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Research Council



Workplace Mental Health in Midlands firms 2024

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Workplace Mental Health in Midlands firms 2024

The Enterprise Research Centre (ERC) is an independent research centre which focuses on growth, innovation and productivity in small and medium-sized enterprises. ERC is a partnership between Warwick Business School, Aston Business School, Queen's University School of Management, Leeds University Business School and University College Cork. The Centre is funded by the Economic and Social Research Council (ESRC), The Department for Business and Trade (DBT), Department for Science, Innovation and Technology (DSIT), Innovate UK, the British Business Bank, and the Intellectual Property Office. The views expressed in this report are those of the authors and do not necessarily represent those of the funders.

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SUMMARY OF KEY EVIDENCE AND POLICY IMPLICATIONS

This table summarises the ten key findings and related policy implications of our 2024 employer survey into workplace mental health.

| | Evidence | Interpretation | Implications |
|---|--|--|--|
| 1 | Lower reported mental health absence in some sectors, notably construction, wholesale/retail and hospitality, and fewer firms reporting that such absence impacts on their operations. | Data may be masking levels of mental health sickness since the self-employed and those on zero hours contracts (which may discourage sickness absence) are disproportionately represented in these sectors. This has implications for wellbeing and performance. Employing more staff on flexible contracts may also mean that employers can more easily find replacements if employees are off sick, minimising the firm-level impacts. | More research to explore sectoral differences and to understanding precarity and its implications in the workplace should be a priority. This could inform the development of initiatives to encourage employers in these sectors to be alert to mental health issues and to encourage employees to take absence when needed. |
| 2 | Substantial increase in long-term mental health sickness absence, with spikes in production, wholesale/retail and hospitality firms. | Data suggests a connection to lower-paid, lower-skill jobs with lower job-security. | Put employee wellbeing at the centre of job design to increase employee autonomy and flexibility where possible, and to allow individuals to exert some influence over their work and workload within the parameters of the job. |
| 3 | More employers attributing mental health absence to physical health causes. | Supports other data pointing to comorbidity in physical and mental health as a recognised phenomenon. | Educate employers in the links between mental and physical ill-health. Provide employers with support in recognising and managing employees that are experiencing both physical and mental issues. |
| 4 | Sustained elevated levels of presenteeism reported in firms of all sizes and in all sectors. | Presenteeism is likely to drive negative outcomes as identified by prior research, including reduced productivity, impaired physical and mental health and elevated sickness absence. | Addressing presenteeism should be a priority. Initiatives to raise awareness of the issue, for both employers and employees, would be a good start. Signposting firms towards the resources already available from mental health expert organisations and professional bodies would be a cost effective first step. The provision of online toolkits and resources to help employers to put in place simple structured procedures to assess their practices may also be particularly useful for more |

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| | | | resource-constrained smaller firms. |
| 5 | Nearly a fifth of firms still do not have any mental health initiatives in place, and these firms are more likely to be in sectors that employ the self-employed and those on zero-hours and temporary contracts. | Non-engagement with mental health initiatives puts all employees in a firm at risk of not receiving help when they need it. The overrepresentation of workers on precarious contracts in these non-adopting firms, who are more at risk of poor mental health in the workplace, is particularly worrying. | Industry bodies and trade associations may have a role to play in showcasing the benefits of adopting mental health initiatives to specific sector audiences. This may allow tailored messages relevant to each sector to be developed and disseminated, which may be particularly helpful in sectors with low adoption. |
| 6 | Although 77% of firms agree they have a responsibility to deal with mental health issues, only 57% offer mental health initiatives. | The gap between intention and action, although reduced slightly since 2023, remains considerable. | Although research points to the positive outcomes of many initiatives, identifying the evidence and arguments that will resonate most with employers will be key to increasing uptake, and this may require further research. A support programme to help employers, especially smaller and more resource-constrained ones, to evaluate the wide variety of mental health initiatives available and to identify the best for their circumstances, would provide practical guidance to drive uptake. |
| 7 | Slow uptake of more strategic approaches to workplace mental health. | Prior research indicates that firms that fail to adopt more strategic approaches risk missing out on better firm- and employee- level outcomes. | Policymakers, academics and employer support agencies may have a role to play in encouraging firms to move beyond no-cost practices and towards more strategic and embedded approaches, by collating and presenting relevant evidence (e.g., case studies) for the efficacy of more strategic initiatives. Peer mentoring initiatives to pair firms that have adopted more strategic initiatives with those that have not yet done so may also help to accelerate change. |
| 8 | Initiative adoption is often driven by individual managers and employees. | Targeting managers who are already engaged with mental health issues through training or experience to take the first steps may be a fruitful way of driving initiative adoption in employers. | It would make sense to embed mental health training into management and leadership programmes. Regular provision of signposting materials from mental health expert organisations to employers, and particularly through follow-up communications to managers who have already participated in training, would ensure that those best placed to drive the agenda |

| | | | |
|----|---|--|--|
| | | | forward have the latest information. |
| 9 | Adoption of mental health initiatives by employers is less likely to be driven by data. | Employers may be missing easy opportunities to identify and manage these issues in a timely way. | Communications aimed at persuading employers to pay attention to key indicators related to workplace mental health, such as mental health absence levels, may help them to identify and respond to issues earlier. Since firms are often already driven by Key Performance Indicators, encouraging this approach with respect to mental health metrics could be an obvious first step for many. |
| 10 | Hybrid working is now embedded for around a third of firms, with employers pointing to benefits and challenges. | Extant research is clear about the risks of insufficient psychological detachment from work for those working at home. | Policy interventions to help employers to successfully manage hybrid working may help to avoid negative consequences and to capitalise on the positives. Initiatives could usefully focus on encouraging firms to establish hybrid working policies to clarify areas including responsibilities of supervisees and supervisors, access to resources to enable successful and safe remote working and expectations related to communications. Line managers may also benefit from additional training in managing staff remotely. |

INTRODUCTION

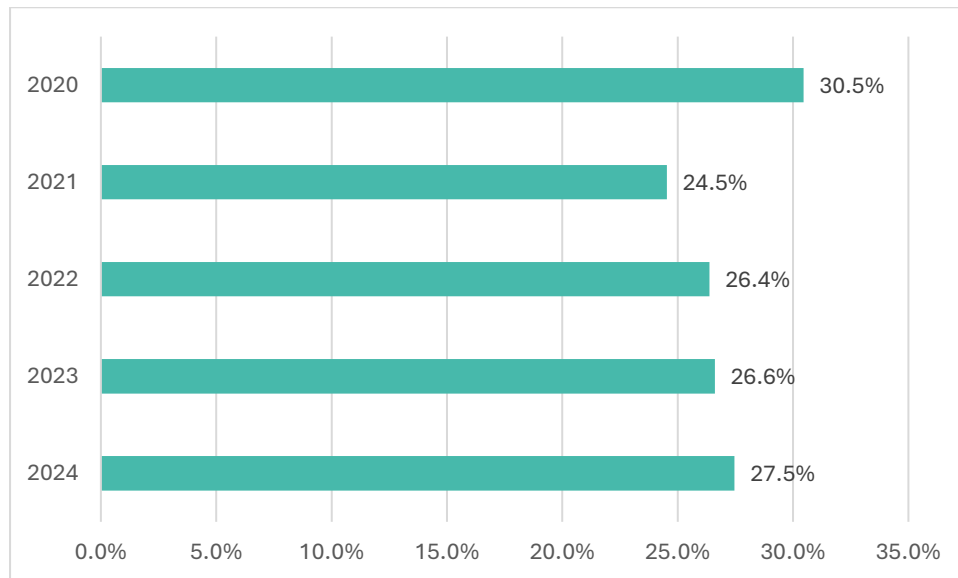
Since 2020, we at the Enterprise Research Centre have been tracking UK Midlands firms' experiences of workplace mental health issues, with an annual employer survey. Our first wave of data collection took place early in 2020 pre-COVID-19. Wave 2 was conducted between January and April 2021, a period of intense business disruption due to COVID-19 restrictions, and wave three took place in early 2022 as restrictions eased. While the impacts of Covid-19 have subsequently receded, 2023 and 2024 have seen other challenges for businesses and their employees, including the cost-of-living crisis. In early 2024, we carried out our fifth wave of data collection and we draw on this unique longitudinal data set here to offer insight into the ways in which firms experience and respond to the challenges of mental health issues.

The report proceeds with a summary of the key findings from the 2024 survey. The remainder of the report presents longitudinal trends using the five annual waves of data. In section 2 we explore the extent and impact of mental health sickness absence, and in section 3 we address the prevalence and effects of presenteeism. Section 4 covers firm-level adoption of initiatives to deal with workplace mental health and in section 5 we detail the growth and implications of hybrid working. We bring together our conclusions and policy recommendations in section 6.

1.SUMMARY OF LATEST FINDINGS

Mental health absence is slowly growing. In 2024, 27.5% of firms reported that they had experienced some level of mental health related absence in the previous 12 months, but this remains below the level of 30.5% pre-pandemic.

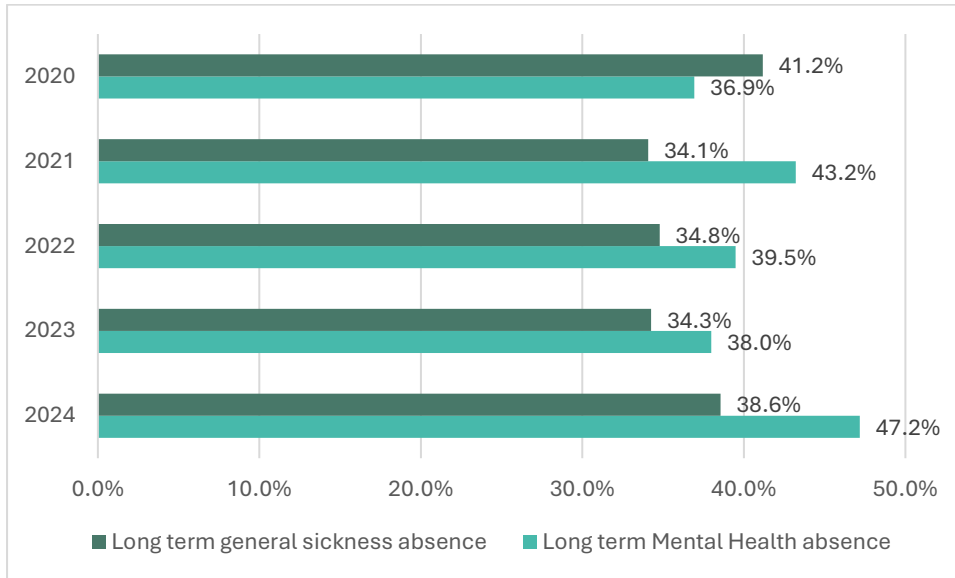
Figure 1.1 Proportion of firms reporting some level of mental health absence, 2020 to 2024, all firms



Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Long-term mental health related absence grew twice as much as general long-term sickness absence. The proportion of those firms with some level of mental health absence reporting that at least some of it was long-term (i.e., four weeks or more) grew from 38.0% in 2023 to 47.2% in 2024, an increase of 9.2%. General long-term sickness absence also grew in this period, but by only 4.3%.

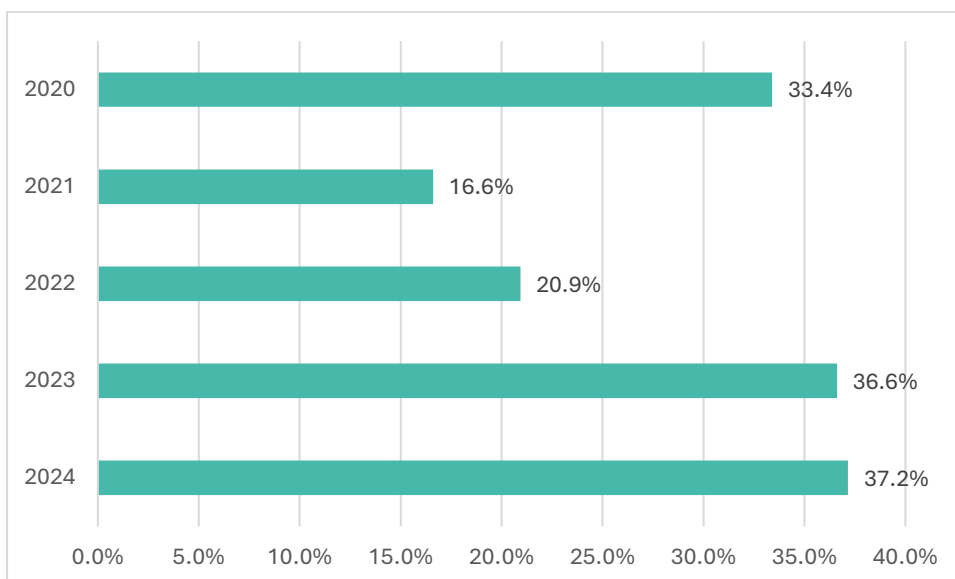
Figure 1.2 Proportion of firms reporting some level of long term general and mental health absence, 2020 to 2024, all firms



Base: General long-term sickness: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024. Mental health long-term sickness: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Presenteeism (where employees are working when unwell or routinely working beyond their contracted hours) remains higher than pre-pandemic and was reported by 37.2% of firms in 2024. This represents a small increase compared to 36.6% in 2023. 2023 saw a substantive increase from 2022, when only 20.9% of firms reported it.

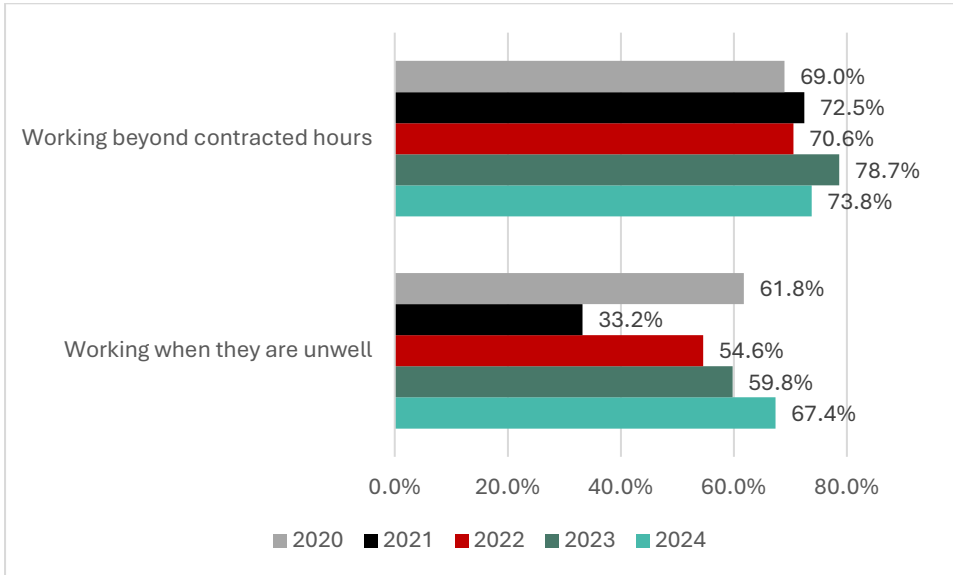
Figure 1.3 Proportion of firms reporting some level of presenteeism, 2020 to 2024, all firms



Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

2024 saw a reduction in the proportion of firms reporting staff working beyond contracted hours but an increase in those reporting staff working when unwell. Working beyond contracted hours remains the most prevalent form of presenteeism but the gap with working when unwell has closed.

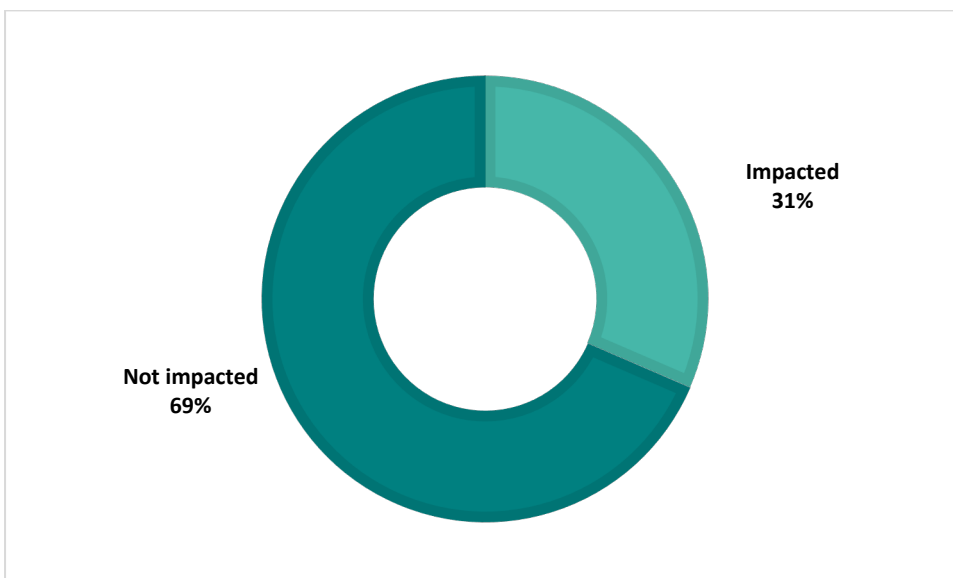
Figure 1.4 Type of presenteeism reported, 2024, all firms



Base: 654 firms in 2020, 265 in 2021, 394 in 2022, 692 in 2023, 707 in 2024

Nearly a third of firms experiencing presenteeism reported that it impacted on their operations.

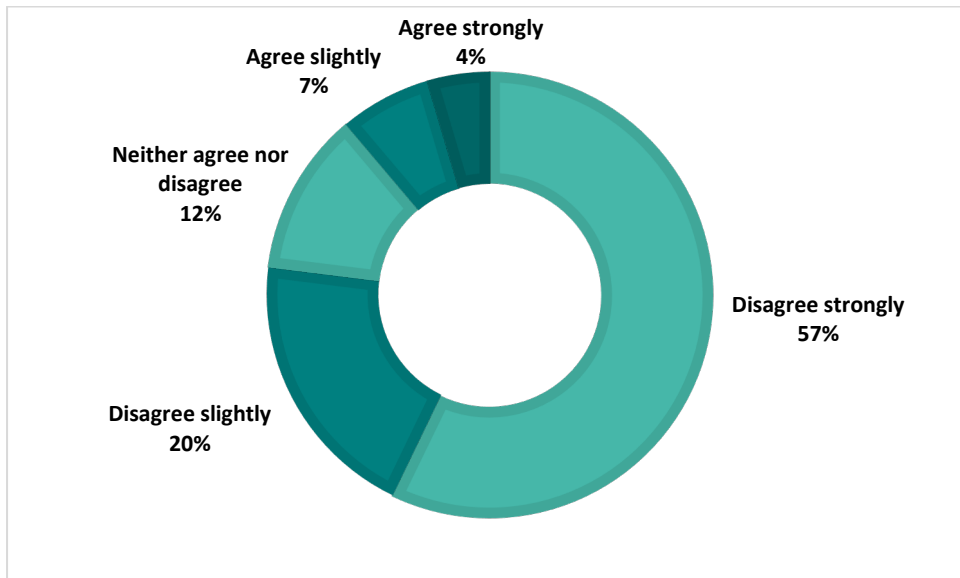
Figure 1.5 Proportion of firms reporting that presenteeism impacted on their operations, 2024, all firms



Base: 707 firms

Most firms (77 %) disagree or strongly disagree with the statement ‘mental health is a personal issue and not one that should be addressed in the workplace’ indicating that they believe they have a responsibility to address mental health issues in the workplace. This is relatively stable compared to prior years.

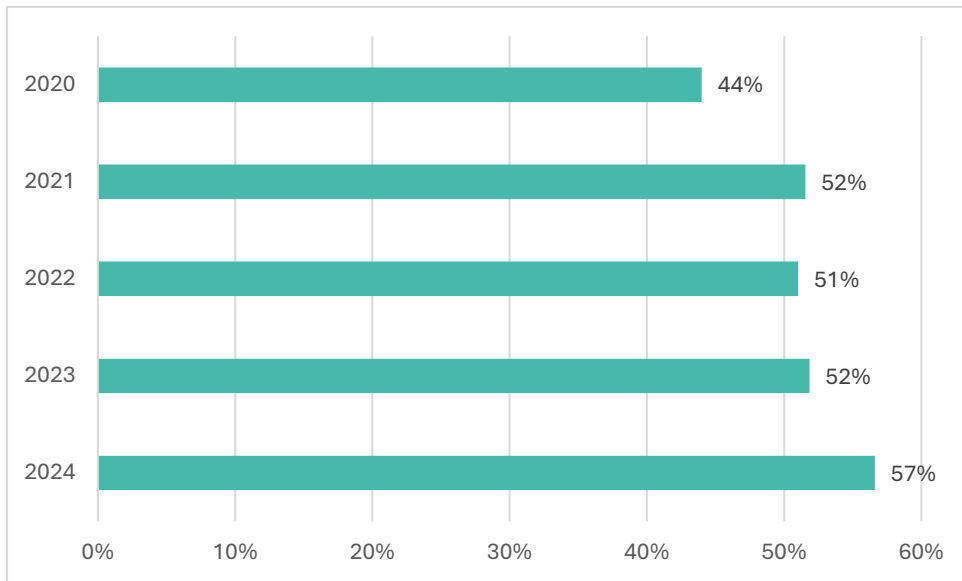
Figure 1.6 Firm responses to the statement ‘mental health is a personal issue and not one that should be addressed in the workplace’, 2024, all firms



Base: 1901 firms

More firms are adopting initiatives to address mental health in the workplace (57% in 2024 compared to 52% in 2023, and 44% pre-pandemic). However, the gap between intention and action remains, with 20% more firms expressing the view that they should address mental health than are actually taking action to do so.

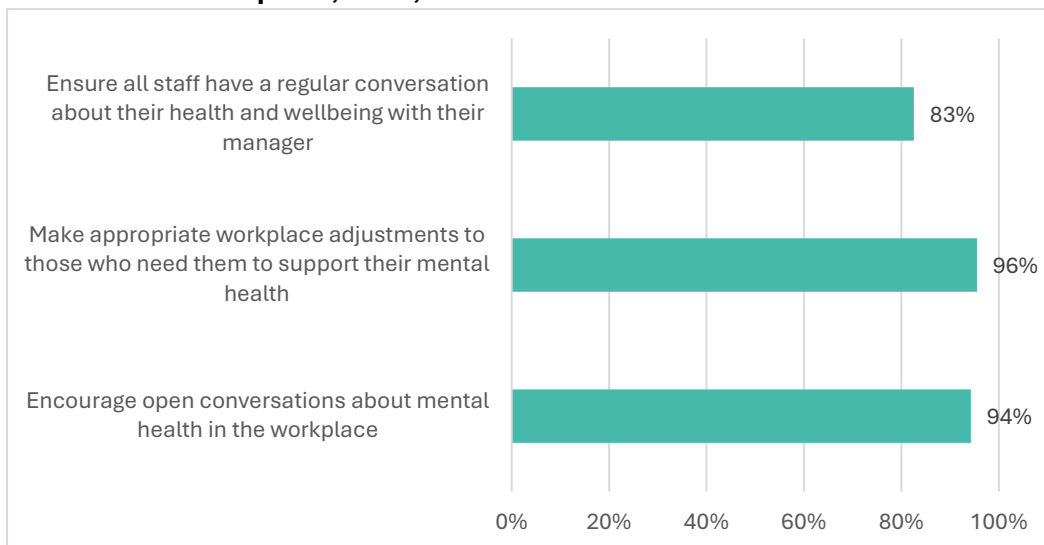
Figure 1.7 Proportion of firms offering mental health initiatives, 2020 to 2024, all firms



Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

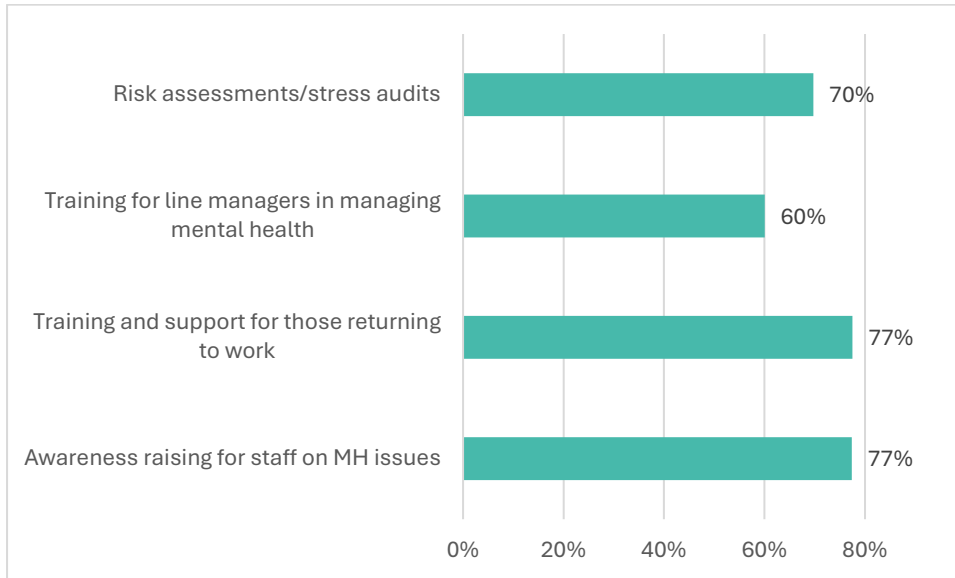
To analyse mental health initiatives, we divide them into four categories - strategic, practice-based, training and monitoring-focused, and wellbeing-focused - based on their aims, the kinds of changes they imply and the level of the organisation at which they are adopted. The adoption of practice-based initiatives remains high, reflecting the relatively low cost of adoption of these approaches. Training and monitoring initiatives are the next most prevalent, followed by strategic initiatives and those aimed at employee wellbeing. 2024 data shows that while the adoption of practice-based and training and monitoring-focused initiatives is broadly static, there has been a small increase in adoption of strategic and employee wellbeing initiatives.

Figure 1.8 Proportion of firms adopting practice-based initiatives to address mental health in the workplace, 2024, all firms



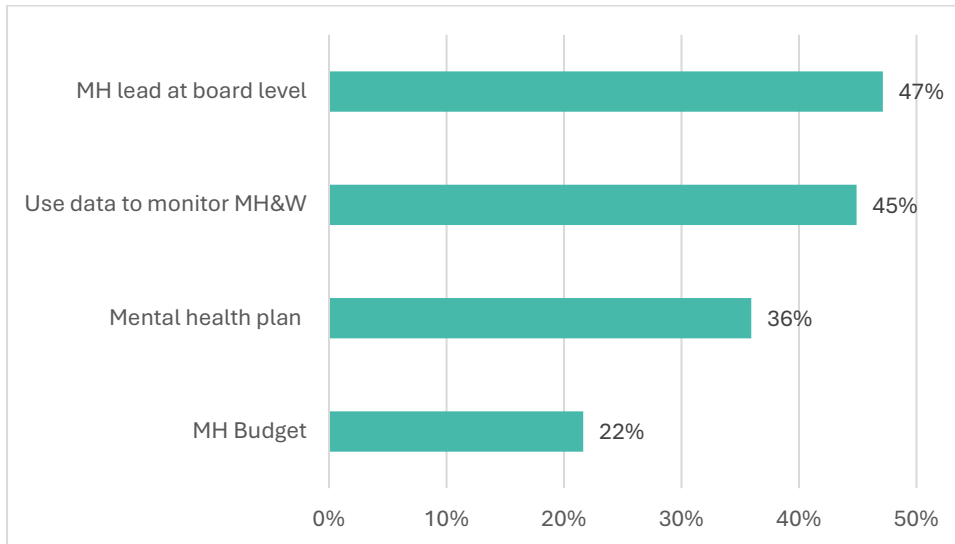
Base: 1053 firms

Figure 1.9 Proportion of firms adopting training and monitoring initiatives to address mental health in the workplace, 2024, all firms



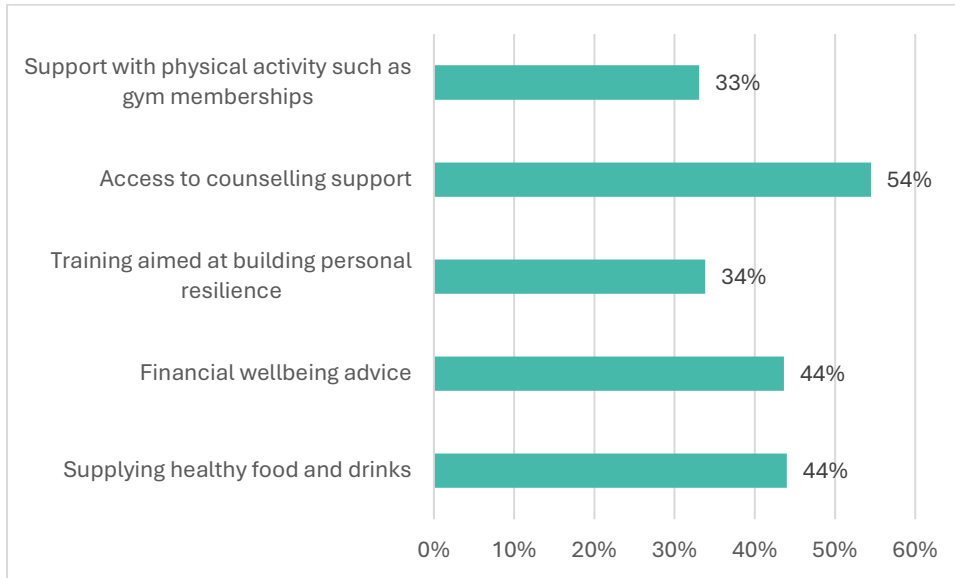
Base: 1053 firms

Figure 1.10 Proportion of firms adopting strategic initiatives to address mental health in the workplace, 2024, all firms



Base: 1901 firms

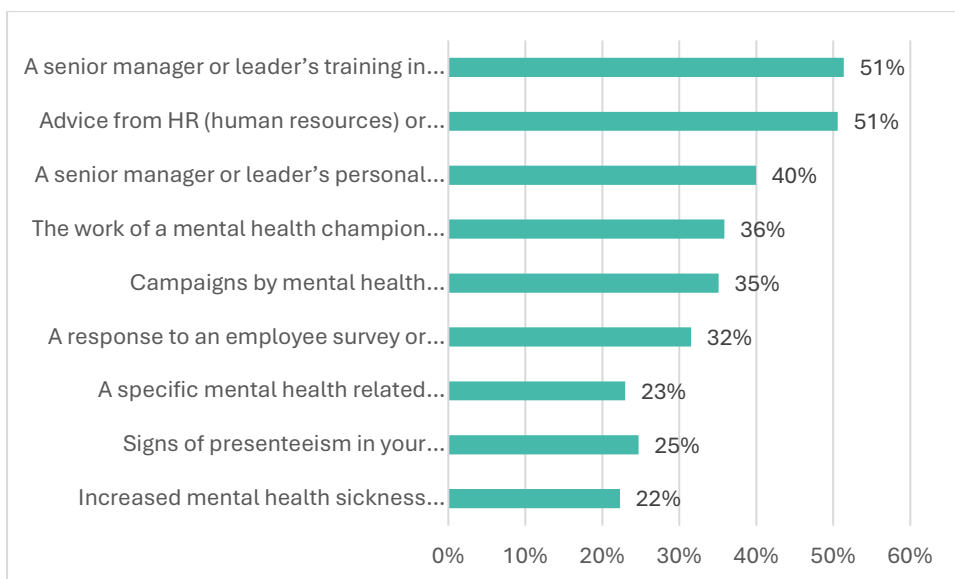
Figure 1.11 Proportion of firms investing in employee wellbeing to address mental health in the workplace, 2024, all firms



Base: 1901 firms

Engagement with mental health initiatives is most likely to be driven by individual managers with personal training in, or experience of, mental health issues, cited by 51% and 40% of firms respectively, followed by advice from HR, cited by 51% of firms. Firms are much less likely to point to in-house evidence-driven motivations for the adoption of initiatives, such as an observed increase in mental health absence or increased signs of presenteeism.

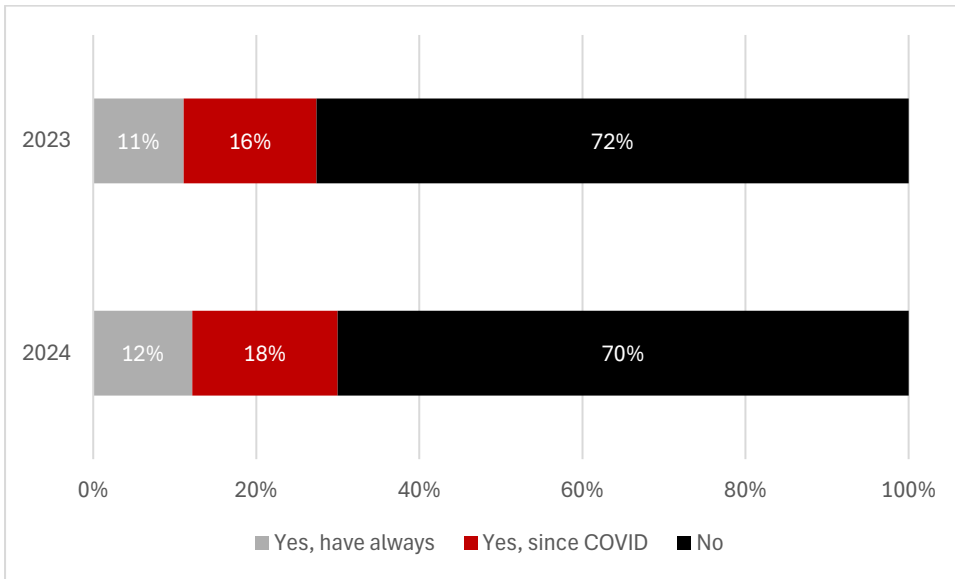
Figure 1.12 Catalysts for the adoption of mental health initiatives, 2024, all firms



Base: 1053 firms

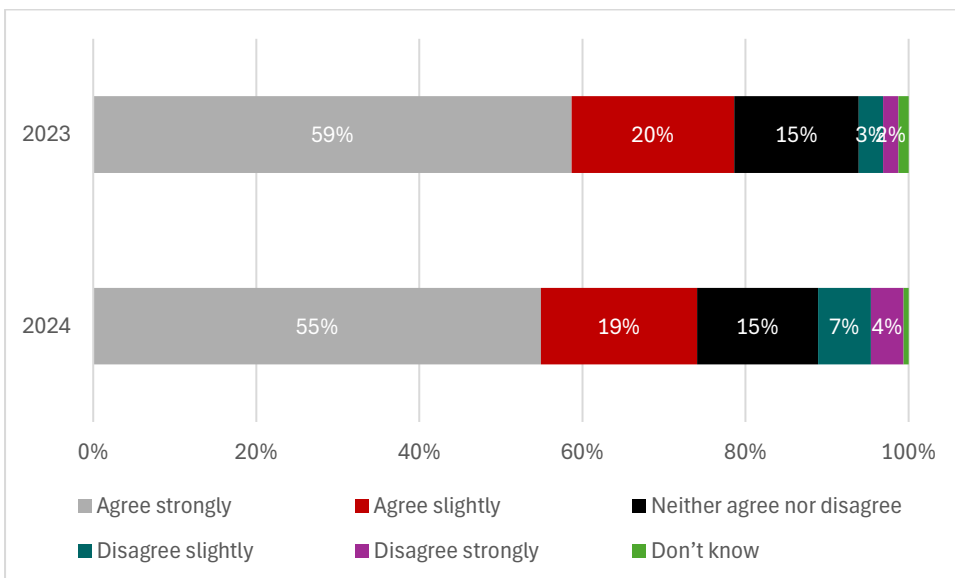
Hybrid working continues to grow slowly, and in 2024 30% of firms said that they had some staff working remotely, compared to 27% in 2023. However, the proportion of employers reporting that they encourage a good work life balance for those working remotely fell from 79% to 74%.

Figure 1.13 Proportion of firms with some level of remote working, 2024 vs 2023, all firms



Base: 1901 firms

Figure 1.14 Extent to which firms with some level of remote working agree that they encourage a good work life balance, 2024 vs 2023, all firms



Base: 604 firms

2. EXTENT AND IMPACT OF MENTAL HEALTH SICKNESS ABSENCE

The proportion of Midlands firms reporting some level of mental health related absence in the latest wave of data collection grew from 26.6% to 27.5% but remains below the pre-pandemic proportion of 30%. This modest growth was mainly evident in larger firms and those in the production and other services sectors (Figures 2.1 and 2.2).

While repeated mental health absence was static year-on-year (Figure 2.3), and across firms of all sizes and sectors (Figures 2.4 and 2.5), the proportion of firms reporting long-term mental health-related absences grew considerably, by 9.2% to 47.2% (Figure 2.6). This was driven by medium-sized firms (with 50 to 249 employees), and by the production, wholesale/retail and other services sectors (Figures 2.7 and 2.8). The proportion of firms reporting long term general sickness absence grew by only 4.3% in the same period, as shown in Figure 2.6, suggesting that long term mental health sickness absence is an increasingly significant issue for some employers. Low-skilled jobs are over-represented in the production, services and wholesale/retail sectors¹, and these jobs are associated with lower pay and lower job security², both factors which are in turn associated with mental health issues³. It is also likely that employees in these sectors are less able to work remotely, which may drive increased absence. A lack of job control may also drive mental health issues, and intensity of workload may exacerbate this⁴.

Employers are increasingly likely to point to physical health issues as a cause for mental health related absences. Since 2022, the proportion of employers reporting that at least some of their mental health absence is linked to physical health issues has risen from 54% to 64%, while those attributing it to out-of-work issues has increased by 5% and to in-work issues by only 2% (Figures 2.9, 2.10, 2.11 and 2.12). Comorbidity in physical and mental health is a recognised phenomenon⁵ and this finding suggests that employers may need support in identifying and managing employees that are experiencing both physical and mental issues.

¹ OECD. (2020). *Raising the Basic Skills of Workers in England, United Kingdom*. <https://doi.org/doi:https://doi.org/10.1787/4ff42de8-en>

² Green, A. E., Sissons, P., Broughton, K., & Qamar, A. (2021). Public policy for addressing the low-skills low-wage trap: insights from business case studies in the Birmingham city-region, UK. *Regional Studies*, 55(2), 333-344. <https://doi.org/10.1080/00343404.2020.1802005>

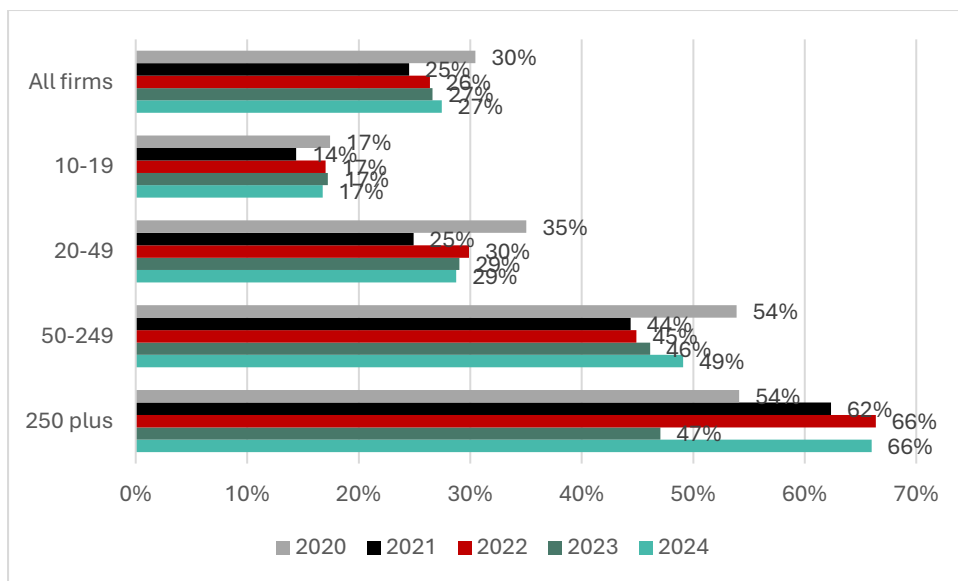
³ LaMontagne, A. D., Too, L. S., Punnett, L., & Milner, A. J. (2021). Changes in job security and mental health: an analysis of 14 annual waves of an Australian working-population panel survey. *American journal of epidemiology*, 190(2), 207-215.

⁴ Dalgard, O. S., Sørensen, T., Sandanger, I., Nygård, J. F., Svensson, E., & Reas, D. L. (2009). Job demands, job control, and mental health in an 11-year follow-up study: Normal and reversed relationships. *Work and stress*, 23(3), 284-296. <https://doi.org/10.1080/02678370903250953>

⁵ Rai, D., Stansfeld, S., Weich, S., Stewart, R., McBride, O., Brugha, T., Hassiotis, A., Bebbington, P., McManus, S., & Papp, M. (2016). Comorbidity in mental and physical illness.

The proportion of firms telling us that mental health related absence impacted on their operations declined in 2024, to 50% from 58% the previous year (Figure 2.13). While we see little variation by firm size (Figure 2.14) there was variation by sector here (Figure 2.15), with construction and hospitality accounting for the largest reductions. In fact, construction and hospitality firms were among the least likely to report mental health related sickness absence (16% and 21% respectively, versus 27% in all firms) perhaps reflecting higher levels of self-employed and casual staff in construction⁶, and of zero hours contracts in hospitality⁷. Self-employed workers may be less likely to take time off, to avoid losing money, and zero hours contracts may make it easier for firms to find replacements for those who are absent with mental health problems. This suggests that lower reported absence in some sectors may be masking levels of mental health related problems, and that understanding and addressing precarity in the workplace should be a priority. More research is needed to explore this complex issue in the context of business organisations in more depth.

Figure 2.1 Proportion of firms reporting mental health absence, 2020 to 2024, by firm size

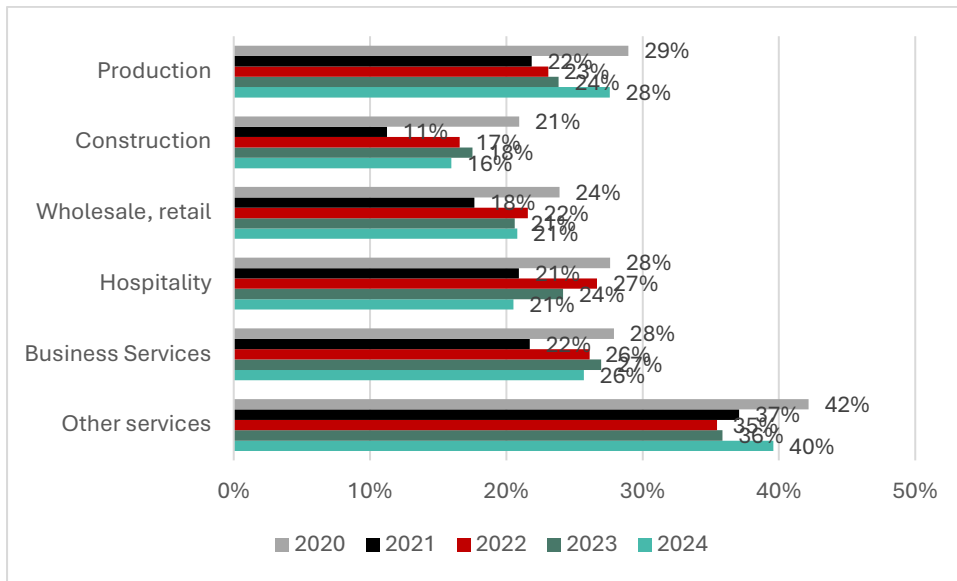


Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

⁶ Statista. (2024). *UK Self-employment*.

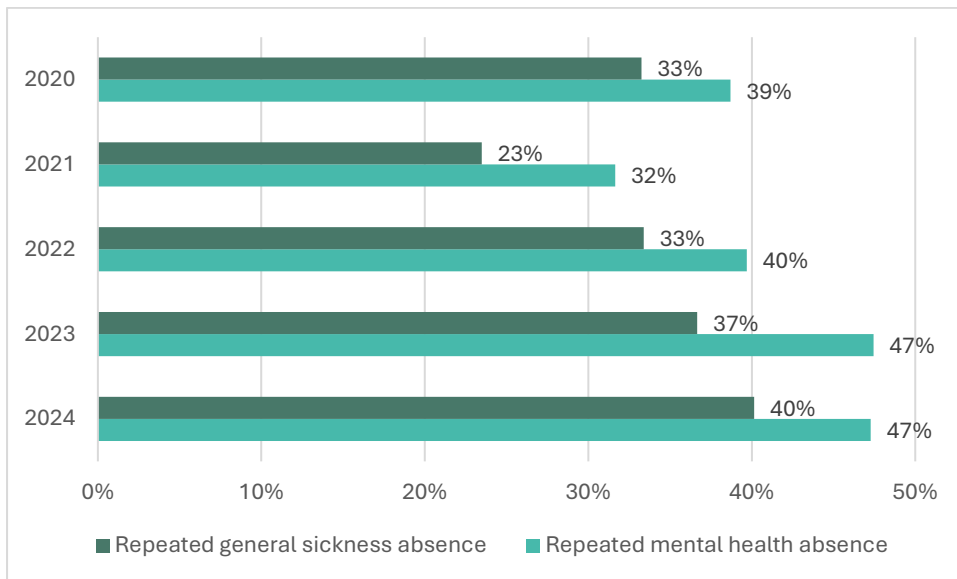
⁷ Chartered Institute of Personnel and Development (CIPD). (2022). *Zero-hours contracts: evolution and current status*. https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/zero-hours-contracts-report-aug-2022_tcm18-110465.pdf

Figure 2.2 Proportion of firms reporting mental health absence, 2020 to 2024, by sector



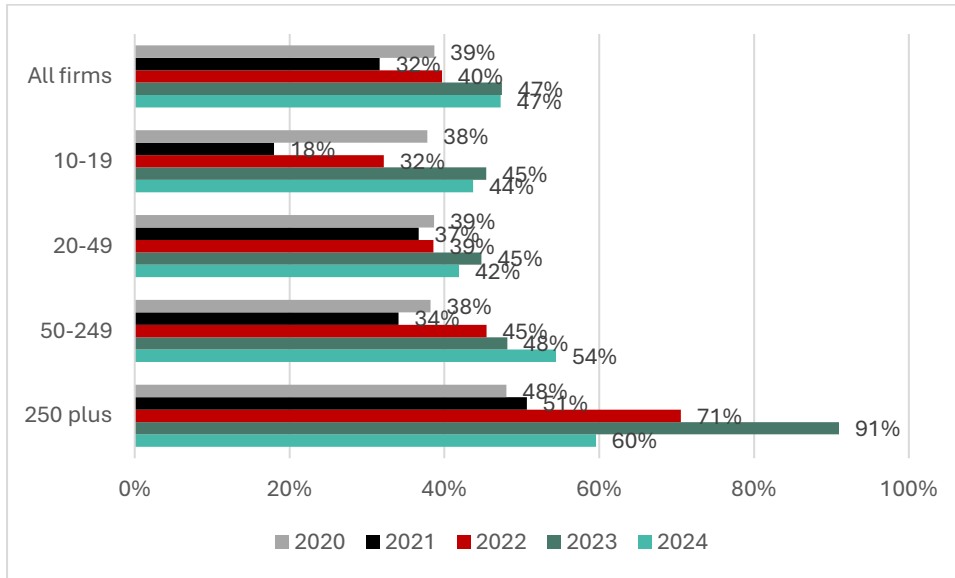
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 2.3 Proportion of firms reporting that they experienced some level of repeated general and mental health sickness absence, 2020 to 2024, all firms



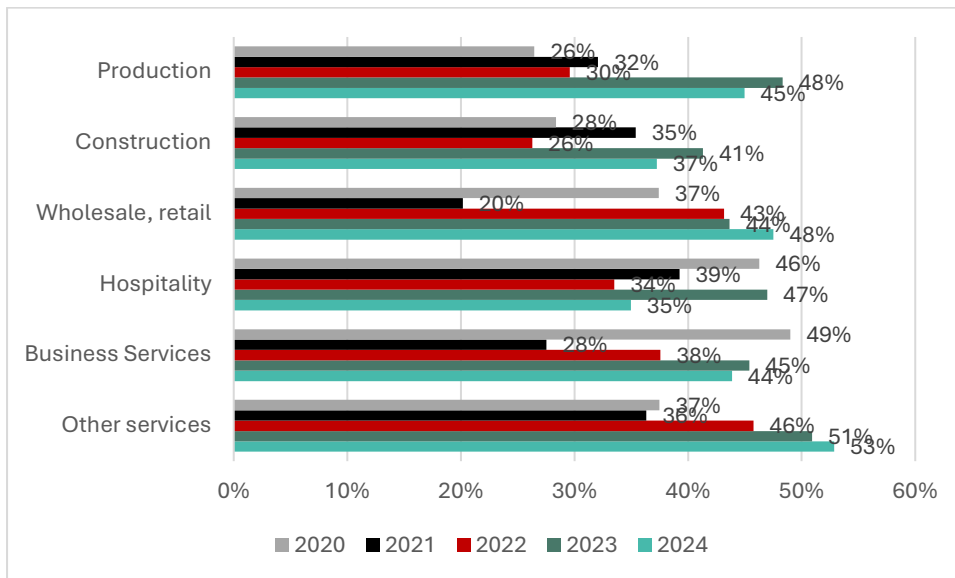
Base: Repeated long-term sickness: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024. Mental health repeated sickness: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Figure 2.4 Proportion of firms reporting repeated mental health absence, 2020 to 2024, by firm size



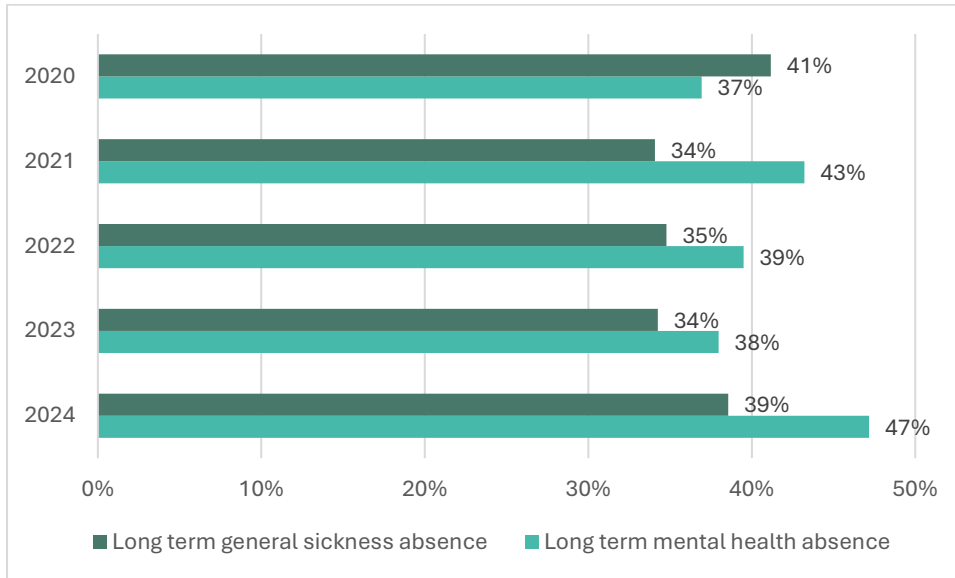
Base: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Figure 2.5 Proportion of firms reporting repeated mental health absence, 2020 to 2024, by sector



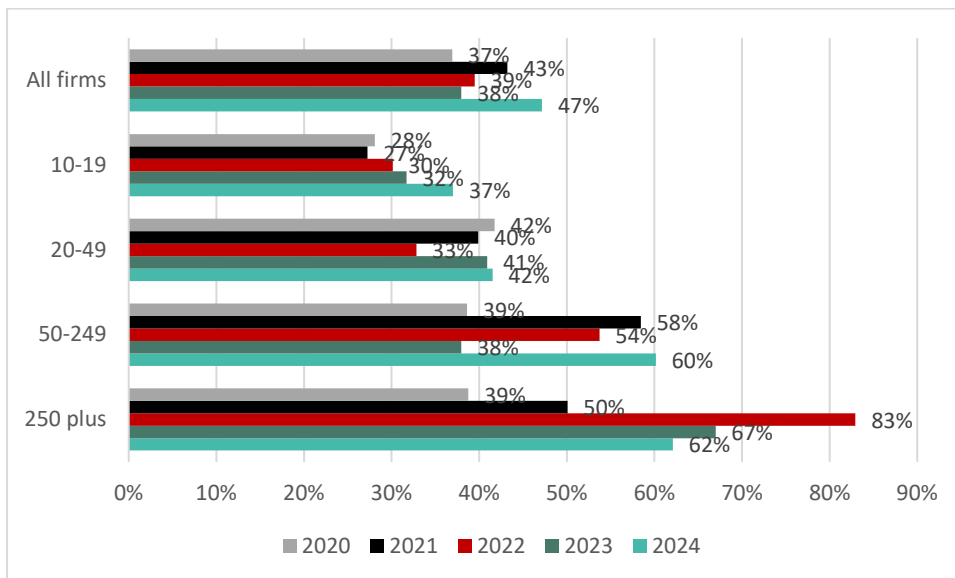
Base: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Figure 2.6 Proportion of firms reporting that they experienced some level of long-term general and mental health sickness absence, 2020 to 2024, all firms



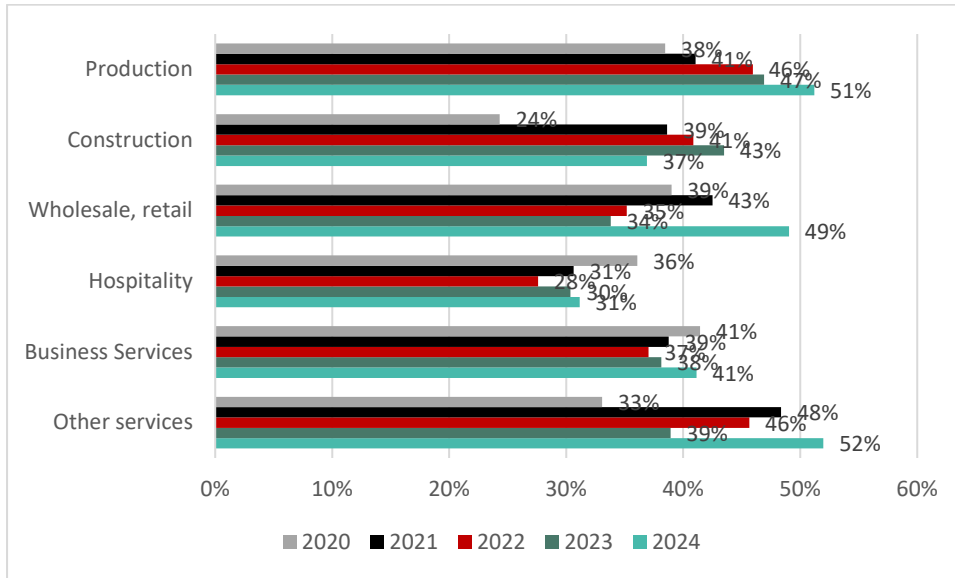
Base: General long-term sickness: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024. Mental health long-term sickness: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Figure 2.7 Proportion of firms reporting long term mental health absence, 2020 to 2024, by firm size



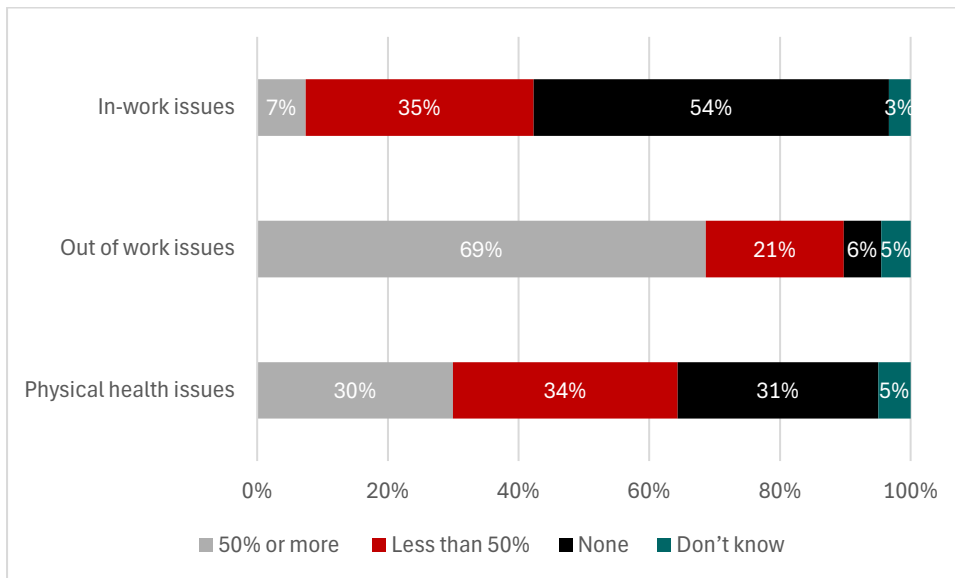
Base: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Figure 2.8 Proportion of firms reporting long term mental health absence, 2020 to 2024, by sector



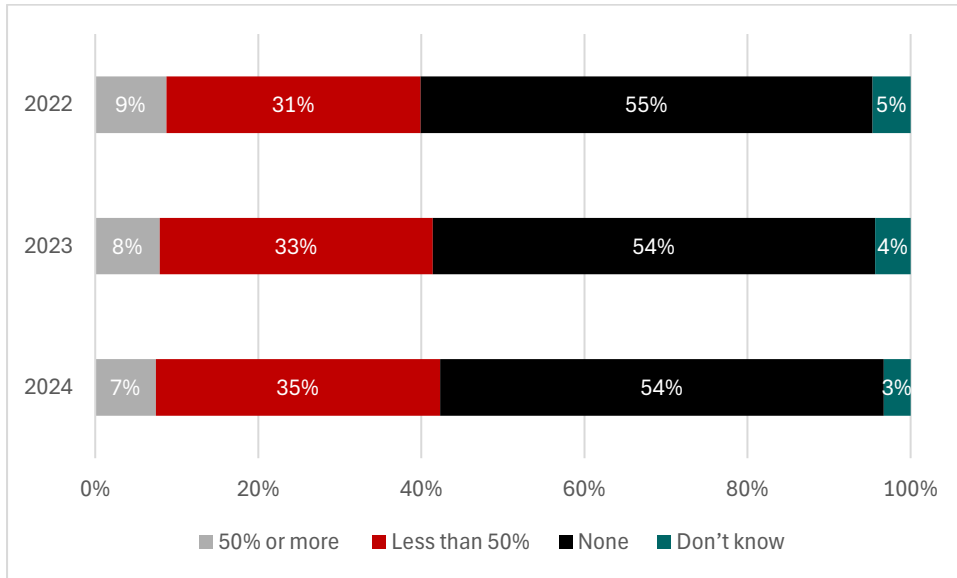
Base: 556 firms in 2020, 338 in 2021, 480 in 2022, 471 in 2023, 482 in 2024

Figure 2.9 Reported source of mental health absence, all firms, 2024



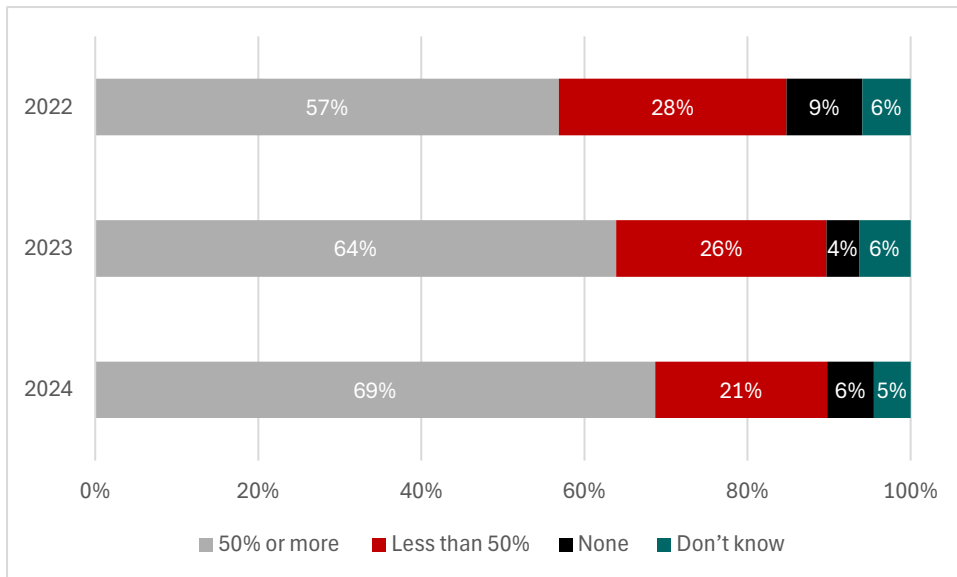
Base: 482 firms

Figure 2.10 Proportion of firms reporting that mental health absence is associated with in-work issues, 2022 to 2024, all firms



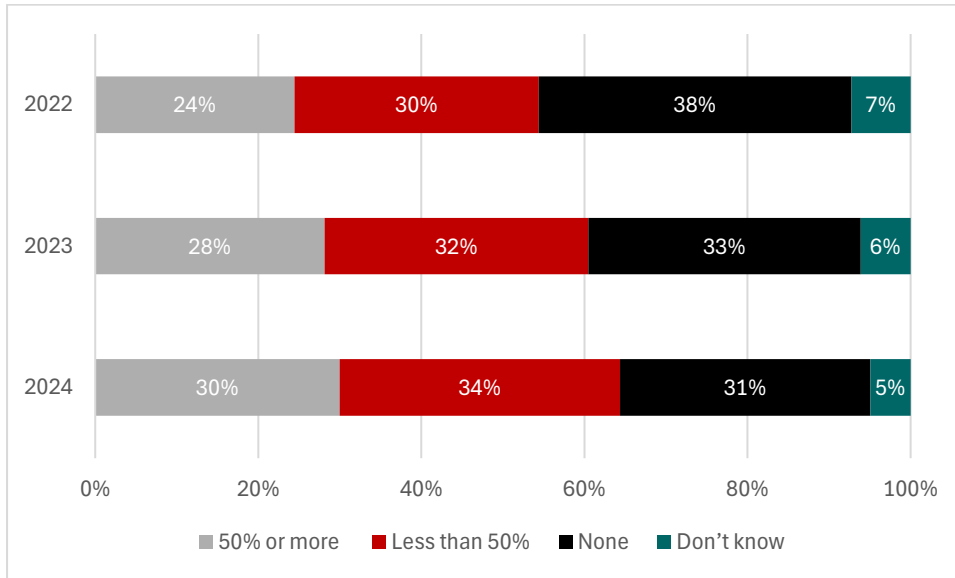
Base: 480 firms in 2022, 471 in 2023, 482 in 2024

Figure 2.11 Proportion of firms reporting that mental health absence is associated with out of work issues, 2022 to 2024, all firms



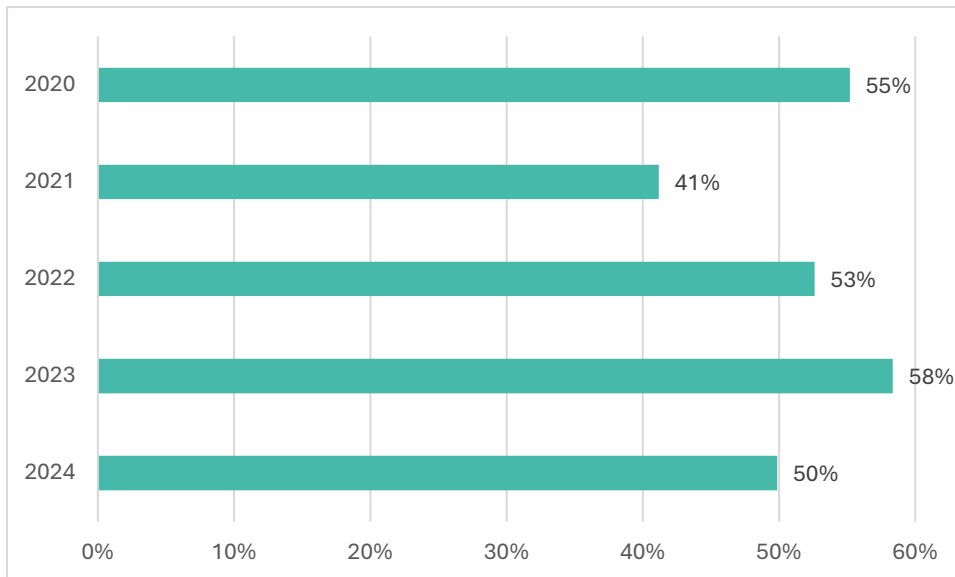
Base: 480 firms in 2022, 471 in 2023, 482 in 2024

Figure 2.12 Proportion of firms reporting that mental health absence is associated with physical health issues, 2022 to 2024, all firms



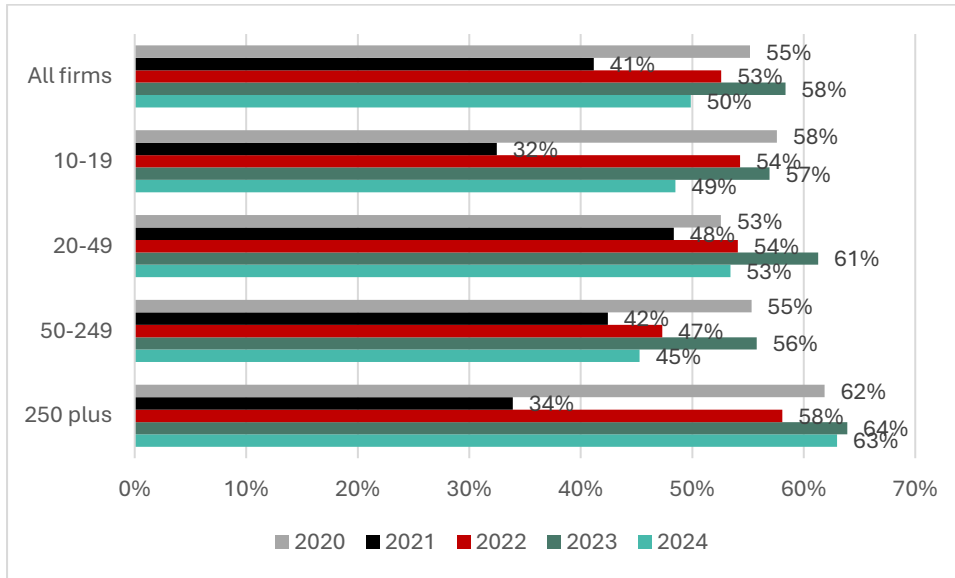
Base: 480 firms in 2022, 471 in 2023, 482 in 2024

Figure 2.13 Proportion of firms reporting that mental health absence impacted on their operations, 2020 to 2024, all firms



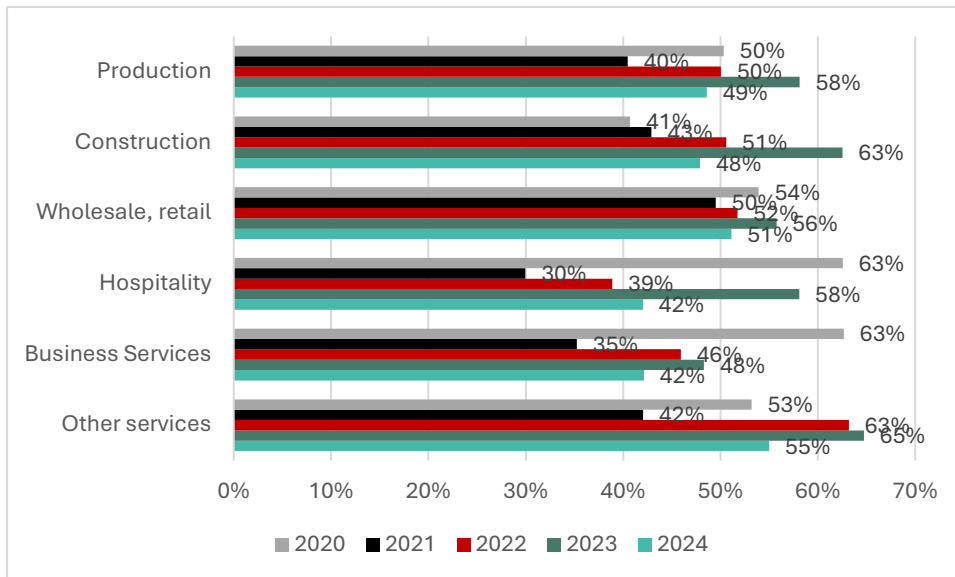
Base: 480 firms in 2022, 471 in 2023, 482 in 2024

Figure 2.14 Proportion of firms reporting that mental health absence impacted on their operations, 2020 to 2024, by firm size



Base: 480 firms in 2022, 471 in 2023, 482 in 2024

Figure 2.15 Proportion of firms reporting that mental health absence impacted on their operations, 2020 to 2024, by sector



Base: 480 firms in 2022, 471 in 2023, 482 in 2024

3. PRESENTEEISM

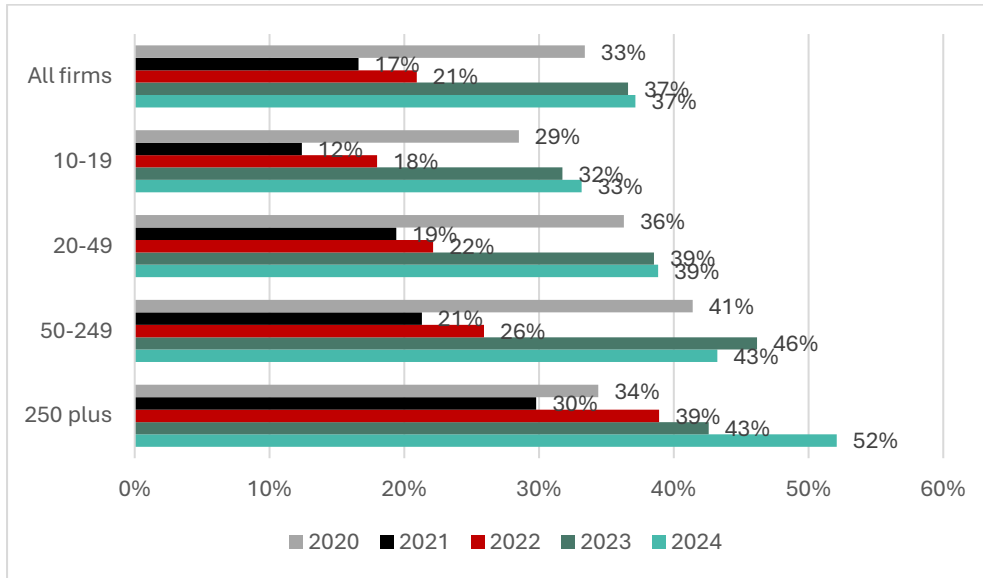
In 2023, we saw a substantial increase in presenteeism which was reported by 37 per cent of employers compared to only 21 per cent in the previous year. The 2024 data shows that this increase has been sustained and that presenteeism therefore remains a significant issue, in firms of all sizes and in all sectors (Figures 3.1 and 3.2). Working beyond contracted hours remains the most common type of presenteeism reported in all firm types, but overall, the proportion of firms reporting this has decreased from 79% to 74% while the proportion of firms reporting that employees have been working when unwell has increased from 60% to 67% (Figures 3.3 and 3.4).

Overall, the top reason given for presenteeism remains the need to meet client deadlines, but we do see some variation by sector, with services firms pointing to the need by employees to earn more money and hospitality firms more likely to attribute it to being short staffed (Figures 3.5, 3.6 and 3.7). More than two thirds of firms say they are taking steps to address presenteeism, unchanged from 2023 (Figures 3.8 and 3.9), and the most reported approach is to send home people who are unwell, but we also see an increase in the proportion of firms telling us that they reinforce messages about a good work life balance for remote workers, which is up to 14% from 9% (Figure 3.10). This is important because research indicates that remote working is associated with presenteeism because it can be more difficult for employees to psychologically detach from work when working at home⁸.

To try to understand more about the effects of presenteeism, we introduced a new question for the 2024 survey asking whether presenteeism had impacted on firms' operations, and 31% of firms that reported presenteeism said that it did (Figure 3.11). Although 14% of employers reported that presenteeism had the positive effect of getting work done, the two most common impacts identified were reduced performance and burnout in individuals, reported by 26% and 22% of firms respectively. Employers also pointed to strain on others, reduced morale and staffing problems (Figure 3.12).

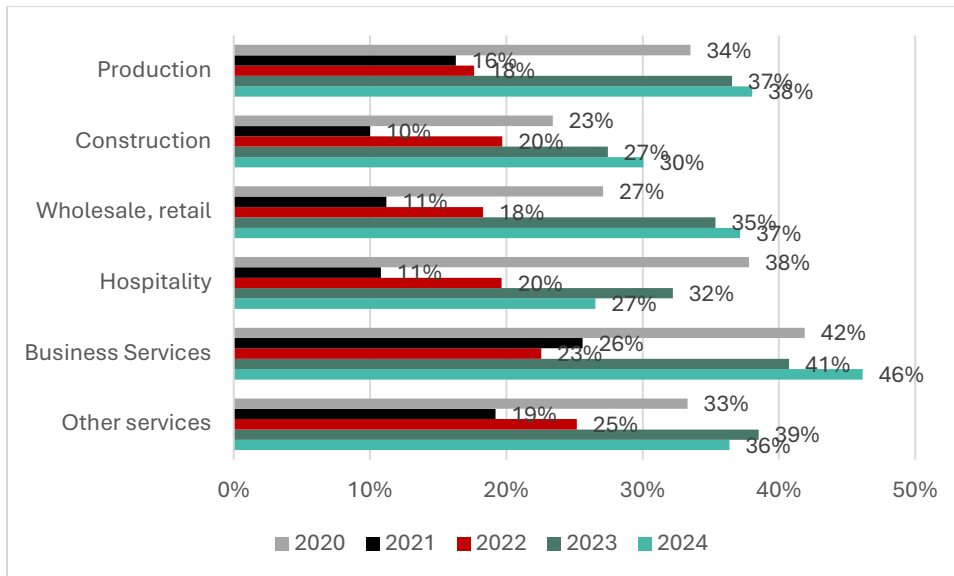
⁸ Schmitz, H., Bauer, J. F., & Niehaus, M. (2023). Working Anytime and Anywhere-Even When Feeling Ill? A Cross-sectional Study on Presenteeism in Remote Work. *Safety and Health at Work*, 14(4), 375-383.

Figure 3.1 Proportion of firms reporting some level of presenteeism in the previous 12 months, 2020 to 2024, by firm size



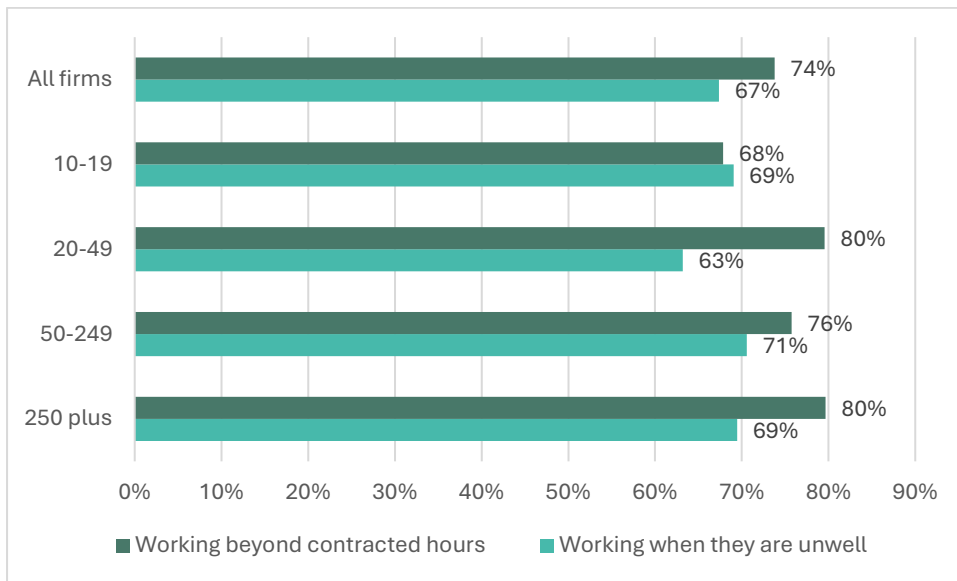
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 3.2 Proportion of firms reporting some level of presenteeism in the previous 12 months, 2020 to 2024, by firm size



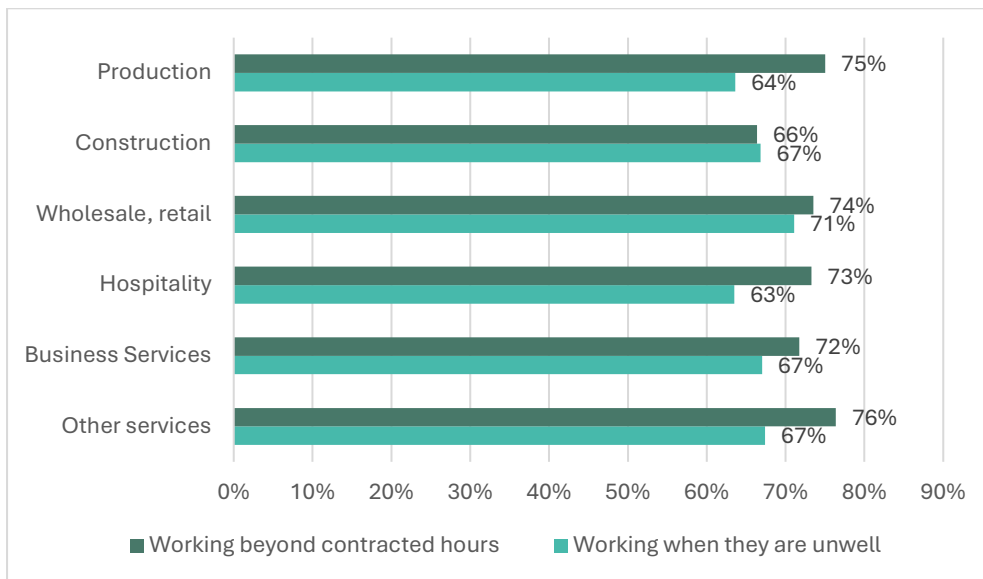
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 3.3 Type of presenteeism reported, 2024, by firm size



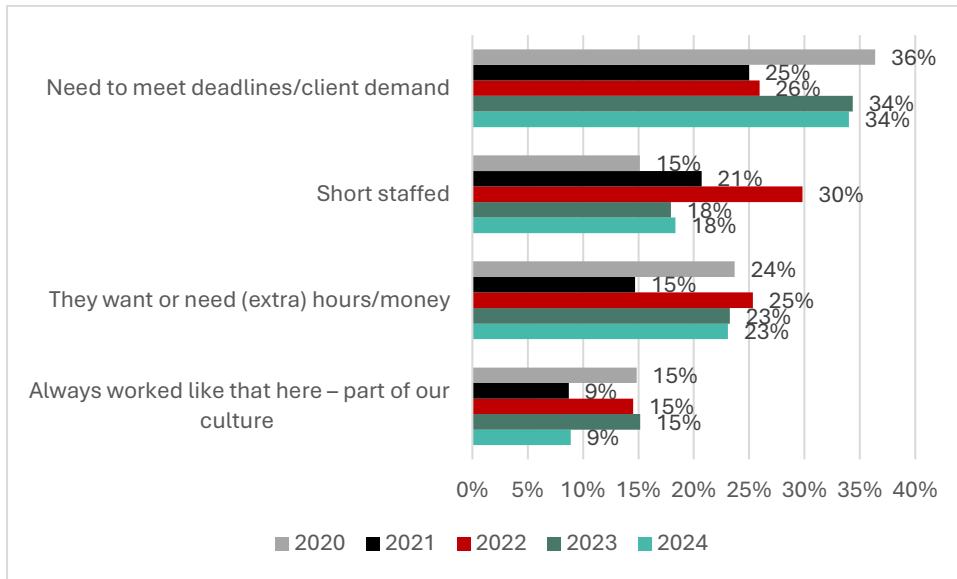
Base: 707 firms

Figure 3.4 Type of presenteeism reported, 2024, by sector



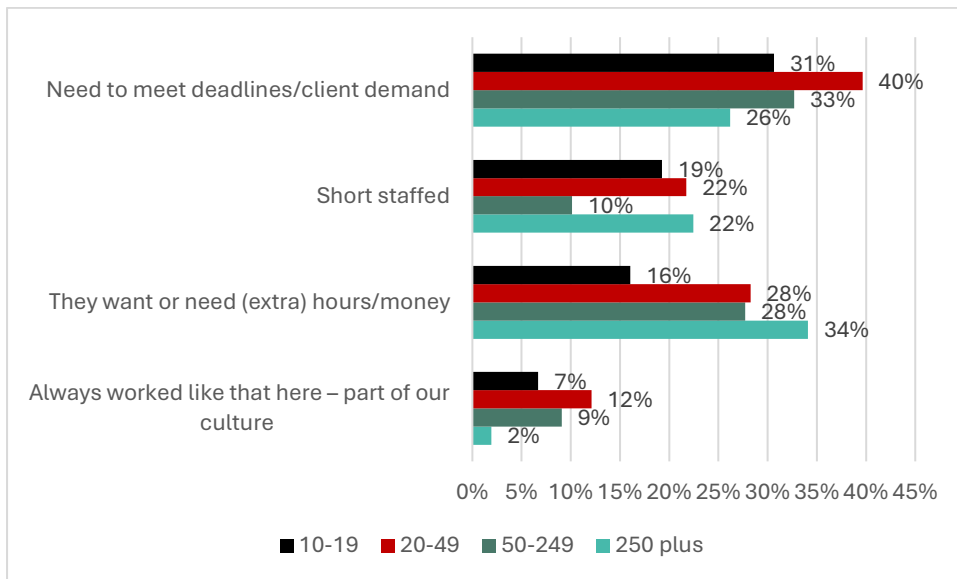
Base: 707 firms

Figure 3.5 Top reasons for presenteeism, 2020 to 2024, all firms



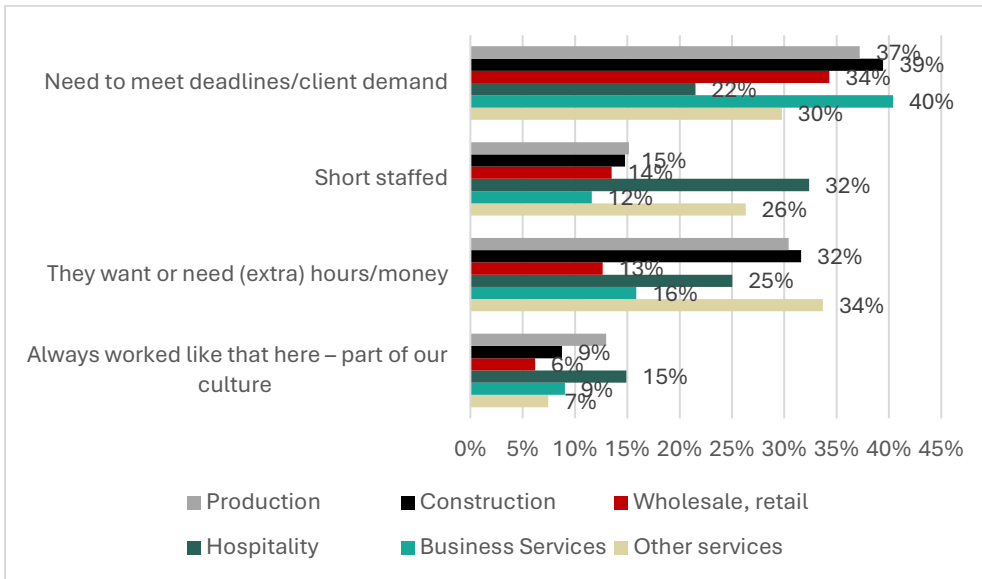
Base: 707 firms

Figure 3.6 Top reasons for presenteeism, 2024, by firm size



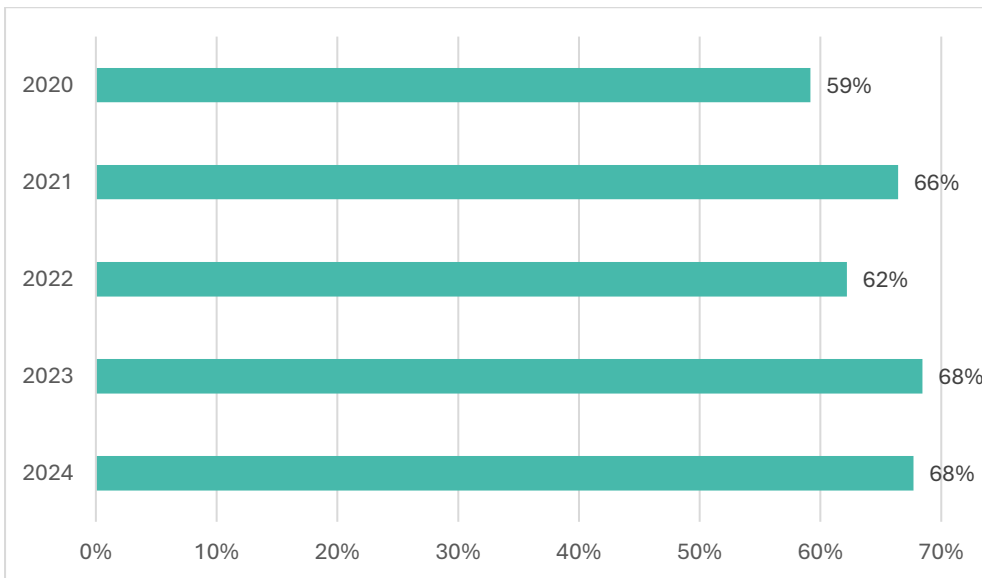
Base: 707 firms

Figure 3.7 Top reasons for presenteeism, 2024, by sector



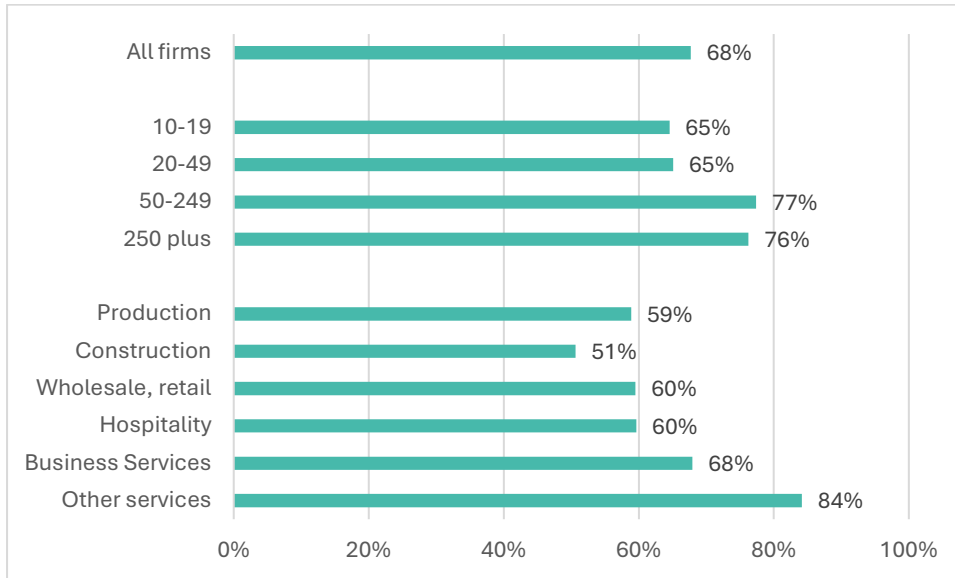
Base: 707 firms

Figure 3.8 Proportion of firms taking steps to address presenteeism, 2020 to 2024, all firms



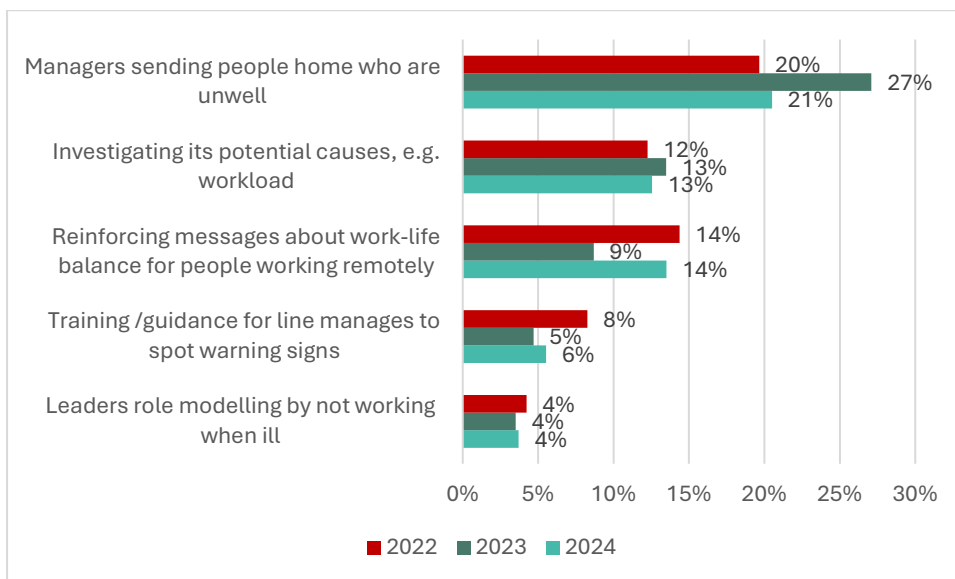
Base: 654 firms in 2020, 265 in 2021, 394 in 2022, 692 in 2023, 707 in 2024

Figure 3.9 Proportion of firms taking steps to address presenteeism, 2024, by firm size and sector



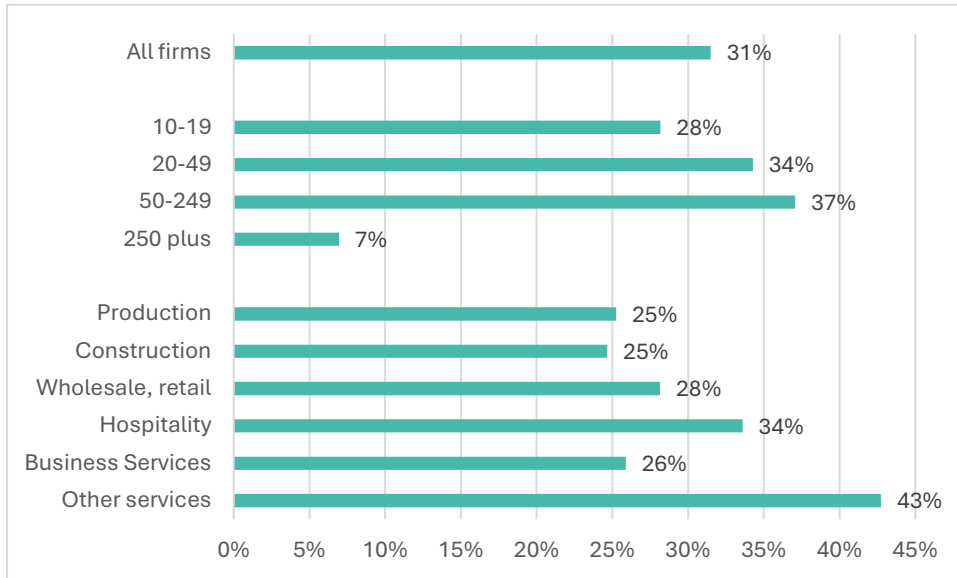
Base: 707 firms

Figure 3.10 Steps firms are taking to address presenteeism, 2024, all firms



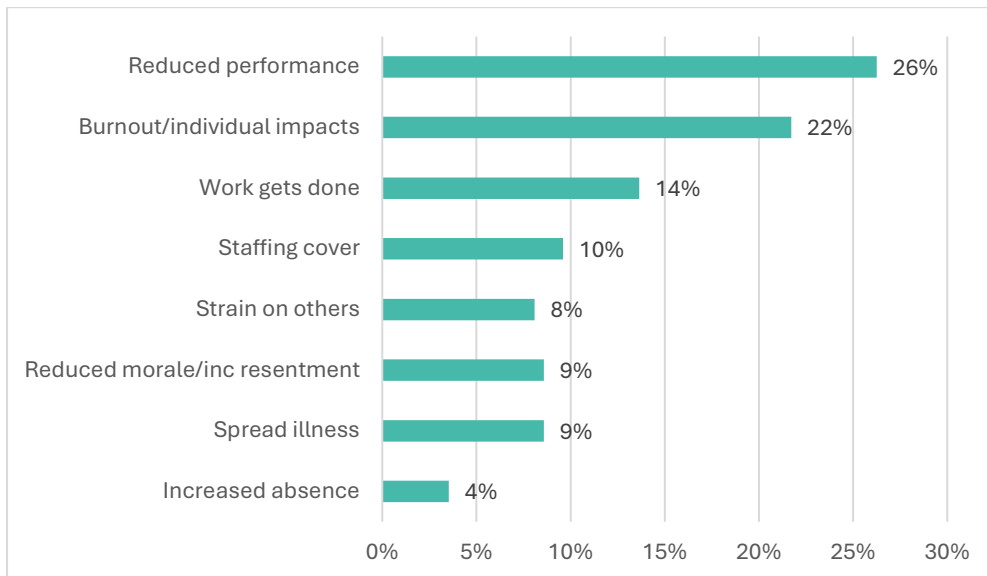
Base: 394 firms in 2022, 692 in 2023, 707 in 2024

Figure 3.11 Proportion of firms reporting that presenteeism impacts their operations by firm size and sector, 2024



Base: 707 firms

Figure 3.12 Reported impacts of presenteeism, 2024, all firms



Base: 198 firms

4.ADOPTION OF MENTAL HEALTH INITIATIVES

Firms in all sectors and in all sizes have increased their adoption of mental health initiatives year on year, but the gap between intention and action remains. Overall, while 77% of firms believe that they should be addressing mental health issues (Figure 4.1), only 57% have adopted initiatives to do so (Figures 4.2 and 4.3). A further 25% of employers say that although they do not currently offer initiatives, they would do so if needed, but 18% of firms report no inclination to do so. The smallest firms (with 10 to 19 employees) and those in the production, construction, wholesale/retail and hospitality sectors are the most likely to report no inclination to adopt initiatives (Figures 4.4 and 4.5). Prior research indicates that around a third of these firms simply do not believe that mental health initiatives are required, while a further 30% point to resource constraints⁹.

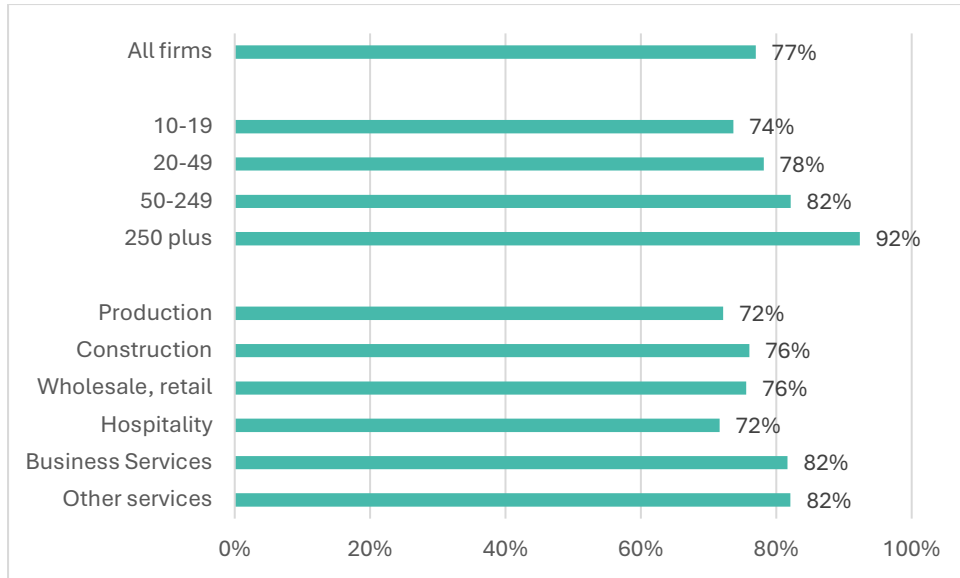
Among those employers that have engaged, the adoption of practice-based initiatives to deal with mental health in the workplace remains very high (Figure 4.6). We also see lower but slowly increasing uptake of strategic initiatives (Figure 4.7) and investments in employee wellbeing (Figure 4.8), which require a greater financial commitment. The persistent gap between the two reflects consistently lower adoption of the more costly strategic and wellbeing-focused initiatives, particularly in the smallest firms, with 10 to 19 employees, and in firms in the production and wholesale/retail sectors. This is undoubtedly partly a function of resource constraints. But it may also reflect the absence of good quality evidence and support to guide firms in identifying and adopting the initiatives which will deliver the greatest payback for them. The adoption of skills and monitoring initiatives remains stable (Figure 4.9).

Responses to a new question in the 2024 survey exploring the catalysts to the adoption of initiatives suggest that in firms of all sizes and in all sectors, engagement with mental health initiatives is most likely to be driven by individual managers with a personal training in, or experience of, mental health issues, cited by 51% and 40% of firms respectively. Advice from HR is also high on the list of reasons for adoption, cited by 51% of firms (Figure 4.10). Firms of all sizes and in all sectors are much less likely to point to in-house evidence-driven motivations for the adoption of initiatives (Figures 4.11, 4.12 and 4.13). For example, an observed increase in mental health absence is only cited by 22% of firms and only 25% point to increased signs of presenteeism. Our finding that many firms may not be using their own

⁹ ERC. (2023). *Workplace Mental Health in Midlands firms 2023: A longitudinal study*. https://www.enterpriseresearch.ac.uk/wp-content/uploads/2023/05/104096-ERC-Midlands-Mental-Health-Report-_Web.pdf

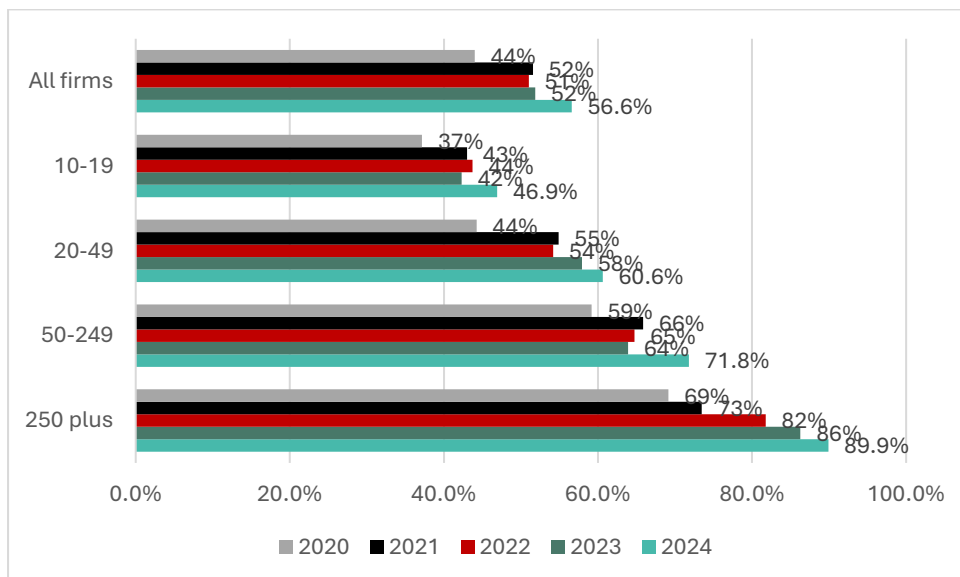
data to evaluate the extent of mental health challenges in their organisations indicates that they are missing opportunities to identify and manage these issues in a timely way.

Figure 4.1 Proportion of firms that disagree or strongly disagree that mental health is a personal issue and not one that should be addressed in the workplace, 2024, by firm size and sector



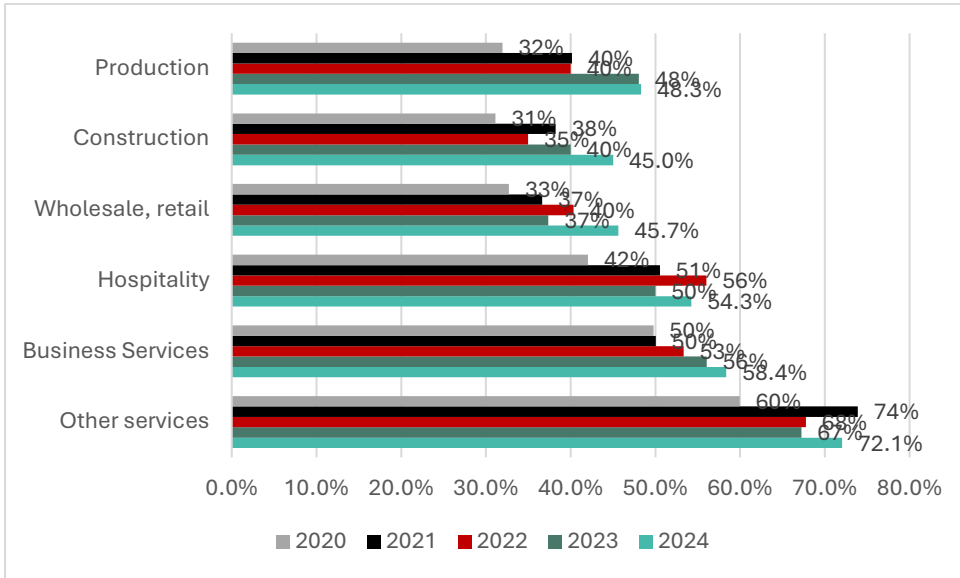
Base: 1901 firms

Figure 4.2 Proportion of firms adopting mental health initiatives, 2020 to 2024, by firm size



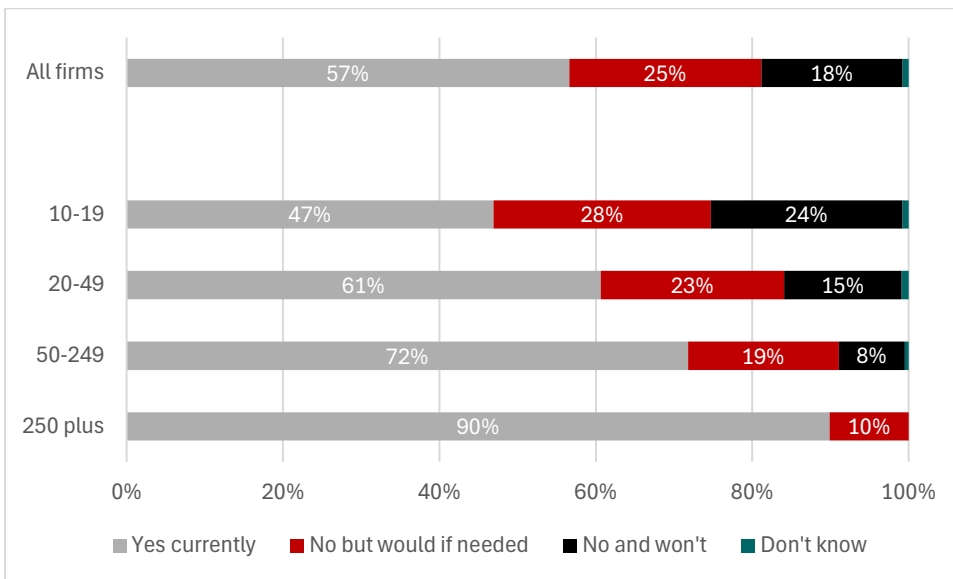
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 4.3 Proportion of firms adopting mental health initiatives, 2020 to 2024, by sector



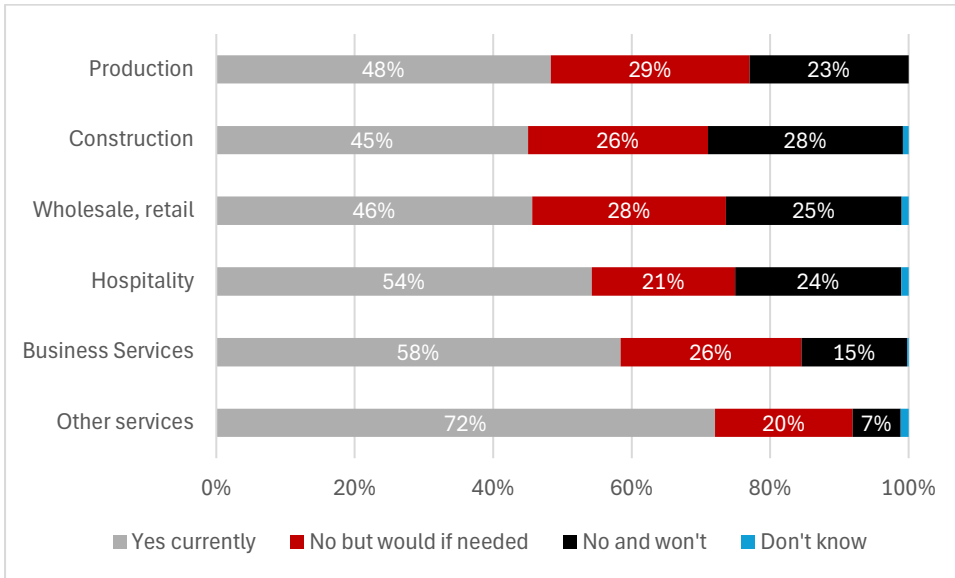
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 4.4 Proportion of firms adopting and open to adopting mental health initiatives, 2024, by firm size



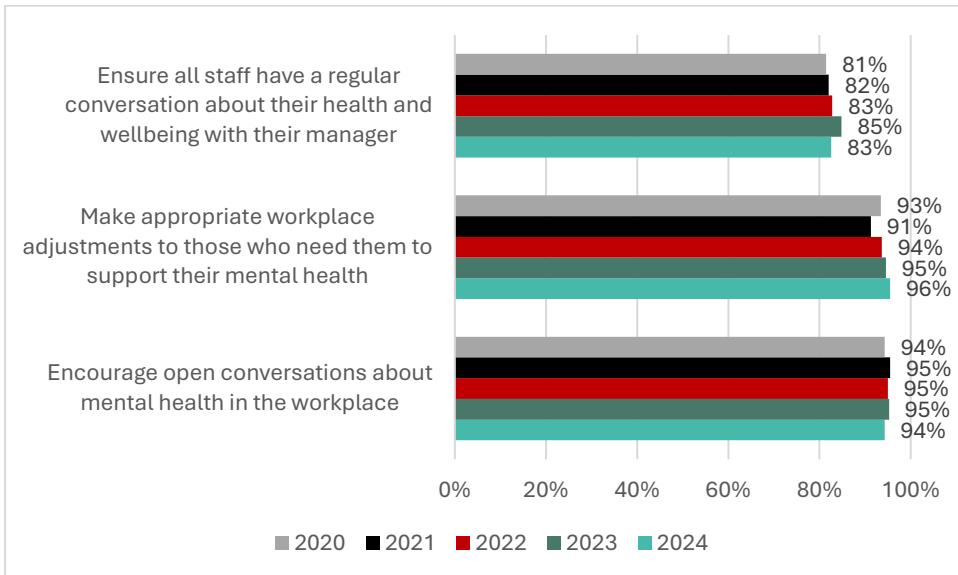
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 4.5 Proportion of firms adopting and open to adopting mental health initiatives, 2024, by sector



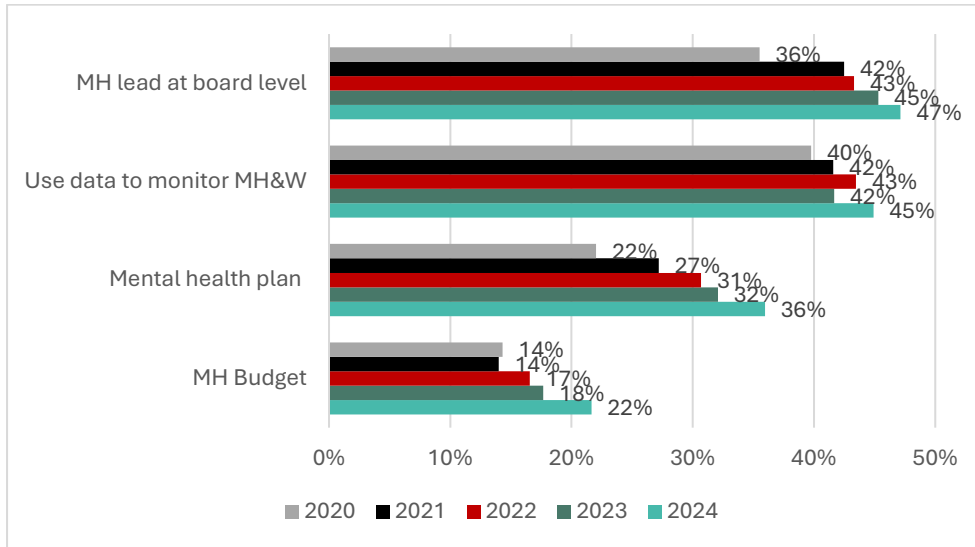
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 4.6 Proportion of firms adopting practice-based initiatives to address mental health in the workplace, 2020 to 2024, all firms



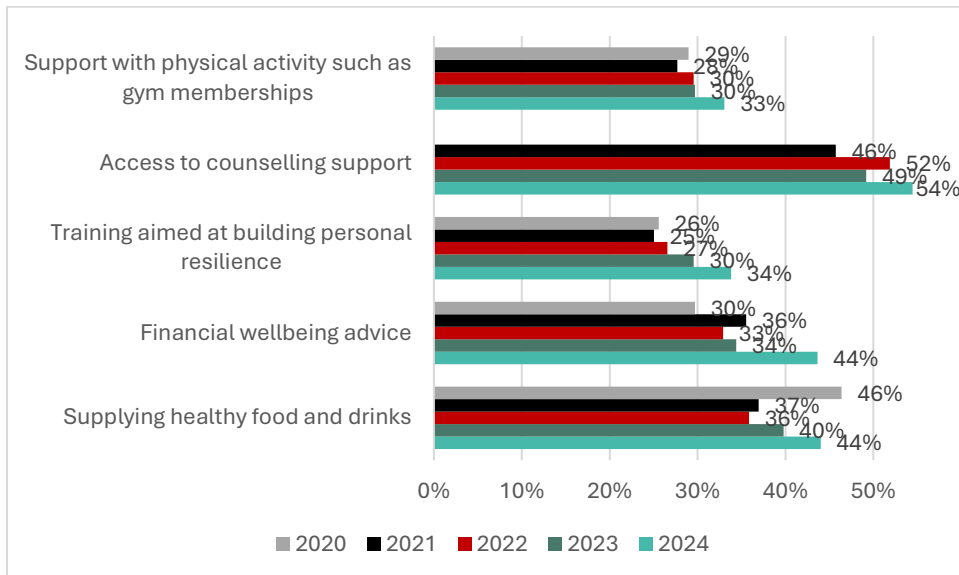
Base: 833 firms in 2020, 841 in 2021, 952 in 2022, 970 in 2023, 1053 in 2024

Figure 4.7 Proportion of firms adopting strategic initiatives to address mental health in the workplace, 2020 to 2024, all firms



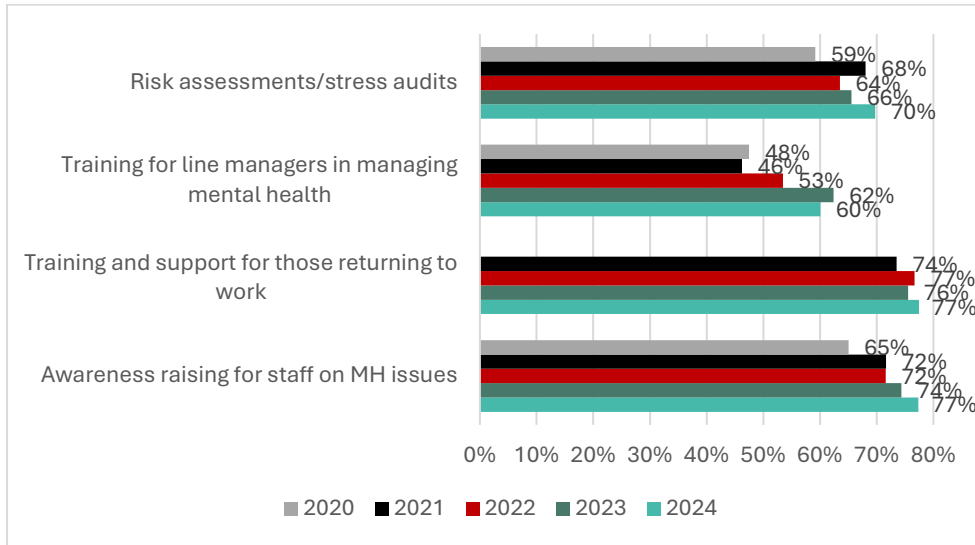
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 4.8 Proportion of firms investing in employee wellbeing to address mental health in the workplace, 2020 to 2024, all firms



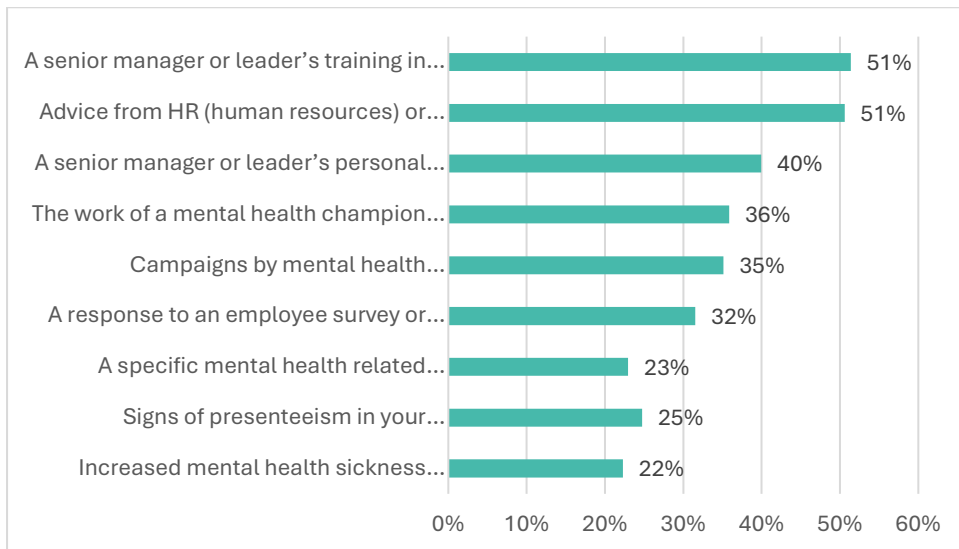
Base: 1899 firms in 2020, 1551 in 2021, 1904 in 2022, 1902 in 2023, 1901 in 2024

Figure 4.9 Proportion of firms adopting training and monitoring initiatives to address mental health in the workplace, 2020 to 2024, all firms



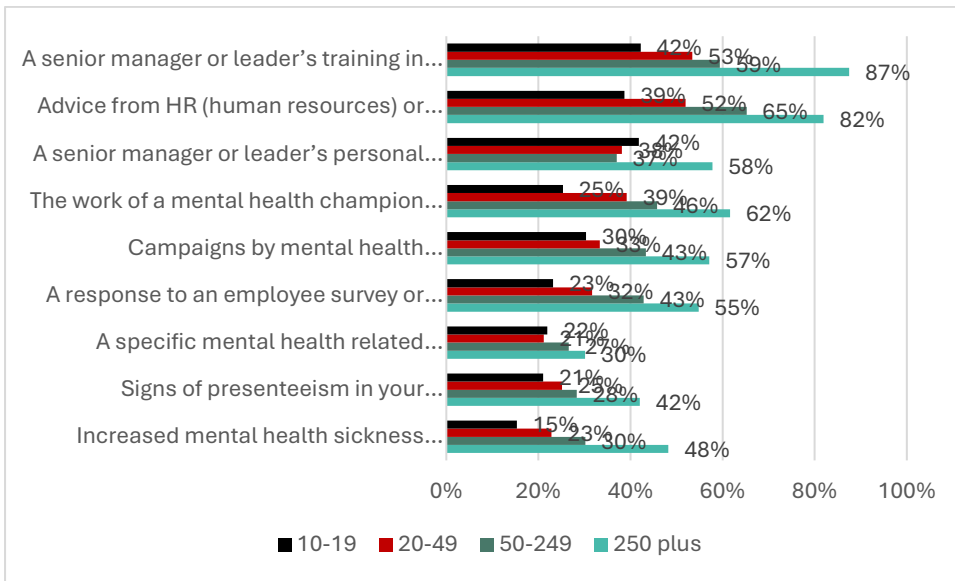
Base: 833 firms in 2020, 841 in 2021, 952 in 2022, 970 in 2023, 1053 in 2024

Figure 4.10 Catalysts for the adoption of mental health initiatives, 2024, all firms



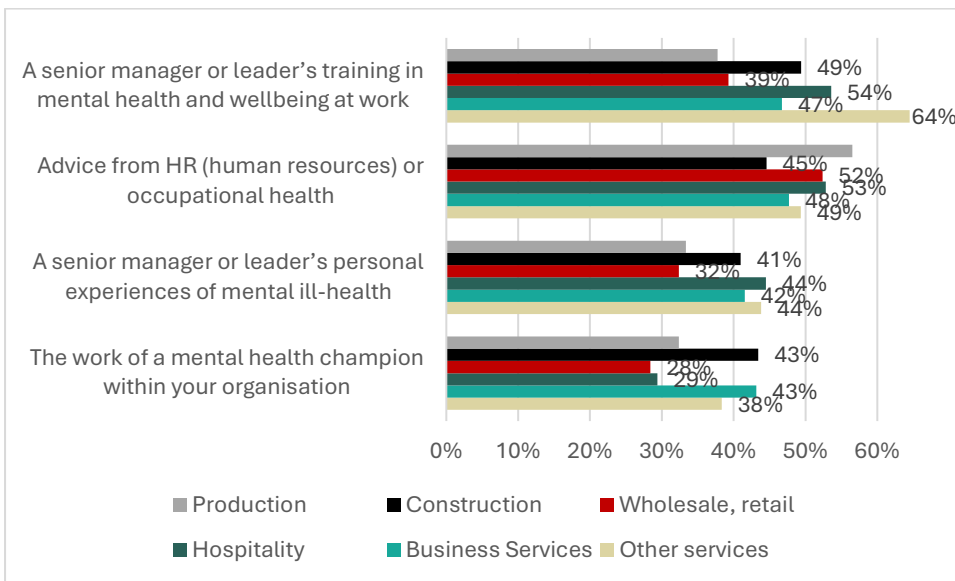
Base: 1053 firms

Figure 4.11 Catalysts for the adoption of mental health initiatives, 2024, by firm size



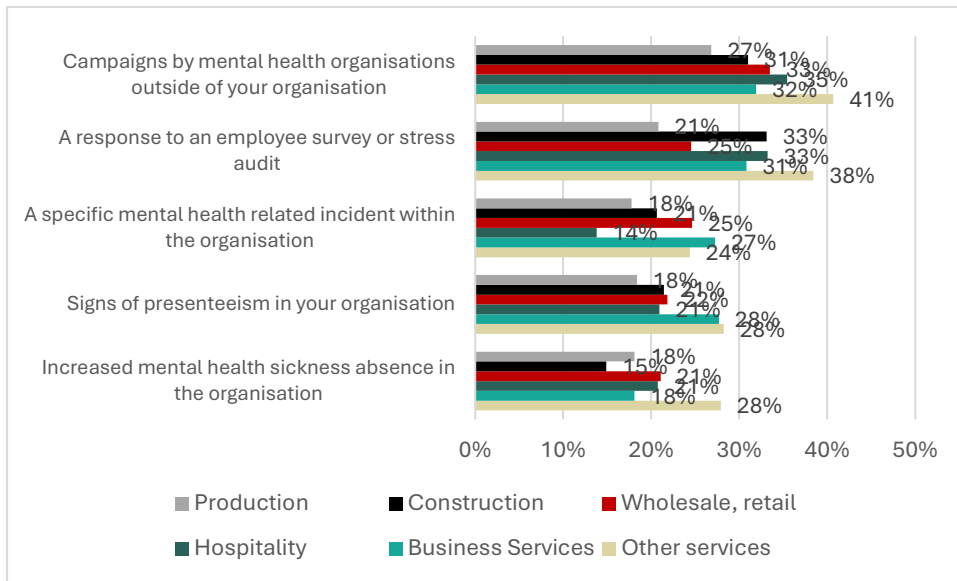
Base: 1053 firms

Figure 4.12 Catalysts for the adoption of mental health initiatives, 2024, by sector 1/2



Base: 1053 firms

Figure 4.13 Catalysts for the adoption of mental health initiatives, 2024, by sector 2/2



Base: 1053 firms

5. HYBRID WORKING

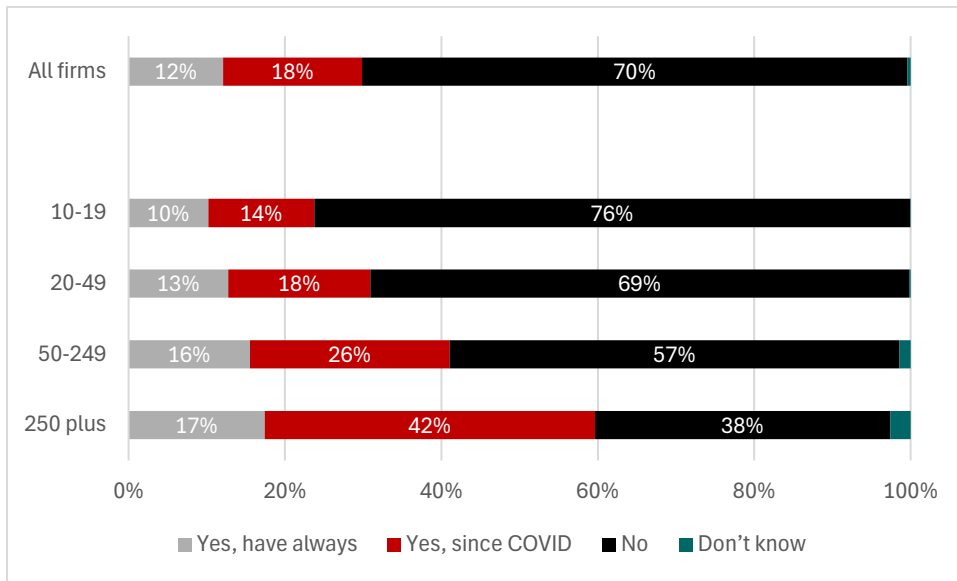
Pre-pandemic only around 11% of firms reported remote working. Lockdown drove a significant spike in remote working which has since abated, but levels remain elevated indicating that this shift in working practices will endure. Overall, the proportion of firms with some level of remote working increased by around 3% to 30% in 2024, but unsurprisingly we see considerable variation by sector. Hospitality, construction and other services firms are much less likely to report remote working (Figure 5.2), because they are more likely to offer jobs that cannot be done remotely¹⁰. The smallest firms are the least likely to report remote working, possibly because resource constraints preclude the investments in technology that may be required (Figure 5.1). Larger firms are more likely to have in place the infrastructure to facilitate effective remote working. This divergence in remote working is also likely to reflect different employee characteristics. Employees on the lowest salaries are the least likely to work remotely, and these are also likely to be overrepresented in the lower skill jobs available in certain sectors, such as hospitality. Conversely, hybrid working is more common among higher-paid employees¹⁰.

Three quarters of employers with remote working in place say that they encourage a good work life balance in remote employees (Figure 5.3) and the 2024 survey evidences a small increase in more formal methods of achieving this, such as role modelling behaviour from managers and time sheets or other tracking methods (Figure 5.4). Research has linked remote working with increased presenteeism, arguing that employees can find it more difficult to psychologically detach from work when working at home, and that this can be exacerbated by low supervisor support¹¹. While the majority of employers believe that remote working results in happier employees, and more than a quarter say that it reduces mental health problems, many also point to negative outcomes such as difficulties in managing those working remotely, and reduced productivity and team cohesion (Figure 5.5).

¹⁰ ONS. (2023). Is hybrid working here to stay? <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/ishybridworkingheretostay/2022-05-23>

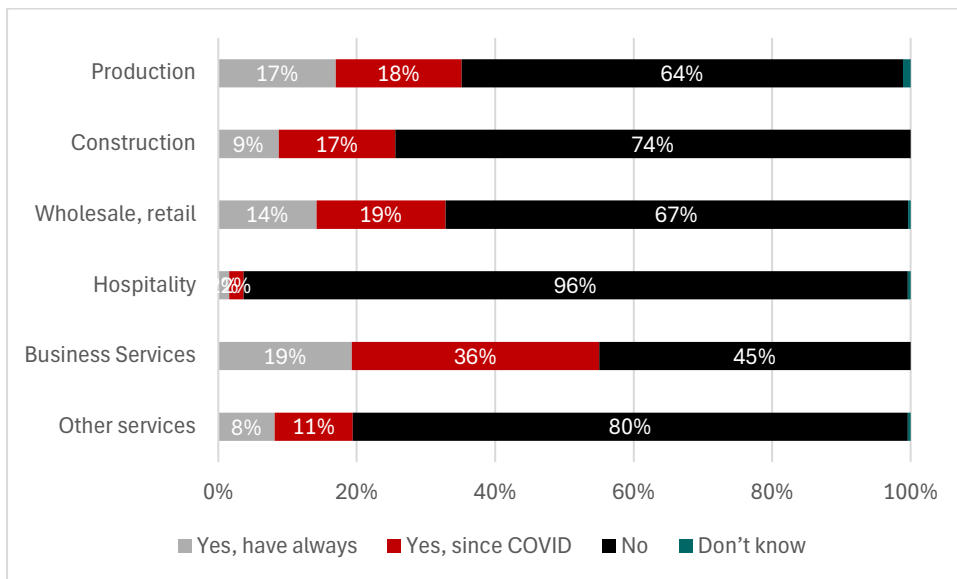
¹¹ Taylor, S. G., Butts, M. M., Cole, M. S., & Pounds, T. (2021). Are you sick? Understanding the effects of coworker presenteeism on workplace mistreatment. *Journal of Applied Psychology*, 106(9), 1299.

Figure 5.1 Adoption of remote working, 2024, by firm size



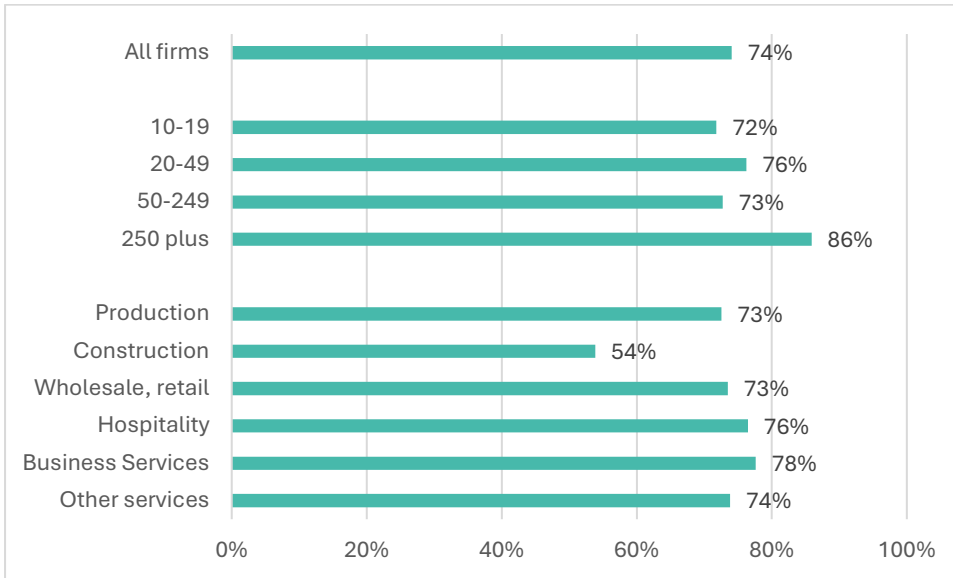
Base: 1901 firms

Figure 5.2 Adoption of remote working, 2024, by sector



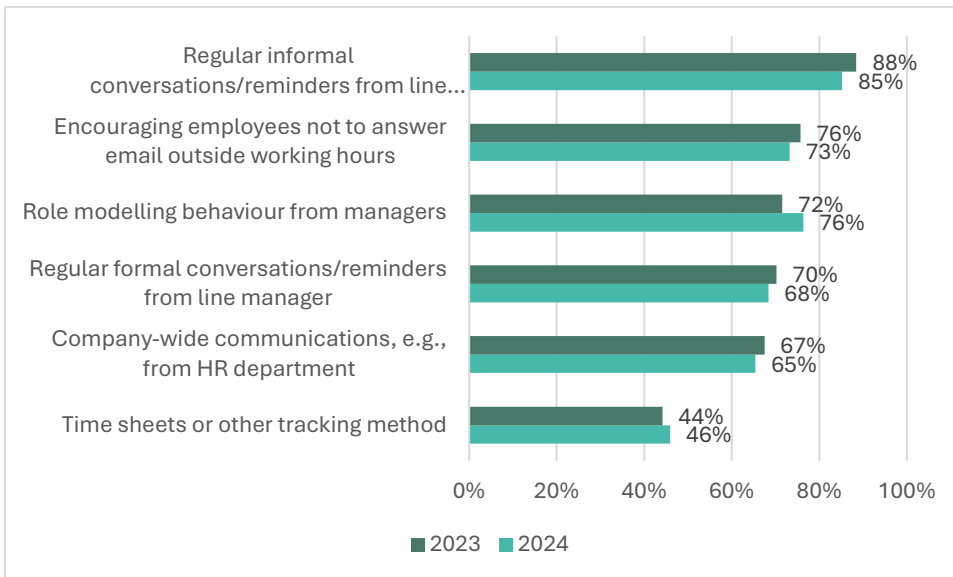
Base: 1901 firms

Figure 5.3 Proportion of firms that agree they encourage a good work life balance for employees working remotely, 2024, by firm size and sector



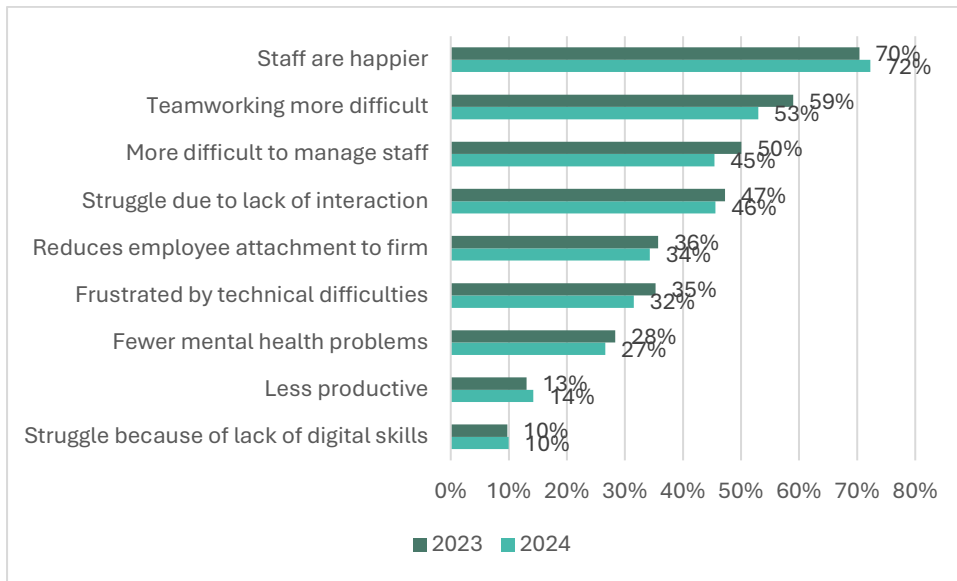
Base: 604 firms

Figure 5.4 Ways in which firms encourage a good work life balance for employees working remotely, 2024 vs 2023, all firms



Base: 445 firms

Figure 5.5 Reported effects of remote working, 2024 versus 2023, all firms



Base: 565 firms in 2023, 604 in 2024

6. CONCLUSIONS AND IMPLICATIONS FOR POLICY AND PRACTICE

- 1. Striking sectoral differences in reported mental health absence:** While overall levels are stable, our data reveals lower reported absence in some sectors, notably construction, wholesale/retail and hospitality. This may be masking levels of mental health related problems, since the self-employed and those on zero hours contracts or contracts that do not include sick pay are disproportionately represented in these sectors. These factors are likely to discourage people from taking sickness absence. Understanding and addressing precarity in the workplace should be a priority. More research could usefully explore this complex issue in the context of business organisations in more depth, with a particular focus on attitudes and experiences by sector and employment type. More granular detail would be helpful for policymakers and employers in planning for and responding to workplace mental health issues.
- 2. Substantial increase in long-term mental health sickness absence:** The increase in long-term mental health absence, and the sectoral variations in this increase, with spikes in production, wholesale/retail and hospitality firms, suggests a connection to lower-paid, lower-skill jobs with lower job-security. Policies that support employers in designing jobs with employee wellbeing in mind may be one way of addressing this. It may, for example, mean encouraging employers to consider employee autonomy and increased flexibility where possible, to allow individuals to exert some influence over their work and workload within the parameters of the job. Given the sectoral variations in the data, targeting firms in those sectors that evidence growing long term mental health absence would make sense. Encouraging employers to engage with specialist organisations to consider job design for wellbeing would be a good first step.
- 3. More employers attributing mental health absence to physical causes:** Comorbidity in physical and mental health is a recognised phenomenon which may help to account for an increase in longer term mental health absence. The finding that employers are increasingly likely to attribute mental health problems to physical health causes suggests that employers may need support in recognising and managing employees that are experiencing both physical and mental issues. A policy focus on educating employers in the connections between physical and mental ill-health and providing them with support in recognising and managing employees who are experiencing both could be an effective way forward.
- 4. Sustained elevated levels of presenteeism:** Given that presenteeism remains elevated, and that prior research has found associations between presenteeism and negative outcomes including reduced productivity, impaired physical and mental health

and elevated sickness absence¹², policy initiatives to address the issue would appear to be timely and appropriate. This may include raising awareness of the signs of presenteeism, particularly for firms with employees working remotely, when it may be more difficult to identify. It may also involve encouraging firms to be proactive in discouraging presenteeism in more formal ways by, for example, carrying out stress audits and reviewing working policies to ensure that staff are not routinely put under pressure to work extended hours or to work when unwell. That increased presenteeism is an issue for firms of all sizes suggests that policy interventions should account for the many smaller firms without a formal HR function to address it. Signposting firms towards the resources already available from mental health expert organisations and professional bodies would be a cost effective first step. The provision of online toolkits and other resources to help employers to put in place simple structured procedures to assess their practices may also be particularly useful for more resource-constrained smaller firms.

5. **A fifth of firms do not engage with mental health issues:** Our study finds an established and stable proportion of around a fifth of firms that do not adopt mental health initiatives. Finding ways to encourage these stubborn non-adopters to engage with the mental health agenda should be a policy priority. This is especially important considering the sectoral makeup of these non-adopters, where we see an overrepresentation of employees in potentially precarious employment¹³ (e.g., the self-employed and those on zero-hours and temporary contracts) who are more at risk of poor mental health in the workplace. Industry bodies and trade associations may have a role to play in showcasing the benefits of adopting mental health initiatives to specific sector audiences. This may allow tailored messages relevant to each sector to be developed and disseminated, which may be particularly helpful in sectors with low adoption.
6. **The intention-action gap remains considerable:** Although 77% of firms agree they have a responsibility to deal with mental health issues, only 57% offer mental health initiatives. So, although reduced slightly since 2023, the gap remains considerable. Encouraging the adoption of initiatives by employers should be a policy priority.

¹² Patel, C., Biron, M., Cooper, S. C., & Budhwar, P. S. (2023). Sick and working: Current challenges and emerging directions for future presenteeism research. *Journal of Organizational Behavior*, 44(6), 839-852. <https://doi.org/10.1002/job.2727>

¹³ Irvine, A., & Rose, N. (2022). How Does Precarious Employment Affect Mental Health? A Scoping Review and Thematic Synthesis of Qualitative Evidence from Western Economies. *Work, employment and society*, 38(2), 418-441. <https://doi.org/10.1177/09500170221128698>

Identifying arguments that will resonate with employers will be key, and this may require further research.

7. **Slow uptake of more strategic approaches to workplace mental health:** Low-cost and no-cost practices remain the preferred option for most firms, but there is much to be gained from a more embedded approach, as evidenced by our recent study comparing approaches and outcomes in Sweden, England and Ireland ¹⁴ . Policymakers, academics and employer support agencies may have a role to play in encouraging firms to move beyond no-cost practices and towards more strategic and embedded approaches, by collating and presenting relevant evidence (e.g., case studies) for the efficacy of more strategic initiatives. Peer mentoring initiatives to pair firms that have adopted more strategic initiatives with those that have not yet done so may also help to accelerate change.
8. **Initiative adoption is often driven by individual managers and employees:** This finding suggests that encouraging managers who are already engaged with mental health issues through training or experience to take the first steps may be a fruitful way of driving initiative adoption in employers. This could be done through the regular provision of signposting materials from mental health expert organisations to employers, or through follow-up communications to managers who have already participated in training. Providing those working in HR with up-to-date research data and guidance linked to the mental health agenda would also seem to be appropriate. It would also make sense to embed mental health training into management and leadership programmes.
9. **Adoption of mental health initiatives is less likely to be driven by data:** Our finding that many firms may not be using their own data to evaluate the extent of mental health challenges in their organisations indicates that they are missing opportunities to identify and manage these issues in a timely way. Communications aimed at persuading employers to pay attention to key indicators related to workplace mental health, such as mental health absence levels, may help them to identify and respond to issues earlier. Since firms are often already driven by Key Performance Indicators, encouraging this approach with respect to mental health metrics could be an obvious first step for many.

¹⁴ ERC. (2024). *More absence, but less impact on business performance. What can we learn from Swedish approaches to managing workplace mental health?* <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2024/04/ERC-Report-What-can-we-learn-from-Swedish-approaches-to-managing-workplace-mental-health.pdf>

10. Hybrid working is now embedded for around a third of firms: Although many employers say that remote workers are happier, they also point to negative outcomes often linked to reduced interactions. Extant research is clear about the risks of insufficient psychological detachment from work for those working at home. Policy interventions to help employers to successfully manage hybrid working may help to avoid negative consequences and to capitalise on the positives. Initiatives could usefully focus on encouraging firms to establish hybrid working policies to clarify areas including responsibilities of supervisees and supervisors, access to resources to enable successful and safe remote working and expectations related to communications. Line managers may also benefit from additional training in managing staff remotely.

APPENDIX 1: FIELDWORK

The 2024 survey was, like all four previous waves of research, conducted using Computer Assisted Telephone Interviewing (CATI). This is proven to be the best means of reaching the appropriate personnel within a business, typically with much better response rates than administering an online survey. Within each organisation, the most senior person with responsibility for the health and well-being of workers was sought to be interviewed. The survey was conducted between 8th January 2024 and 23rd April 2024. In total, 1,901 CATI interviews were completed, 858 in the East Midlands and 1043 in the West Midlands.

A structured approach was adopted to the survey to ensure adequate cell sizes among larger firms. This, and differential response between sectors and size bands, necessitates weighting survey responses to provide regionally representative results for the East and West Midlands. We weight survey responses to the relevant business population by broad sector and firm size band. The survey targeted firms with more than 10 employees. Business population data for 2023 (Table 18 - Number of VAT and/or PAYE based local units within region by Standard Industrial Classification) is aggregated to provide the business population (Table A1.1). Survey responses are summarised in Table A1.2.

Table A1.1: Business Population data for the East and West Midlands by employee sizeband: 2023

| | 10-19 | 20-49 | 50-249 | 250+ | Total |
|-----------------------|--------|--------|--------|-------|--------|
| East Midlands | | | | | |
| ABDE - Primary + Util | 420 | 300 | 135 | 25 | 880 |
| C - Manufacturing | 1,355 | 1,190 | 820 | 155 | 3,520 |
| F - Construction | 1,050 | 485 | 215 | 15 | 1,765 |
| G - Wholesale and Ret | 3,790 | 2,170 | 780 | 120 | 6,860 |
| H - Transportation an | 730 | 470 | 390 | 90 | 1,680 |
| I - Accommodation and | 2,335 | 1,480 | 315 | 15 | 4,145 |
| J - Information and C | 365 | 265 | 135 | 25 | 790 |
| K - Financial and Ins | 250 | 130 | 50 | 15 | 445 |
| LMN - Business Servic | 2,565 | 1,450 | 805 | 170 | 4,990 |
| PQ - Public Services | 2,005 | 2,435 | 1,695 | 200 | 6,335 |
| RS - Arts + Other Ser | 1,650 | 1,070 | 465 | 30 | 3,215 |
| Total | 16,515 | 11,445 | 5,805 | 860 | 34,625 |
| West Midlands | | | | | |
| | 10-19 | 20-49 | 50-249 | 250+ | Total |
| ABDE - Primary + Util | 460 | 245 | 135 | 45 | 885 |
| C - Manufacturing | 1,605 | 1,440 | 935 | 155 | 4,135 |
| F - Construction | 1,150 | 495 | 240 | 15 | 1,900 |
| G - Wholesale and Ret | 4,650 | 2,605 | 950 | 145 | 8,350 |
| H - Transportation an | 790 | 500 | 395 | 110 | 1,795 |
| I - Accommodation and | 2,440 | 1,800 | 440 | 15 | 4,695 |
| J - Information and C | 485 | 345 | 180 | 25 | 1,035 |
| K - Financial and Ins | 355 | 170 | 105 | 30 | 660 |
| LMN - Business Servic | 3,430 | 1,690 | 1,015 | 220 | 6,355 |
| PQ - Public Services | 2,325 | 2,650 | 2,215 | 250 | 7,440 |
| RS - Arts + Other Ser | 1,990 | 1,255 | 485 | 60 | 3,790 |
| Total | 19,680 | 13,195 | 7,095 | 1,070 | 41,040 |

Source: ONS Business population estimates.

Table A1.2: Survey responses by sector and sizeband

| | 10-19 | 20-49 | 50-249 | 250+ | Total |
|-----------------------|-------|-------|--------|------|-------|
| East Midlands | | | | | |
| ABDE - Primary + Util | 17 | 12 | 5 | 1 | 35 |
| C - Manufacturing | 60 | 55 | 34 | 2 | 151 |
| F - Construction | 34 | 19 | 14 | 0 | 67 |
| G - Wholesale and Ret | 81 | 38 | 11 | 4 | 134 |
| H - Transportation an | 13 | 8 | 8 | 0 | 29 |
| I - Accommodation and | 45 | 36 | 9 | 1 | 91 |
| J - Information and C | 13 | 8 | 2 | 0 | 23 |
| K - Financial and Ins | 12 | 6 | 4 | 0 | 22 |
| LMN - Business Servic | 69 | 45 | 25 | 2 | 141 |
| PQ - Public Services | 54 | 57 | 20 | 2 | 133 |
| RS - Arts + Other Ser | 17 | 7 | 7 | 1 | 32 |
| Total | 415 | 291 | 139 | 13 | 858 |
| West Midlands | | | | | |
| | 10-19 | 20-49 | 50-249 | 250+ | Total |
| ABDE - Primary + Util | 18 | 8 | 5 | 0 | 31 |
| C - Manufacturing | 80 | 72 | 26 | 4 | 182 |
| F - Construction | 39 | 20 | 6 | 1 | 66 |
| G - Wholesale and Ret | 96 | 59 | 22 | 4 | 181 |
| H - Transportation an | 13 | 11 | 11 | 2 | 37 |
| I - Accommodation and | 38 | 48 | 16 | 1 | 103 |
| J - Information and C | 9 | 5 | 9 | 2 | 25 |
| K - Financial and Ins | 10 | 9 | 5 | 0 | 24 |
| LMN - Business Servic | 107 | 58 | 28 | 2 | 195 |
| PQ - Public Services | 75 | 62 | 20 | 2 | 159 |
| RS - Arts + Other Ser | 19 | 13 | 8 | 0 | 40 |
| Total | 504 | 365 | 156 | 18 | 1043 |

Source: UK Workplace Mental Health, Wellbeing and Productivity Survey, 2024.

Sampling weights are derived as the ratio of the business population to survey responses (Table A1.3). Some manual adjustments were made in other sectors to amalgamate sizeband cells within smaller sectors to avoid extreme weights.

Table A1.3: Sampling weights

| | 10-19 | 20-49 | 50-249 | 250+ | Total |
|-----------------------|-------|-------|--------|-------|-------|
| East Midlands | | | | | |
| ABDE - Primary + Util | 24.7 | 25.0 | 27.0 | 25.0 | 25.1 |
| C - Manufacturing | 22.6 | 21.6 | 24.1 | 77.5 | 23.3 |
| F - Construction | 30.9 | 25.5 | 16.4 | 16.4 | 26.3 |
| G - Wholesale and Ret | 46.8 | 57.1 | 70.9 | 30.0 | 51.2 |
| H - Transportation an | 56.2 | 58.8 | 60.0 | 60.0 | 57.9 |
| I - Accommodation and | 51.9 | 41.1 | 35.0 | 15.0 | 45.5 |
| J - Information and C | 28.1 | 33.1 | 80.0 | 80.0 | 34.3 |
| K - Financial and Ins | 20.8 | 21.7 | 16.3 | 16.3 | 20.2 |
| LMN - Business Servic | 37.2 | 32.2 | 32.2 | 85.0 | 35.4 |
| PQ - Public Services | 37.1 | 42.7 | 86.1 | 86.1 | 47.6 |
| RS - Arts + Other Ser | 97.1 | 152.9 | 66.4 | 30.0 | 100.5 |
| Total | 39.8 | 39.3 | 41.8 | 66.2 | 40.4 |
| West Midlands | | | | | |
| | 10-19 | 20-49 | 50-249 | 250+ | Total |
| ABDE - Primary + Util | 25.6 | 30.6 | 36.0 | 36.0 | 28.5 |
| C - Manufacturing | 20.1 | 20.0 | 36.0 | 38.8 | 22.7 |
| F - Construction | 29.5 | 24.8 | 40.0 | 15.0 | 28.8 |
| G - Wholesale and Ret | 48.4 | 44.2 | 43.2 | 36.3 | 46.1 |
| H - Transportation an | 60.8 | 45.5 | 35.9 | 55.0 | 48.5 |
| I - Accommodation and | 64.2 | 37.5 | 27.5 | 15.0 | 45.6 |
| J - Information and C | 53.9 | 69.0 | 20.0 | 12.5 | 41.4 |
| K - Financial and Ins | 35.5 | 18.9 | 27.0 | 27.0 | 27.5 |
| LMN - Business Servic | 32.1 | 29.1 | 41.2 | 41.2 | 32.6 |
| PQ - Public Services | 31.0 | 42.7 | 110.8 | 125.0 | 46.8 |
| RS - Arts + Other Ser | 104.7 | 96.5 | 68.1 | 68.1 | 94.8 |
| Total | 39.0 | 36.2 | 45.5 | 59.4 | 39.3 |



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