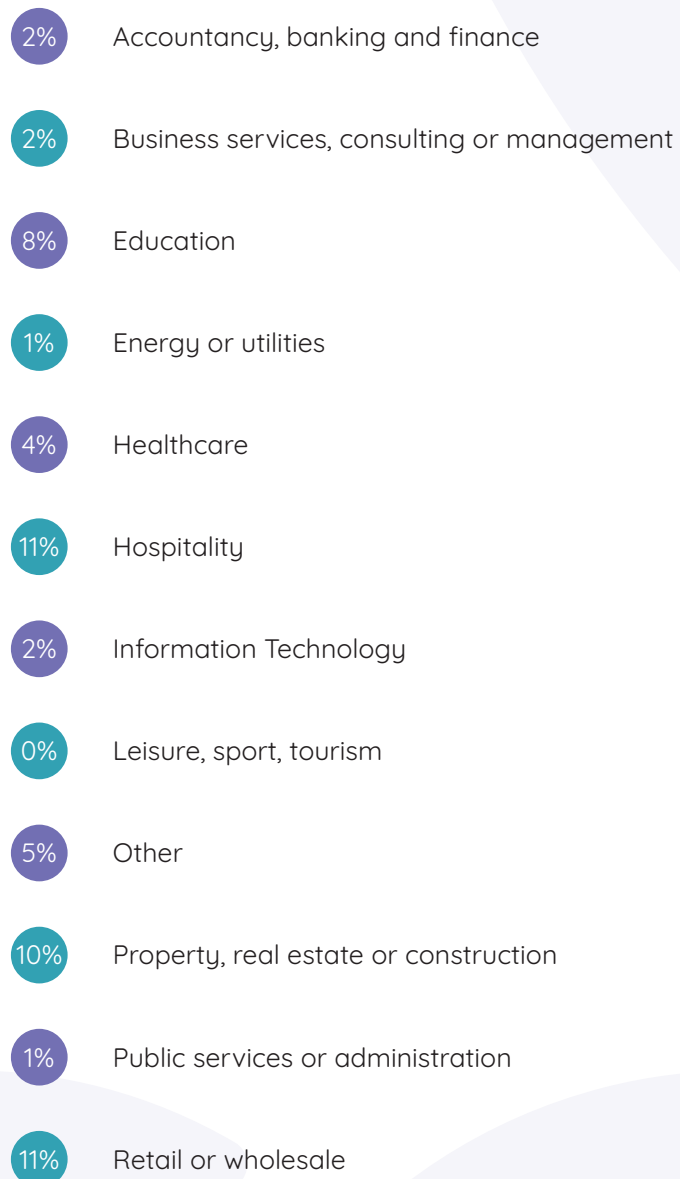


Industries surveyed

Australia



New Zealand



Results at a glance

Australia



do not offer mental health days in addition to personal leave entitlements



are not very confident their employees would disclose a mental health issue to their employer



have seen an increase in the number of people experiencing issues with mental health at work over the last 12 months



have seen an increase in sickness absence due to mental health



have put more support measures in place to support employee mental health



employers surveyed personally experienced poor mental health over the last 12 months



have noticed people speaking more about mental health in the workplace



have an Employee Assistance Program (EAP)



Results at a glance

New Zealand



Sickness-related absences – compared

Australia

1 in 3 respondents have seen an increase in sickness absence due to mental health issues. However, of these, 23% are not confident their employees would disclose mental health issues to their employer or line manager, which leads us to believe that the true number of mental health related absence could be higher. 68% of employers surveyed already have some form of mental health support in place, while 66% plan to introduce further support in the next 12 months.

1 in 6 employers surveyed offer mental health days in addition to their annual leave, while 1 in 10 plan to introduce them in the next 12 months. One respondent gave an interesting response highlighting their support for mental health days, and the unique challenges in their industry.

Survey respondent:

“We have had team members that have taken days off for mental health in the past and have always supported them, but being a small business in a retail and service industry, we cannot provide work from home as all work is either in the retail store or in a pool servicing van. We understand that more and more people are having mental health issues, and we will always support them, but we are limited in what we can do in the workplace”.

The same respondent has no mental health support measures in place, nor any plans to introduce any in the next 12 months.

New Zealand

The story is similar, although slightly more optimistic, in New Zealand. 30% of respondents have seen an increase in sickness absence due to mental health issues and 75% feel confident that employees would disclose a mental health issue.

More than half of New Zealand-based organisations (58%) already offer some form of support, such as an Employee Assistance Program (EAP), remote working, mental health days or mental health first aiders.

One respondent said:

“Grief has hit our employees hard, which impacts mental health, work, and personal wellbeing. They have attended grief counselling.”

And whilst it's great to see a reactive approach to grief in the workplace, this same organisation reported no proactive mental health and psychosocial wellbeing initiatives.



How can this affect peak performance at work?

You can't pour from an empty cup, regardless of whether you're an employer or an employee. Excessive stress over prolonged periods can lead to burnout. When it comes to burnout, prevention is better than a cure. If you can spot when an employee is struggling, you have a much better chance of reducing burnout altogether.

More and more companies are recognising that there is a need to support their employees' mental health,

Not only do employers have a legal duty of care towards their employees, businesses that do prioritise mental wellbeing will reap the benefits, seeing tangible results like reduced absences, improved productivity and performance.



Poor attitudes towards mental health from leaders

Despite positive year-on-year data showing improved mental health at work, some employers express strong feelings towards mental health issues. While mental health issues are ultimately dealt with by an individual and their support system, employers may not have fundamental education surrounding mental health and the ways in which work, and workplace culture, can either cause or worsen issues for their people.

By passing judgement without trying to understand the individual's mental health concerns, employers may be perpetuating mental health stigma at work.

Personal choices and how we approach our lifestyle can play into how we approach work, yet some of these choices may be exacerbated due to work-related stress, pre-existing mental health conditions and major-life changes that may be out of the individual's control. Whilst the entire onus isn't on the employer to rectify these issues, it's important for organisations to see how workloads, duties, workplace culture, expectations and goals (if any) factor into someone's psychosocial wellbeing.

Sadly, we saw no indication of this respondent offering support for their employees, nor any plans to implement changes in the next 12 months. This suggests that some employers may not be aware of their legal duty of care stipulated in for Australia in The Work Health and Safety Action 2011 and for New Zealand the Health and Safety at Work Act 2015 (HSWA). These laws impose a duty on employers to eliminate or minimise risks to mental health arising from the workplace as reasonably as they can.

Survey respondent (Australia):

"Enshrining mental health into workplace laws shows how pathetic we are as a society. Suicide is at record levels and yet so too is our "awareness" of mental health. Stoicism, intestinal fortitude and having a personal moral code are far more respectable qualities. Obsessing over mental health creates insecurity, fearfulness and is also emasculating. Australians who went to war would be ashamed of how flaccid we have become. Regarding mental health...too much naval gazing and "woe is me" will be our demise. If you look into the abyss long enough, you'll fall in".

Survey respondent (New Zealand):

"I'm increasingly frustrated with how mental health is constantly pushed into every corner of life. It feels like we're encouraging people to focus on their problems instead of building resilience. Humans have always faced hardship — war, tragedy, setbacks — and we've endured by working hard, staying focused, and contributing to something beyond ourselves."

"The current obsession with mental health seems to promote self-absorption rather than strength. Talking about mental health non-stop risks making people feel worse, not better — like they're being talked into thinking they're unwell. The best remedy for a healthy mind is structure, hard work, purpose, and getting on with it — not endless introspection or over-analysis."

Mental health stigma and peak performance

If people feel they can't open up about their mental health or express concern, how can they be expected to perform at their best?

We know how difficult it can be to speak out about mental health. Physical problems can often be much easier to talk about, and some people are reluctant to admit they're struggling mentally.

If you notice a change in an employee or someone starting to take more and more time off, there could be underlying issues they are not expressing. This may be because they're worried you won't understand, or their job won't be secure. Having open conversations about mental health will help employees feel more comfortable to admit when they're struggling.

Businesses and senior executives must lead by example. Employers who prioritise and lead by example become agents for cultural change. That means advocating healthy behaviour, sharing mental health challenges, and creating space for open conversations – all of which create a performance culture driven by wellbeing.

All too often, businesses dabble in employee wellbeing by simply ticking a box rather than bringing in meaningful support. This practice must change if we are to meet the growing mental health challenges of the 21st century.

Leaders must take ownership and invest wisely in workplace initiatives that offer meaningful strategies for prevention and mental health awareness. Those that do, can expect to see their business's performance, productivity, and profits increase alongside employee retention and wellbeing.



Lack of education about mental health in leaders

It's clear that some employers still show a lack of understanding about the benefits that mental health initiatives bring for employees. Mental health days are a popular initiative, allowing people to take time off to support positive mental health, and take time out when needed. While offering this additional support is not a mandatory requirement, mental health days can be seen as a huge perk by employees – making companies that offer them an attractive prospect to job seekers.

Survey respondent (Australia):

"I do not intend to offer additional leave for 'mental health days' - that would increase the strain on the remaining employees as well as increase costs we can't recover. I see my role as an employer is to create positions with manageable workloads, communicate and receive needs and expectations between our employees and ourselves clearly, and create and maintain a positive workplace culture. I do not see it as part of my or my management team's role to become involved as part of an employees' support system unless the issue is work related. There are too many risks. We could expose ourselves and our managers to issues that we have no reason, no skills, no training and no desire to become involved with. Forcing managers to receive information about a direct reports mental health issues will create challenges with performance management. It could cause situations where information brings up past trauma for the manager, creating a new mental health issue - who will be held responsible for that?"

Survey respondent (New Zealand):

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Support for employers

A common theme among respondents is that while they acknowledge the importance of a health and wellbeing provision and want to support their employees, there is not enough support in place for businesses to do so.

Survey respondent (Australia):

“Supporting staff wellbeing must not come at the cost of the owner’s own. The system cannot keep demanding more from those already stretched to the limit. If the government expects small businesses to carry the weight of a broken mental health system, it must also carry its share — with funding, infrastructure, and respect.”

Another Aussie respondent said:

“As a business owner I am under HUGE PRESSURE from all directions with little support for myself- I support my employees always and as most are casual if they are not well, I encourage them to rest up when needed. Covering their shifts is almost impossible and the business is losing money rapidly. Financial support for business owners is not there- talk doesn’t pay the bills.”

While another said:

“Small business owners are not therapists, doctors, or social workers. Their role is to provide employment, leadership, and a safe and respectful workplace — not to take on responsibility for addressing each employee’s personal mental health challenges. The aim should be to foster a workplace where people feel respected, safe, and able to speak up — not to require owners to act as crisis managers or counsellors. It is entirely reasonable to expect dignity and care in the workplace. What is not reasonable is the ongoing shift of responsibility for widespread systemic mental health failures onto the shoulders of small business employers.”

Survey respondent (New Zealand):

“I am not quite sure how to be diplomatic about this conundrum as I feel I am not allowed to speak out about this issue without coming across as unfeeling. It is extremely frustrating.”

Kayleigh Frost, Associate Director of Operations at Wisdom Wellbeing, says:

“It’s clear there’s a disconnect between what employers are seeing and what employees are truly feeling. In fact, most jobs have psychosocial hazards which can significantly impact mental health. And over time, it’s unsurprising that this can weigh on a person’s mind, potentially leading to mental health concerns and, increased sickness absence. In some cases, this may even exacerbate symptoms if the individual must then return to a working environment where they feel mental health is not taken seriously.

If employers view mental health as unimportant or merely as an “excuse,” then the onus is on them to educate themselves on the ways in which mental wellbeing impacts both our psyche and physical health – particularly in the workplace. This is imperative. It’s estimated that depression and anxiety alone costs the global economy \$1 trillion US annually due to absenteeism, reduced productivity, and increased staff turnover. And that doesn’t even cover all aspects of mental ill-health. The true cost to business could be far higher.

Sticking to outdated thinking or minimising mental health may inadvertently perpetuate stigma within their workplace culture. Over time, they’ll begin to see the effects on employees, their attitudes toward work, engagement, productivity, attendance and retention rates.”



Employer support in impacting peak performance

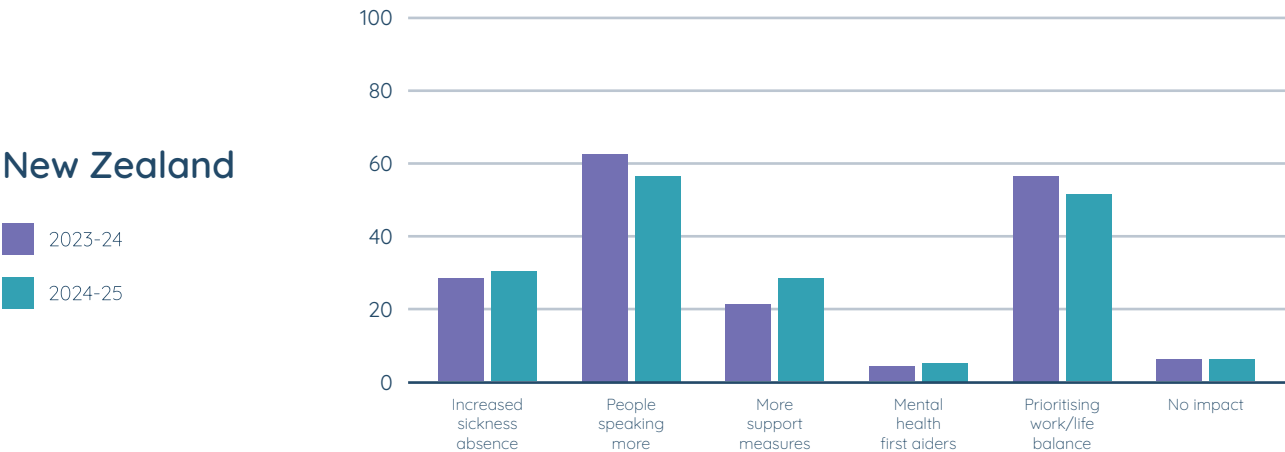
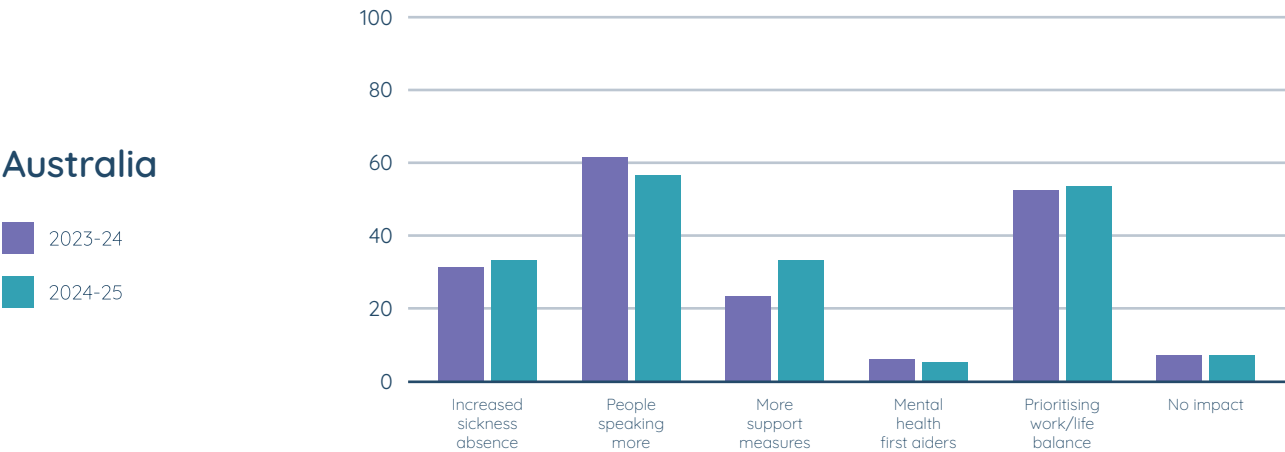
Industry sector has a part to play in how employers ensure peak performance within their organisations. Critical industries such as healthcare can be particularly challenging due to the nature of the roles involved. If the right steps are in place – such as access to counselling, occupational health and/or critical incident management – employers can help their employees access valuable resources in times of crisis, or when a line manager is unavailable.

This in turn can facilitate peak performance by supporting employees back to full health a lot sooner than if they had been unable to access support.

Notable year-on-year comparisons

Although the perception of increased sickness rates appears to have decreased, so have other areas, such as speaking more openly, having more support measures in place at work, and prioritising work-life balance.

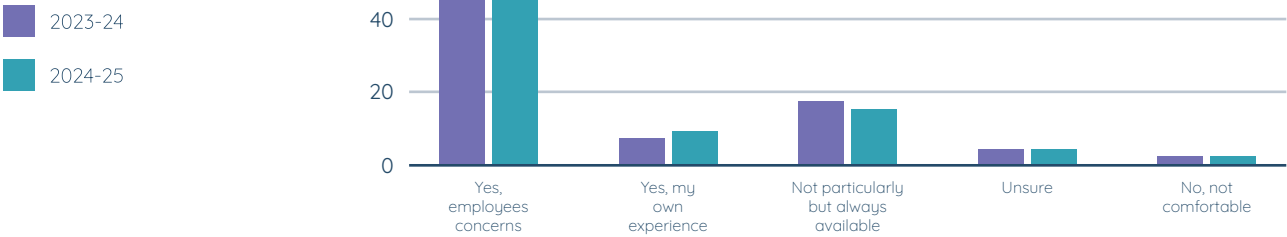
What impact have you seen on mental health in your workplace over the last 12 months? (%)



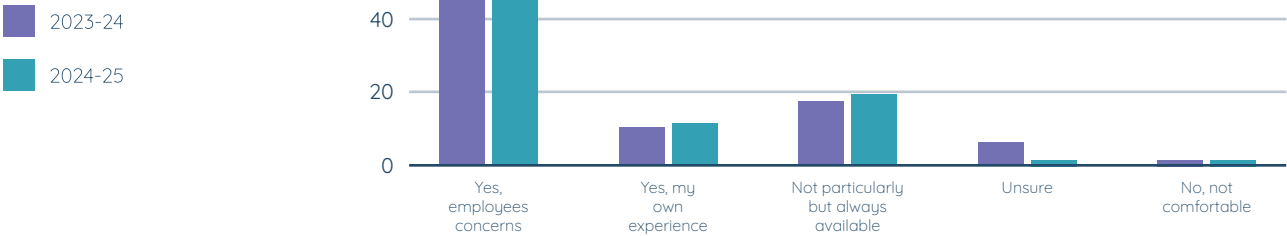
Year on year, Australian employers have remained comfortable discussing mental health at work – including being more open about discussing their own mental health. More employers are willing to push themselves out of their comfort zones to ensure employees know they have support. New Zealand, however, is showing a decline across the board.

Do you feel comfortable discussing mental health concerns in the workplace (%)

Australia



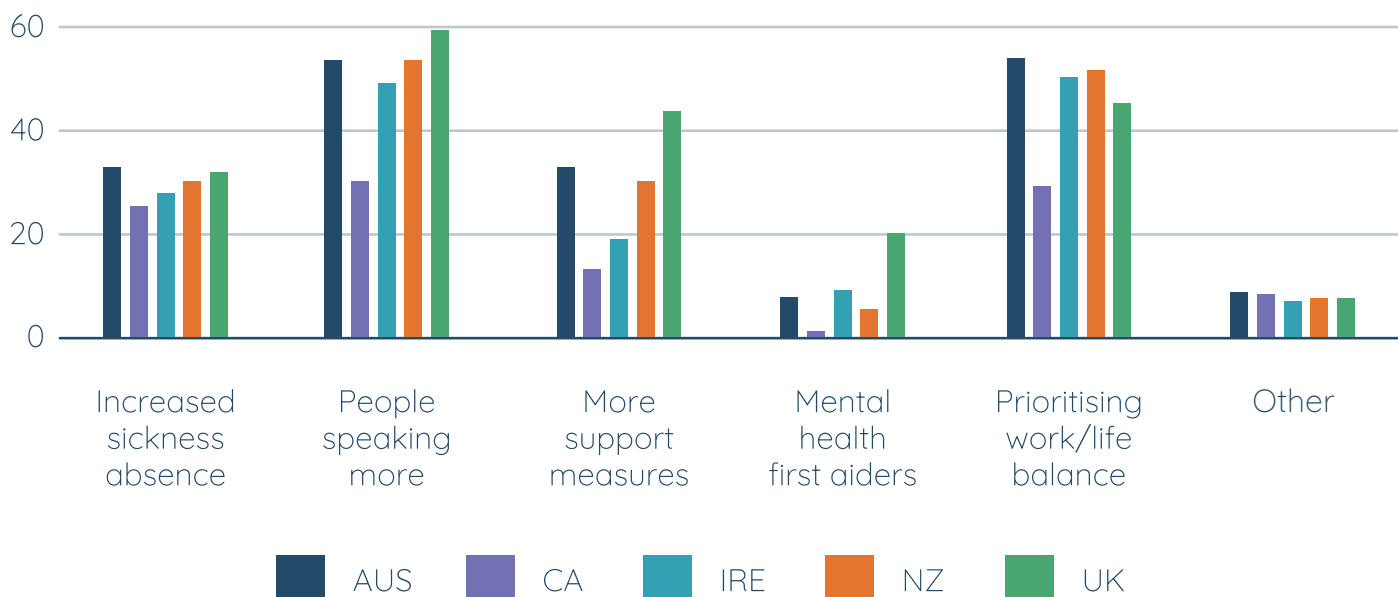
New Zealand



Global results

To get a well-rounded view of attitudes globally, we also surveyed employers in Canada, Ireland and the UK to get an idea of how mental health is impacting the workplace. The impact varies per country, with the UK and Australia seeing the highest rates of absences due to mental health.

What impact have you seen on mental health in your workplace over the last 12 months? (%)



💡 **1 in 3** employers globally saw increased sickness absence due to mental health over the last 12 months

💡 Canada and Ireland have seen the lowest increased rates of absences related to mental health

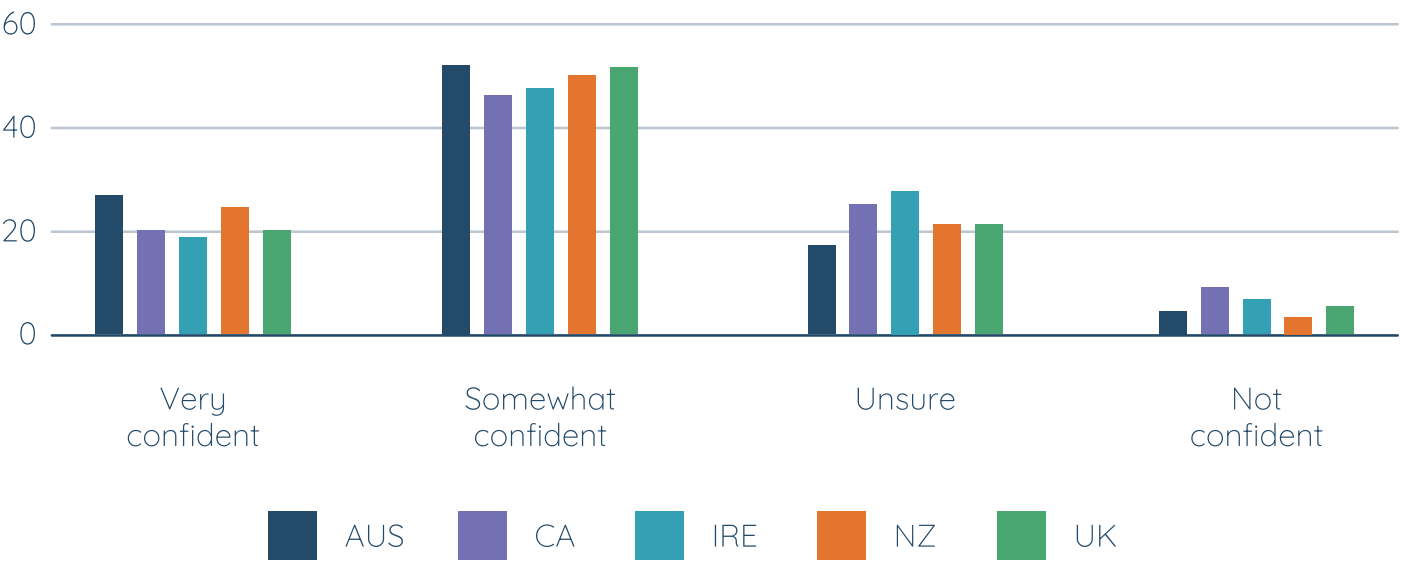
💡 The UK leads the way when it comes to mental health support in the workplace

💡 Australia tops the charts with work-life balance, but also in increased absences

💡 Employers in New Zealand are most likely, and UK and Irish employers are least likely, to take time off due to mental ill health

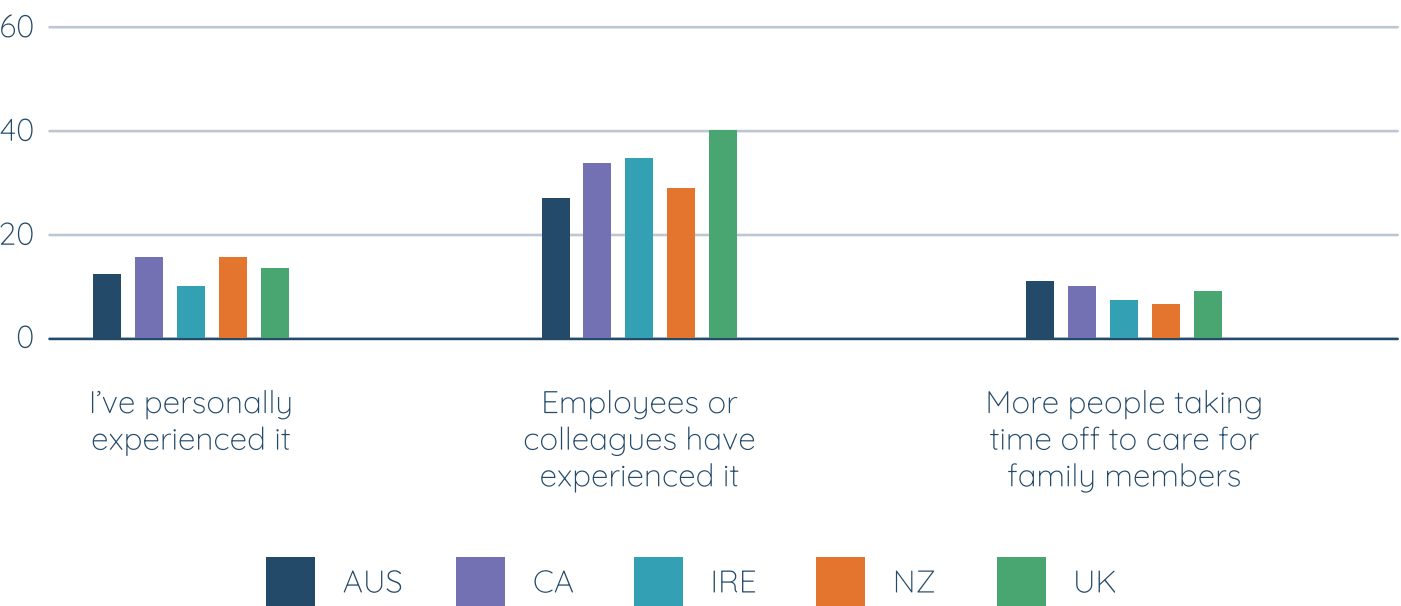
How confident are you that your employees would disclose a mental health issue to you or their line manager? (%)

A **quarter** of employers globally are unsure or not confident that employees would disclose a mental health issue to their line manager. While there may be more specific reasons for this, the prevalence in mental health stigma at work could be to blame. And there are some variances by country with employers in Australia most confident.



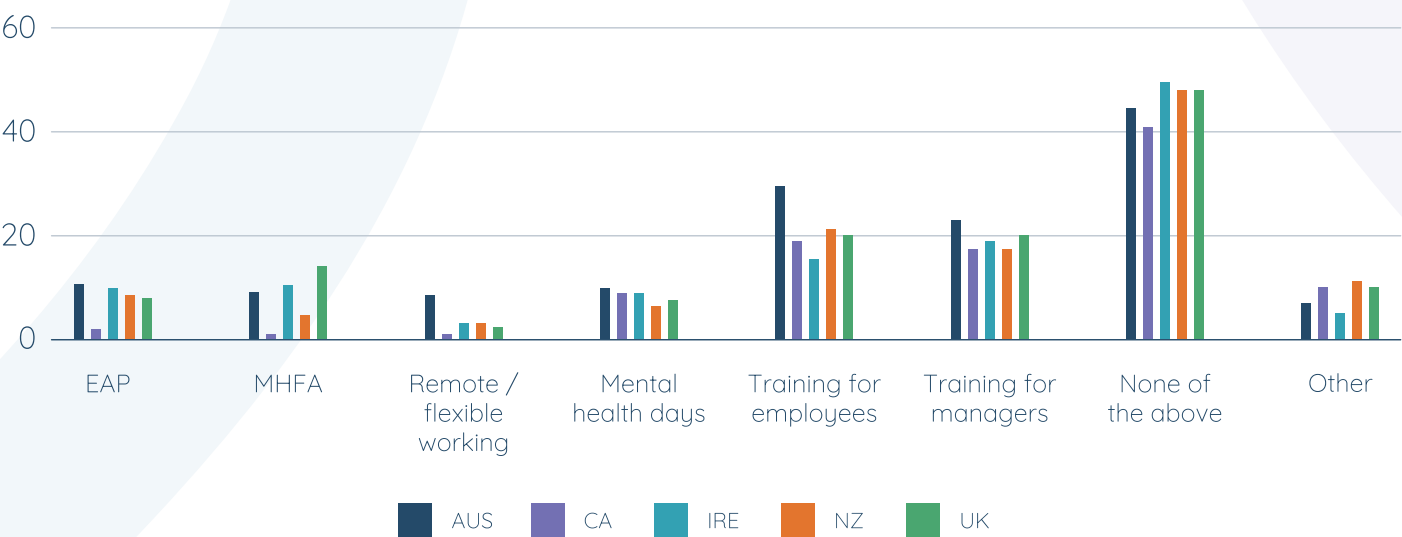
Have you seen an increase in the number of people experiencing issues with mental health in your workplace (%)

Employers and colleagues experiencing mental health issues is high across all territories. Australia and New Zealand appear to have the lowest rates in employees and colleagues experiencing mental health issues, though employers in these territories appear to experience high rates of poor mental health- particularly in New Zealand.



Which of the following do you plan to introduce within the next 12 months? (%)

And despite the high number of mental health issues reported by employers and employees alike, not much will be done. Nor have respondents chosen to disclose any other implementations not listed in our response options.



Kayleigh Frost - Associate Director Operations at Wisdom Wellbeing says:

“It’s disappointing to see employers have so little support in place for managing mental health in the workplace, as well as a seeming unwillingness to introduce support measures. While it’s entirely valid for employers to be concerned about sickness absence rates – particularly in shift-based industries such as retail and hospitality – they are not actively seeking ways to support their staff.

“It does beg the question of whether employers know about the effectiveness of Employee Assistance Programs (EAP), or if they know about them at all. EAPs can be a vital tool for employers looking to offer support for employees, giving access to counselling and providing a confidential outlet for either immediate or ongoing support. Having an EAP in place can give businesses a return on investment of \$15.79 for every \$1 spent. So looking after employee mental health isn’t just the right thing to do, it also makes financial sense.

“It’s also concerning to see outdated attitudes towards mental health expressed by many survey respondents. EAPs can play a vital role in educating and empowering both employers and employees in all aspect of maintaining positive mental health and encouraging conversations.

Will this take time and effort at the beginning? Absolutely. Employers will certainly have their work cut out for them to reduce absences due to mental health. But ongoing education, awareness, and a commitment to keeping employees well-informed, can lead to improved workplace engagement and productivity.



Key takeaways

You can only get the most out of your team when they feel supported at work.

Over the last year, employers have experienced significant changes and challenges – increased sickness rates are high, and employers still have the ways to go in implementing initiatives to improve psychological safety at work. There is lots of work to be done to ensure that employers are educated on mental health matters, how they can facilitate mental wellbeing at work and ensure their people are well supported.

And whilst this report has analysed several areas of concern for employers, it's clear the most important thing is for organisations to be educated on mental health matters. Through education, we can:

- 🤝 **Abolish mental health stigma at work**
- 🤝 **Boost workplace performance**
- 🤝 **Increase our emotional intelligence, empathy and understanding**
- 🤝 **Facilitate real change and workplace accommodations**

Based on our findings, we've highlighted our top three recommendations that employers should consider:

1. Embed mental health and wellbeing throughout your workplace

Ensure you have proper provision in place to support mental health and wellbeing in your workplace. This needs to be embedded across all levels of your organisation, not just put in place and forgotten about. Review it regularly, look at usage levels and get feedback from employees to find out what is of value to them. Create a workplace that normalises conversations about mental health, and lead by example. Look for ways to proactively support staff; this, in turn will help reduce absence rates and increase productivity.

Poor mental health costs employers approximately **\$11.5 billion** a year in Australia, and **\$1.3 billion** in New Zealand.

With greater access to wellbeing support, individual recovery rates can improve and the impact of long-term health and mental health conditions on the workplace can be lessened.

2. Do more than signpost support

Signposting isn't enough. We recommend encouraging real interactions to facilitate open conversations and really get to the crux of what may be going on with an individual who is showing increased sickness absence. Consider whether this is an indicator of poor mental health or a wider issue, and look at what support you can offer. This could be implementing new wellbeing initiatives or something as simple as starting an open discussion about a mental health awareness campaign or concern.

3. Empower your people

It's not about solving an individual's problems. It's about empowering them to do so. Ultimately, it's down to the individual to seek support, but they may not have the systems or skills in place to do so. It could be that the workplace or the work they're doing is making them feel worse. What small changes can you implement to make a difference in their lives for the betterment of workplace engagement, peak performance and psychological safety at work?

**Facilitating mental wellbeing
=
Peak workplace performance**



About Wisdom Wellbeing

Wisdom Wellbeing is Australia's and New Zealand's most trusted independent health and wellbeing provider, making a positive difference to over 12.5 million lives across 88,000 organisations globally.

As a leading EAP provider, we aim high. Our goal is 100% engagement, and we want everyone in your care to use our service and can be your very own trusted wellbeing partner. Public, private and non-profit organisations globally have relied on our clinical expertise year after year to keep their people on-track.



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