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Peak performance: The impact of mental health in the workplace

United Kingdom

Foreword

A word from Bertrand Stern-Gillet, CEO at HA | Wisdom Wellbeing (Health Assured), part of Peninsula Group Global

2025 has already been a challenging year for organisations due to the many changes introduced by the Labour government and an uncertain global economy. With finances stretched more than ever before, tax increases, a turbulent political environment, , changes to the Department for Work and Pensions, visa and settlement rules, employment rights, and a myriad of other developments, it's no surprise that both employees and employers are feeling the strain.

In 2024, mental health overtook musculoskeletal disorders as the leading cause of workplace absence, according to the HSE, with around half of all work-related ill health attributed to stress, depression and anxiety.

While it's encouraging to see an overall decline in mental health-related absences in our survey results, an overwhelming **majority of our UK respondents (78%) say they are not fully confident** that their employees would disclose mental health concerns. That's a huge figure, and it's clear that more still needs to be done by employers to help bring this number down.

Whilst the onus isn't solely on the employer, what this does tells 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. It can help employers to improve workplace performance, as well as provide the necessary accommodations – as is their legal obligation - to further reduce mental health-related absences.

And now five years post-pandemic, we're seeing another seismic shift in working patterns, with many businesses moving back to pre-pandemic in-office working. While there can certainly be some benefits to a flexible working model – and it is certainly an 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.

It can be lonely or isolating to work from home, leaving employees feeling disconnected from colleagues. Some employees who entered the workforce during the pandemic have never met the people they work with. One study found that **41%** of remote workers felt stressed compared to only **25%** of those who continued to work in office. **42%** of the same group had trouble sleeping compared to **29%** of in-office workers.

Glossary

Employee Assistance Programme: Also known as an "EAP", 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.
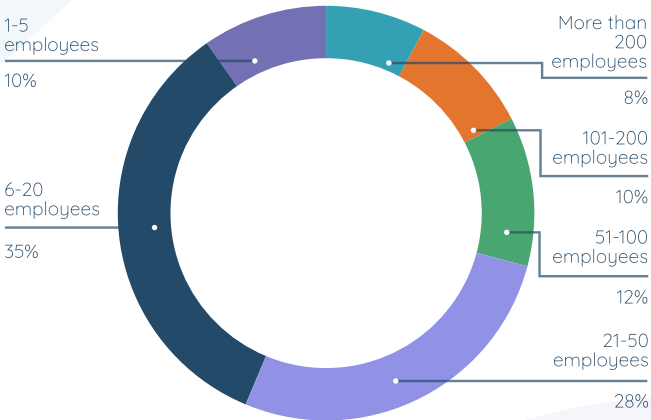
Peak performance: Achieving optimum performance at work.
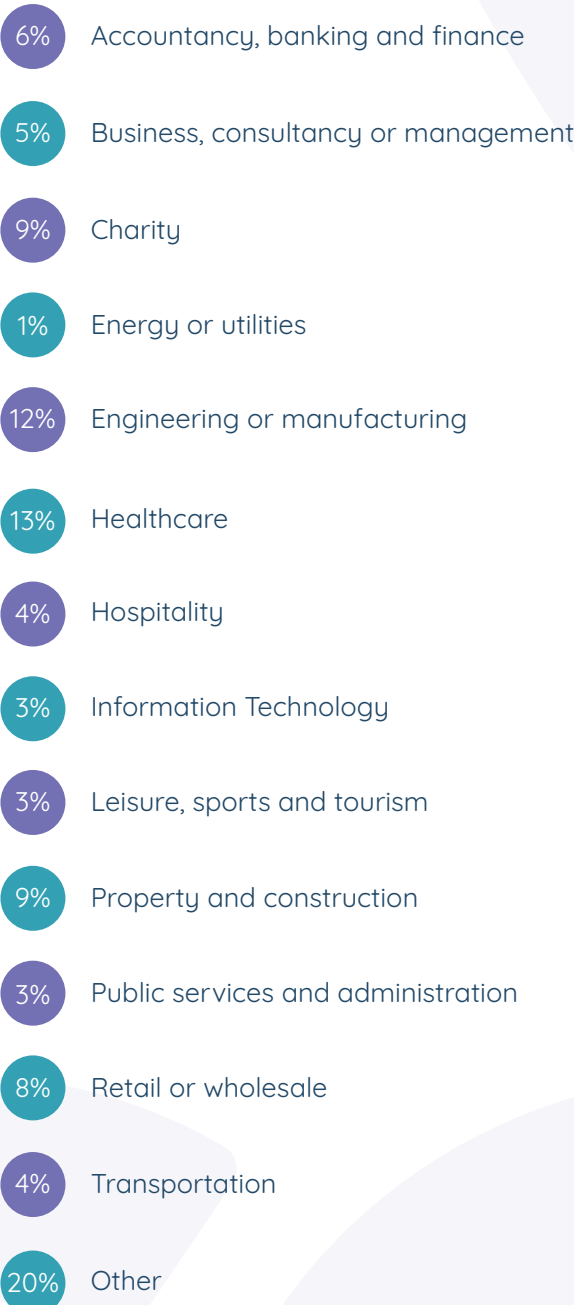
About the research

Every year, The Peninsula Group conducts a global survey to analyse attitudes towards mental health in the workplace. 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 further develops, we can see what organisations are prioritising 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 the UK results and how they compare globally.

Company sizes surveyed

1-5 employees
10%

6-20 employees
35%

More than 200 employees
8%

101-200 employees
10%

51-100 employees
12%

21-50 employees
28%

Industries surveyed

6%   Accountancy, banking and finance

5%   Business, consultancy or management

9%   Charity

1%   Energy or utilities

12%   Engineering or manufacturing

13%   Healthcare

4%   Hospitality

3%   Information Technology

3%   Leisure, sports and tourism

9%   Property and construction

3%   Public services and administration

8%   Retail or wholesale

4%   Transportation

20%   Other

Results at a glance

32% of UK employers have seen increased mental-health related absences.

14% of UK employers have experienced poor mental health over the last 12 months.

78% of employers said they do not feel very confident that employees would disclose mental health issues.

85% do not offer mental health days in addition to leave entitlements.

42% of UK employers have introduced more support measures to manage employee mental health over the last 12 months.

34% of UK businesses have mental health first aiders in the workplace.

21% of employers are uncomfortable discussing mental health with their employees.

29% of organisations offer mental health training to their employees or managers.

62% saw an increase in people experiencing issues with mental health .

5% of managers experiencing mental health issues used an Employee Assistance Programme (EAP).

Employer perceptions vs reality

This year, we've already seen substantial changes within the Department for Work and Pensions, economic uncertainties, and much more. Our survey has revealed that both leaders and employees are feeling the strain. With a large proportion of employers believing that employees won't discuss mental health issues with their managers, it raises the question of whether managers, leaders, and business owners are truly fostering a psychologically safe work environment, or just shying away from conversations around mental health due to not knowing how to talk about it.

When asked what else could be introduced to improve mental health at work, one respondent said:

"I have nothing further to add. I feel we are a supportive organisation"

The same respondent also reported an increase in employee mental health concerns and said they had nothing in place to support their people.

85% of organisations surveyed in the UK don't offer mental health days to their employees, and 40% of organisations have experienced an increase in mental health sick leave of their employees.

On the other hand, over half of leaders surveyed in the UK are observing more open discussions about mental health at work, and **42%** have observed their employees, as well as themselves, prioritising work-life balance. This begs the question, why are so many leaders are not confident their employees would disclose if they were struggling with a mental health issue? If conversations are more open, and work-life balance is on the rise, then where is the disconnect?

Are the measures being put in place by employers to help manage mental health in the workplace actually being embedded into workplaces or just a tick box exercise?

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 duty of care towards their employees but businesses that do will reap the benefits, seeing tangible results like reduced absences, improved productivity and performance.

It's clear that there is still more work to be done when it comes to having difficult conversations around mental health in the workplace.

Data from Mental Health First Aid England shows that **52%** of employees feel more engaged and productive when their organisation offers mental health resources, such as access to counselling or wellness programmes.

It's a fact that incorporated EAP leads to longer-term resilience and increased wellbeing in teams. HA | Wisdom Wellbeing statistics show a **57%** improvement in rates of depression, **56%** improvement in anxiety and a **91%** of employees returning to work following clinical intervention.

With proper support as standard in benefits packages, including mental health training for employees and managers, mental health first aiders, EAPs, and open, supportive cultures, all employers should be confident their employees would speak up if they were struggling.

Mental health stigma from employers

Some employers surveyed expressed strong feelings towards mental health issues, some of which continue to perpetuate the stigma around mental health. While mental health issues are ultimately dealt with by an individual and their support system, employers may not have a fundamental knowledge surrounding mental health and the ways in which work and workplace culture, can either cause or worsen issues for their people.

Survey respondent:

"Staff have always been unusual and probably many not totally sane for as long as I have worked in an office, over 30 years now in total. I have seen a town where insanity is visible on the streets now daily with so many over the edge and see signs of it everywhere."

Survey respondent:

"Mental health and the provisions that we need to make can be a real drain on small businesses. I appreciate that it is important to look after our team, and I am totally on board with that but sometimes I feel that the person actually needs to put the effort into resolving their own issues rather than us having to provide all the suggestions / solutions. All we can really do is support / make adjustments and allow time, but it really is a resource drain at times".

Survey respondent:

"We implemented EAP for our employees a few years ago and constantly remind them of this resource. On our online training platform (every staff member can access on their phones or iPad etc) we keep details of local and national sources of support. But we constantly get staff saying "oh, it's my stress" or "it's my anxiety" when they are spoken to about level of short-term absences, this takes away from the genuine employees. It has replaced the "bad back" excuse".

Survey respondent:

"We feel that more employees, particularly younger ones, use mental health as an excuse for absence, which is bad for those genuinely suffering. They don't understand that sometimes it's OK to feel sad or anxious about things - that's natural and not a mental health issue".

Survey respondent:

"(We're a) small team, some of which like to label themselves with mental health issues to get out of working and some that genuinely suffer."

Survey respondent:

"Mental health has become a bit of an excuse.......... Of course, there are genuine cases - but there seem to be an awful lot of people jumping on a bandwagon......"

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?

There are positive signs that suggest this message is getting through. **59%** of respondents said that people have been speaking more in the last 12 months, however only **10%** of those who spoke to their boss said that support had been put in place. More worryingly, **3%** said that they had spoken to their boss and nothing was done.

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. Mental health is now the leading cause of absence, so while the stigma may be decreasing it remains prominent.

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 like to 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 acute mental health challenges of the twenty first 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.

Employers are struggling too

Employers have a duty of care to safeguard the wellbeing of their people. However, the pressures that employers themselves feel can often be overlooked. **1 in 7** UK employers surveyed reported experiencing poor mental health over the last year. And when they're struggling, who do they turn to? **23%** spoke to friends and family and **14%** spoke to their GP.

Interestingly, while **69%** of employers surveyed have an Employee Assistance Programme (EAP) in place, only **5%** of employers who have experienced mental ill-health over the last 12 months sought support from it.

Survey respondent:

"I have had my own mental health issues but as the owner dealt with them privately. We have an employee assistance program in place, we tried to implement mental health first aiders, but no one wanted to take on the role. I am comfortable talking to others about their mental health and sharing my own experiences."

Survey respondent:

"Not enough is spoken about the detrimental effects others' mental health crises (real or fabricated) causes to management and colleagues Sometimes it is not spoken about but is evident, and caused issues for management colleagues detrimental to their health"

Survey respondent:

"What about the business owners, who get the short end and have to pick up any issues and deal with staff taking mental health absences etc.? Business owners don't get the luxury of time off!"

Maria-Teresa Daher-Cusack, Organisational Psychologist at Health Assured, says:

"It's clear there's a disconnect between what employers are seeing and what employees are truly feeling. The charity has sreported that **nearly half of UK adults** believe mental health stigma remains strong. In the workplace, some individuals may feel they can't fully express how they feel for fear of being perceived negatively. 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 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. 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."

Employers are seeking ways to support their people

It's in an employer's interest to reduce the number of sickness absences in their workplace. Not only for the wellbeing of their people, but for their bottom line and achieving peak performance in the workplace.

Of those reporting an increase in sickness rates over the past year **(32%)** due to mental health issues.

85% do not feel very confident that employees would disclose a mental health issue to their employer

90% of managers have observed an increase in the number of people experiencing issues with their mental health at work

53% of organisations don't intend to implement any mental health provisions for their employees in the next 12 months.

While there's still a way to go in educating employers on the importance of psychological safety and mental wellbeing overall, we've observed positive sentiment from employers looking to learn about ways to improve mental health and wellbeing in their employees.

Survey respondent:

"We would like more support with mental health and what we should be doing, although we have just picked up some more tips via our Health & Safety audit. We also want to look at striking the balance, as we find a lot of employees relate everything to mental health however, we are not sure that's always the case so this is what we would like to understand more about to ensure we put the right support in when its needed".

Survey respondent:

"It is something that I would like to see change in our company but need the tools and advice to be able to encourage senior management to get behind".

Survey respondent:

"We work in healthcare, and we have seen a big spike in clients attending our premises with mental health issues. We have found that this has had an impact on our staff members, as this is often trauma-related for the client. We are taking steps to employ more clinical staff to reduce workloads so that employees have time to process mental health clinical cases".

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

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

While businesses are reporting more mental health-related absences, we're also seeing an increase in the number of support measures being put in place. Which is interesting considering the decline in the number of businesses offering mental health first aiders for employees to turn to when they need support as well as a marked decline in the number of people speaking about mental health.
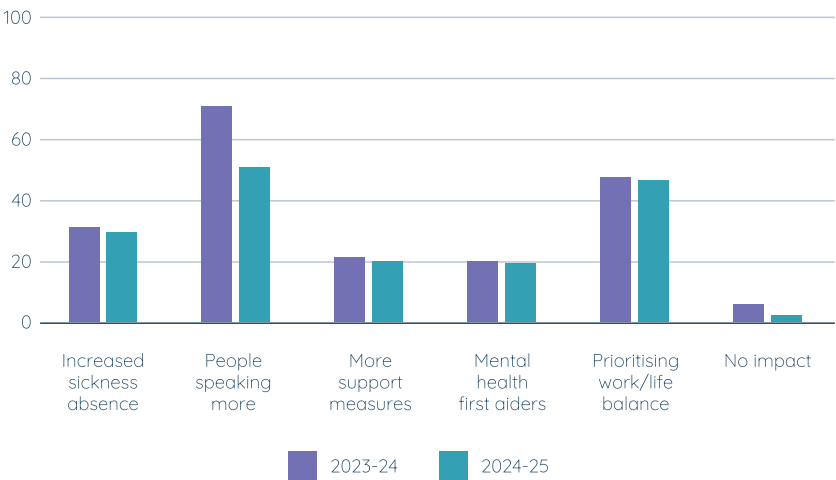

How confident are you that your employees would disclose a mental health issue to you or their manager? (%)
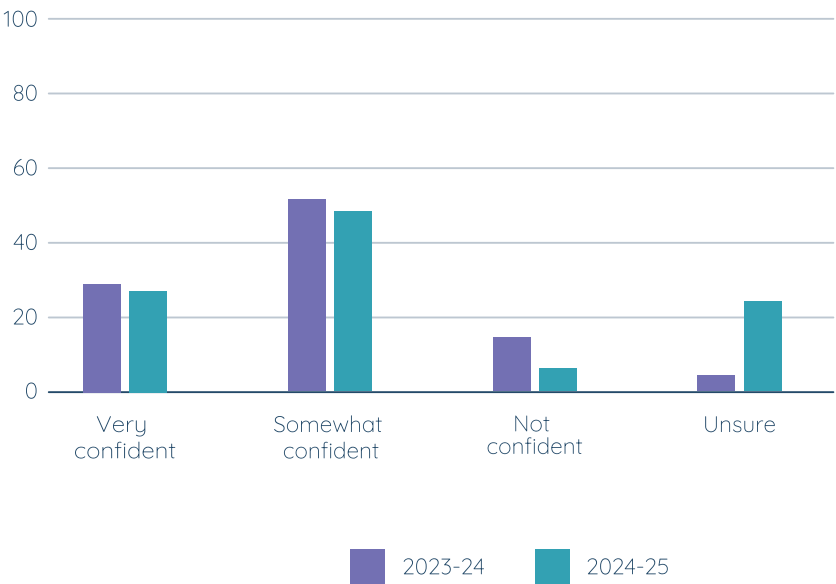
Global results

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

In addition to the UK, the Peninsula Group surveyed employers in Ireland, Canada, Australia and New Zealand to understand the impact of mental health issues in the workplace over the past year. The impact varies per territory, with the UK and Australia seeing the highest rates of absences due to mental health.
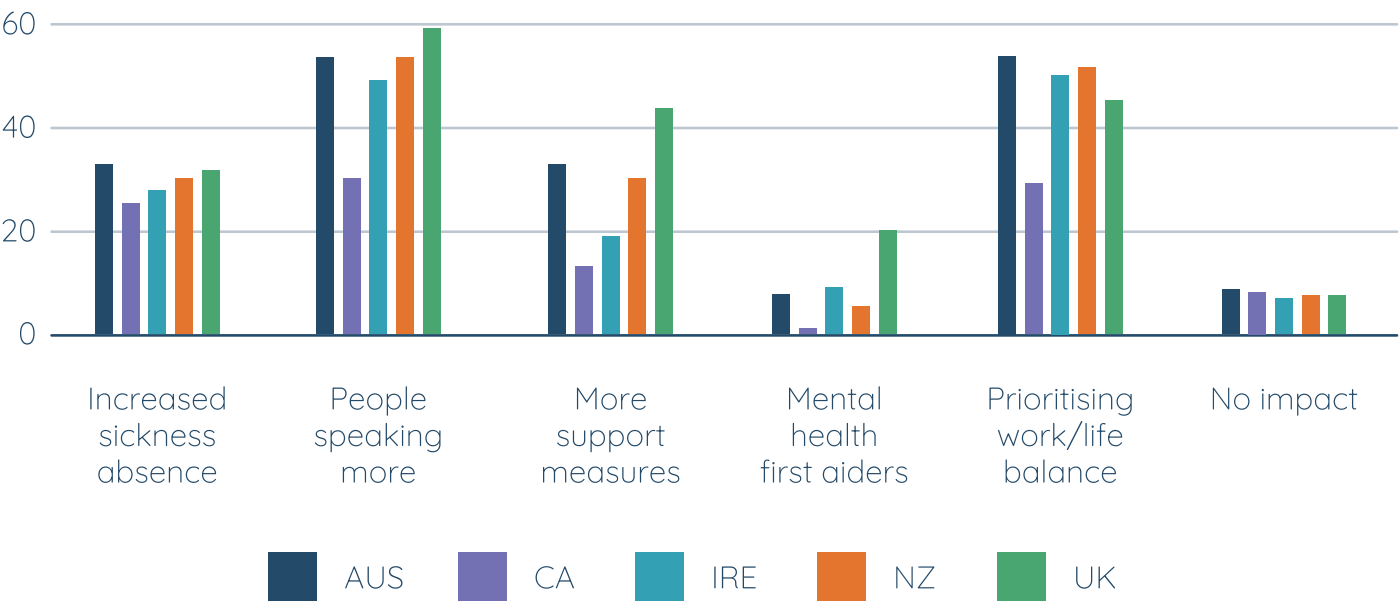
- **1 in 3** employers globally saw increased sickness absence due to mental health over the last 12 months

- The UK is leading the way when it comes to mental health support in the workplace

- Most employers globally don't provide any mental health training to their employees

- Canada and Ireland have seen the lowest increased rates of absences related to mental health; Australia saw the largest increase

- Most employers globally don't provide any mental health training to their employees

- Employers in New Zealand are least likely to have workplace mental health support in place

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

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

Over a quarter of employers globally are either 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.


Legend: AUS, CA, IRE, NZ, UK
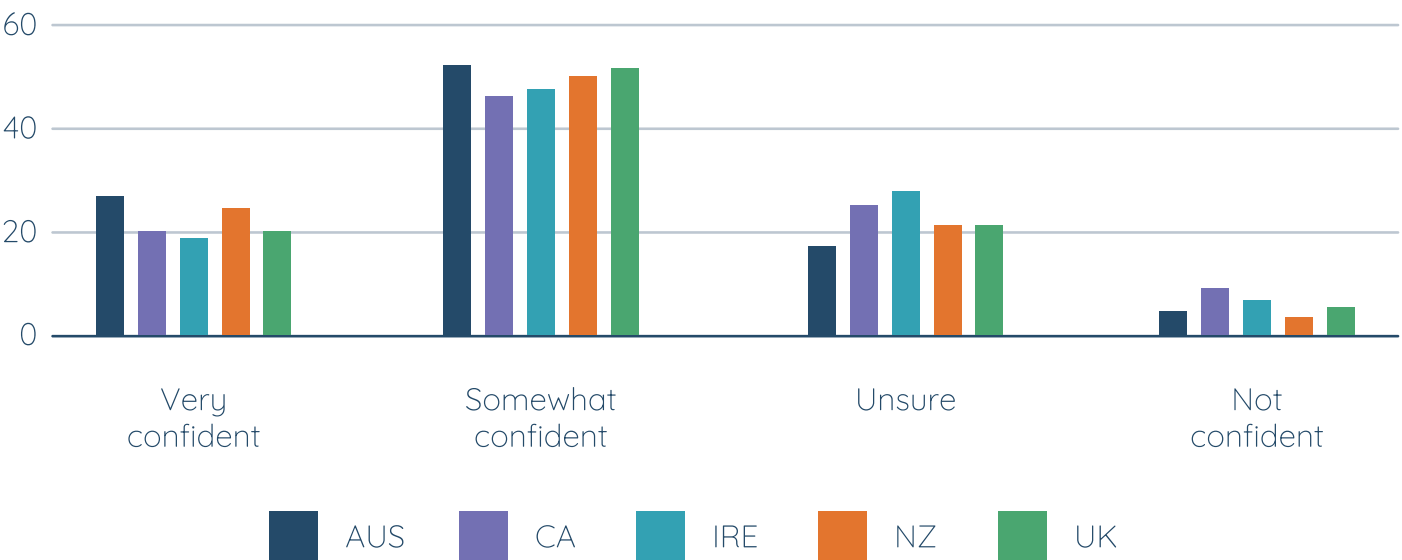
Have you seen an increase in the number of people experiencing issues with mental health in your workplace (%)

Employers and colleagues experiencing mental health issues is high across all territories. The UK appears to have the highest rate of mental health concerns among employees in the workplace, and the third-highest rates in mental health issues experienced by employers.

Legend: AUS, CA, IRE, NZ, UK
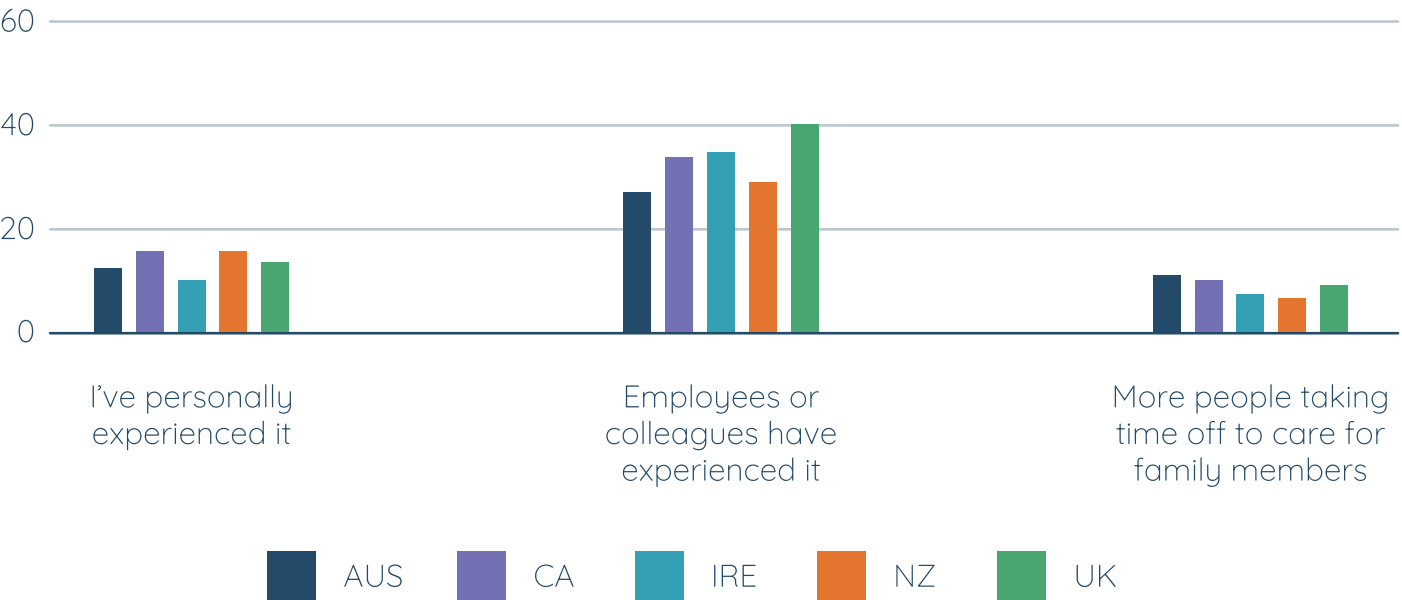
Which of the following do you plan to introduce within the next 12 months? (%)

Yet despite the high number of mental health issues reported by employers and employees alike, businesses are not planning to do much about it. Nor have respondents chosen to disclose any other implementations not listed in our response options.

Legend: AUS, CA, IRE, NZ, UK
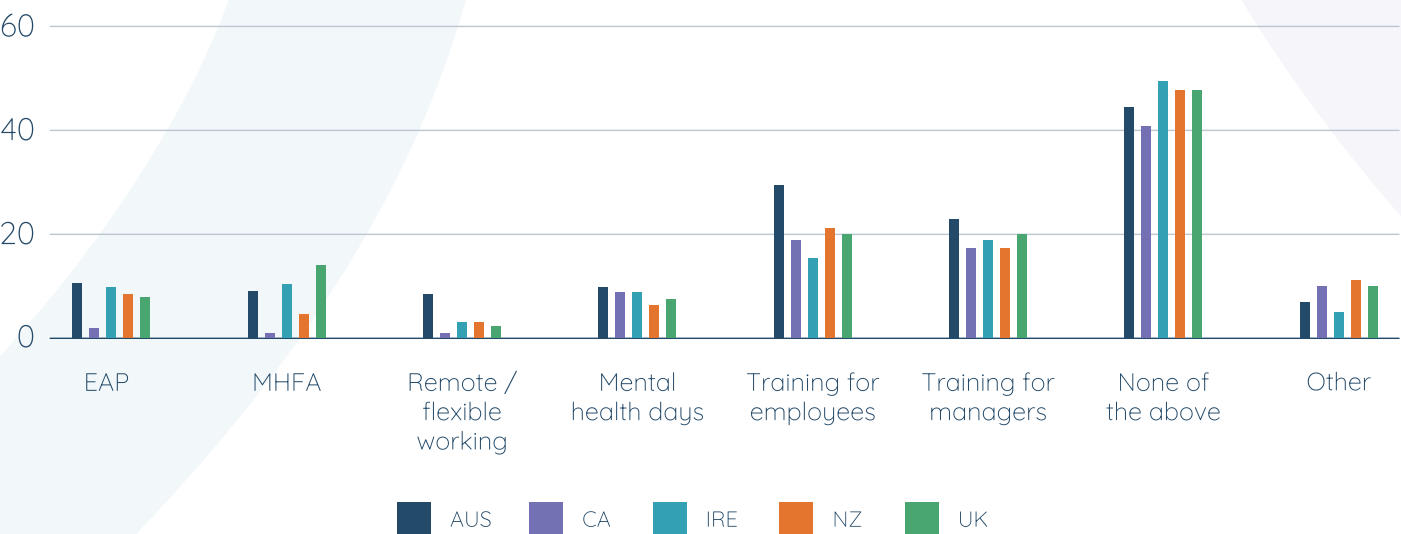
Sarah Brimacombe, Associate Director - Retention & Customer Solutions at Health Assured, says:

"Some employers are genuinely unsure how to help their people, especially smaller organisations that may not have as much time or resources at their disposal. That's why many opt for an Employee Assistance Programme (EAP). This is all well and good, but simply having an EAP isn't enough.

"Our job as relationship managers is to encourage account holders to spread awareness of the EAP and promote its utilisation. With the fast-paced nature of the modern workplace, it's easy to forget what support systems are in place. And the reality is, not everyone will feel comfortable discussing their mental health with their employer. However, giving them the option to speak with an impartial, confidential, and qualified third party - at no cost to them - is a huge benefit that employers must fully take advantage of.

Will this take time at the beginning? Absolutely. Employers will certainly have their work cut out for them.

"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. As we've observed, over the last year, employers have experienced significant changes and challenges – notably, increased sickness rates due to poor mental health, and increased organisational costs as a result. There is lots of work to be done to ensure that employers are educated on how to facilitate mental wellbeing in the workplace and ensure their people are well supported.

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**

Recommendations

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 provisions in place to support mental health and wellbeing in your workplace. This needs to be embedded across all levels of your organisation. 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.

Absenteeism costs the UK economy **£75 billion** each year and **12 billion working days** are lost annually to depression and anxiety. The average return on investment for every **£1 spent** on an **EAP is £10.85**, so looking after your people and their mental health makes business sense for boosting peak performance.

With greater access to wellbeing support, the pressure is reduced on our National Health Service, individual recovery rates are improved and the impact of long-term health and mental health conditions on the workplace can be lessened.

Our figures show that quick access to counselling can reduce workplace stress by as much as **19%**. And it can boost return-to-work rates by as much as **23%**.

2. Do more than signpost support

Signposting isn't enough. We recommend encouraging real interactions to facilitate open conversations and to really get to the crux of what may be going on with an individual who has experienced increased sickness rates due to poor mental health. This can look like implementing new wellbeing initiatives or something as simple as starting an open discussion about a mental health awareness campaign or concern. Ensure that all your managers receive proper training, including regular refresher training, in how to spot signs that someone is struggling and have open, transparent, supportive conversations with them.

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. It could be that their working environment 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 HA | Wisdom Wellbeing

HA | Wisdom Wellbeing is the UK and Ireland's most trusted independent health and wellbeing provider, making a positive difference to over 12.5 million lives across 88,000 organisations.

As an award-winning EAP provider, we aim high, and we achieve it. 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.

If you would like to find out more about how the UK and Ireland's leading EAP can support your organisation, give us a call on 0800 206 2552.

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