

Heads Up Initiative

Employer of Choice Study

instinct and reason



Key findings

- Nearly three-quarters of Australian employees say a mentally healthy workplace is important when looking for a job in the future.
- A mentally healthy workplace was the second most important factor in employees' decision to accept a new position.
- A mentally healthy workplace that was both friendly and supportive and promoted and protected the mental health of its employees was the second most powerful inhibitor of a worker leaving their job.
- Three in four employees agree that businesses investing in mental health get a good return on their investment.
- A mentally healthy workplace makes an employee more committed to their job and less likely to seek other employment.
- Almost half the employees surveyed have left a workplace because it had a poor environment in terms of mental health.
- While a mentally healthy workplace is important in attracting and retaining staff today, it will be even more important in the future as younger workers move through the workforce.



Introduction

There is a growing body of evidence pointing to the urgent need for Australian businesses to take the mental health of their employees as seriously as they take physical health and safety. A mentally healthy workplace promotes greater worker satisfaction and delivers enormous productivity improvements.

The impact of employees' mental health conditions on productivity, participation and compensation claims has been estimated by PwC (2014)¹ to cost Australian businesses at least \$10.9 billion a year. It is clearly in the interests of businesses and their profitability to tackle these conditions in the workplace.

This study of Australian employees by independent researcher Instinct and Reason, takes the issue of profitability one step further and looks at whether a mentally healthy work environment is an important contributor to businesses being able to attract and retain the best staff.

The research found that a mentally healthy workplace is a powerful magnet for attracting and retaining workers with 71% of Australian employees saying a mentally healthy workplace was important when looking for a job in the future.

The study

Instinct and Reason surveyed employees across Australia on behalf of beyondblue as part of the Heads Up Initiative. The Heads Up Initiative is a campaign powered by beyondblue and the Mentally Healthy Workplace Alliance to help Australian business create more mentally healthy workplaces. The study comprised 1025 employees, ranging in age from 20s to over 50s, and from regional and metropolitan areas across all states and territories. Employees were randomly selected from a cross-section of industry including mining, insurance, health care, retail and telecommunications.

In the key early parts of the measurement process, respondents were not told the survey was about mental health or for beyondblue to avoid any possible bias in the results. The study used an online survey that included three approaches to understanding the importance employees place on joining an employer that provides a mentally healthy workplace and the role this plays in keeping them in the job.

The first approach used a sophisticated Discrete Choice Modelling method that gave a view into how people 'trade off' specific workplace attributes when choosing a new job.

¹ Creating a mentally healthy workplace: Return on investment analysis; 2014; PwC

By modelling how survey respondents made their choices in hypothetical situations, the study was able to extrapolate the key drivers in their decision-making, and understand how employers can attract good staff.

The second approach was used to understand the role a mentally healthy workplace played in retaining employees. It took five critical attributes of work (not pay) that contributed to retention and asked employees to compare each one to another to determine the relative importance of each in keeping them in their current job.

Finally, Australian workers were asked direct questions about the impact that the mental health of workplaces have, or have had, on them in terms of attraction and retention.

What is a mentally healthy workplace?

A mentally healthy workplace is one that is considered friendly and supportive, promotes a positive workplace culture, minimises workplace risks related to mental health, supports people with mental health conditions appropriately and prevents discrimination.

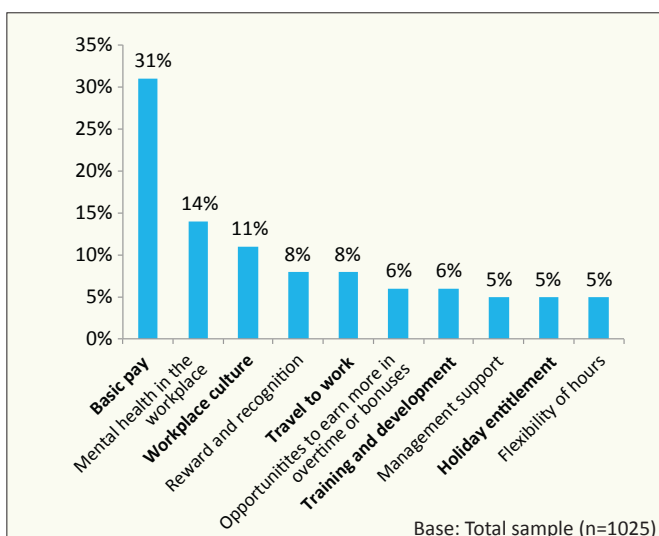
Survey findings

The survey focused on the link between a mentally healthy workplace and the ability to attract and retain staff. To do this, the study built on the ‘Hudson White Paper’² which identified 10 factors that contributed to a person’s decision to change jobs and a business becoming an employer of choice.

Perhaps not surprisingly, pay was considered the most persuasive factor in deciding whether to take another job with a new employer (31%). A mentally healthy workplace was the second most important factor (14%) in employees’ decision to accept a new position (see Figure 1).

These findings show that pay issues aside, an employer of choice will be one that provides a mentally healthy workplace in which staff feel confident to perform knowing the company takes their and their colleagues’ mental health interests seriously.

Figure 1 The most important attribute when choosing a new job by proportion of workforce



² Hudson White Paper; 2007; Factors that attract mature aged workers to the full time workplace; instinct and reason

The way workers responded to hypothetical situations where they might leave or stay in a job also demonstrated the importance of a mentally healthy workplace. We tested the top five features of a job and asked workers to compare each feature with each of the other features in terms of its importance in keeping them in their current job.

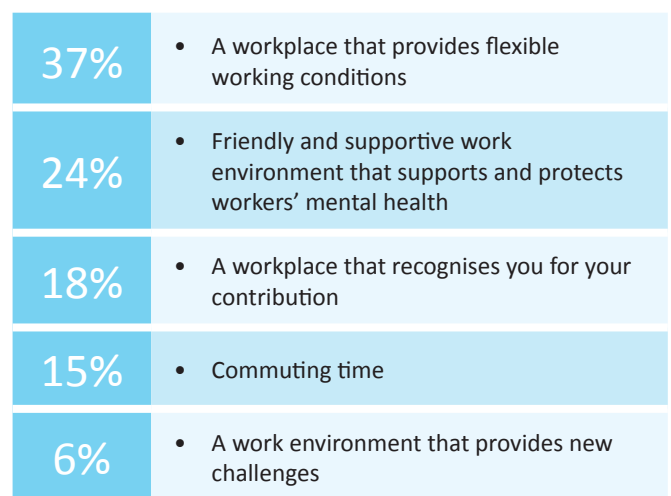
The ‘aspects’ of the job that workers were asked to compare one by one were:

1. Commuting time to and from work: how long it takes to get to the job and get home
2. Friendly and supportive work environment that creates a place where you feel happy and productive. It’s a workplace that promotes and protects the mental health of employees
3. A work environment that provides new challenges: this is where you believe that your role provides you with challenges that you find stimulating and suitably stretching
4. A workplace that recognises you for your contribution: this involves whether you believe you will be recognised for your achievements in the job and respected by others
5. A workplace that provides flexible working conditions: this involves being offered flexibility in your standard working hours (i.e. not just 9am to 5pm). It includes the ability to work from home at times.

A mentally healthy workplace that was both friendly and supportive and promoted and protected the mental health of its employees was the second most powerful inhibitor of a worker leaving their job.

Figure 2 shows that a friendly and supportive work environment that supports and protects workers’ mental health is more important than *being recognised for your contribution*, a *work environment that provides new challenges* and *commuting time to and from work*. Only being provided with *flexible working conditions* is a stronger retention lever.

Figure 2 Pairwise comparisons of five key (non-pay) reasons to stay



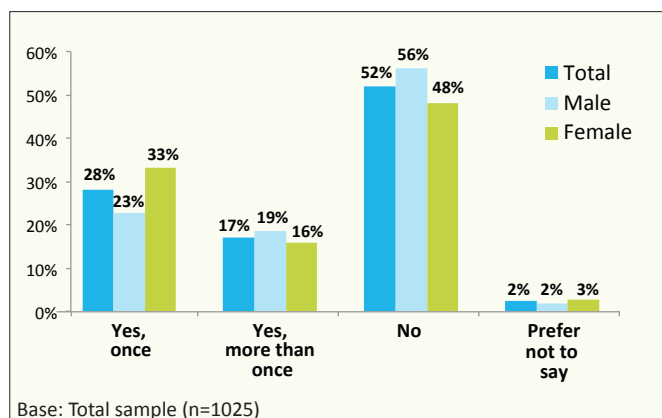
Base: Total sample (n=1025)

Finally, when asked directly, Australian employees were confident that a mentally healthy workplace was good for business with three in four (73%) agreeing with the proposition that businesses investing in mental health get a good return on their investment.

A mentally healthy workplace makes an employee more committed to their job (60% of those currently in such a workplace) and less likely to seek other employment (68%). In fact many said that a mentally healthy workplace had encouraged them to stay longer in a job than they would have otherwise (37%).

Conversely, almost half the employees surveyed (45%) have left a workplace because it had a poor environment in terms of mental health. More women than men leave for this reason (33% compared to 23%).

Figure 3 Impact of gender on the proportion of the workforce who left a job due to a poor mental health environment



The research suggests that younger workers are more likely to leave a job because they consider the workplace to be a mentally unhealthy environment (53% of workers aged less than 30 years had left for this reason compared to only 26% of workers aged over 60 years). **While Australian workers used to endure mentally unhealthy workplaces, the new generation of workers will not.**

Figure 4 Impact of age on the proportion of the workforce who left a job due to a poor mental health environment

	Total	Under 30 years	30–39 years	40–59 years	60+ years
Yes, once & more than once	45%	53%	55%	45%	26%
No	52%	42%	42%	53%	73%
Prefer not to say	2%	5%	3%	1%	1%

Base: Total sample (n=1025)

Having positive mental health policies and providing training to deal with mental health issues are considered important in the workplace. Among those currently working for an employer who they think has positive and effective mental health policies, 80% are planning to stay, compared with just 58% of employees

who are not aware of there being any mental health policies in their current workplace.

Employees thinking of leaving their current job for a better situation would stay if they got a new manager who:

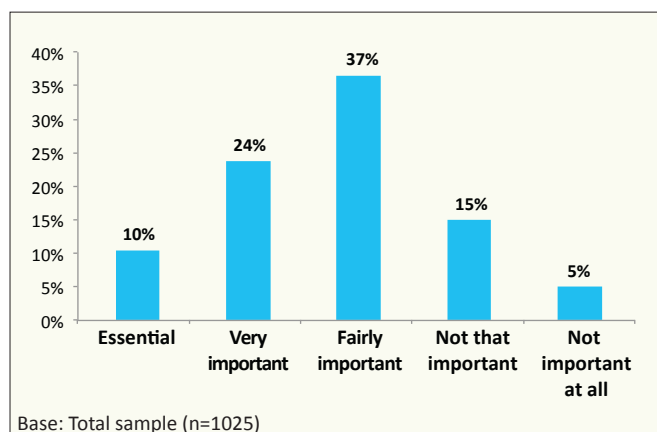
- supports and facilitates flexible working to meet individual needs (73%)
- is an inspirational leader who maps out a vision for the organisation and each employee's place in it (72%)
- is accessible when needed and will listen (72%)
- gives really clear guidance on priorities and what is expected of employees (70%)
- is supportive of employees with mental health problems like anxiety and depression (66%)
- actively promotes the mental health of employees (66%).

Key insights

Having a mentally healthy workplace is second only to pay in being attracted to a new job.

When looking for a new job in the future, 71% of employees surveyed said that a mentally healthy workplace would be an important consideration, including 24% saying *very important* and 10% saying *essential*. Workers are more attracted to a new workplace the better it deals with mental health issues and the more it is considered one in which the mental health of its workforce is a business priority and a key element in the business's decision-making.

Figure 5 Importance of mentally healthy workplace when looking for a future job



Age seems to matter with younger workers with 44% of those aged 30–39 years seeing a mentally healthy workplace as essential or very important while only 26% of older workers (over 60 years) see it as essential or very important. **This means that while a mentally healthy workplace is important in attracting and retaining staff today, it will be even more important in the future as younger workers move through the workforce.**

Figure 6 Impact of age on the importance of a mentally healthy workplace when looking for a future job

	Total	Under 30 years	30–39 years	40–59 years	60+ years
Essential	10%	10%	11%	10%	12%
Very important	24%	29%	33%	21%	14%
Fairly important	37%	40%	33%	37%	37%
Not that important	15%	13%	11%	16%	19%
Not important at all	5%	1%	4%	6%	8%
Don't know/Can't say	9%	7%	8%	10%	11%

Base: Total sample (n=1025)

Nevertheless, with 71% of all workers taking the mental health of a workplace into consideration, employers need to not only create a mentally healthy workplace but should promote it as well if they want to attract good staff. The choice model is based on hypothetical job offers explaining to people that the job offers a mentally healthy working environment. How many businesses make that a feature of their offers on seek.com?

Having a mentally healthy workplace is second only to pay in terms of its power to retain Australian workers and the results show that this is equally true for small, medium and large businesses. All organisations will benefit if they work to create an environment that is mentally healthy.

Figure 7 Impact of age on the importance of a mentally healthy workplace when looking for a future job

	Total	Under 30 years	30–49 years	50+ years
A workplace that provides flexible working conditions	37%	35%	39%	30%
Friendly and supportive work environment	24%	26%	21%	22%
A workplace that recognises you for your contribution	18%	14%	19%	21%
Commuting time	15%	16%	16%	18%
A work environment that provides new challenges	6%	8%	5%	8%

Base: Total sample (n=1025)

Interestingly, the provision of flexible working conditions is also a key inhibitor of staff turnover. Having working arrangements that reduce the pressures on staff in a modern time-pressured society is also likely to be seen as a tangible way of supporting a more mentally healthy environment.

Employees identified a number of steps that an employer could take to make a mentally healthy work environment including improving policies, training and supportive leadership around the issue.

Also important to employees is seeing an employer take **action to create a mentally healthy workplace**, as opposed to simply talking.

Recommendations for business

The research shows a clear link between a mentally healthy workplace and the attraction and retention of staff and suggests that most Australian businesses need to create more supportive workplaces if they want a competitive edge in their hunt for the best people.

The research showed there were four themes that figured strongly in what employees consider to be actions that will result in a mentally healthy workplace—policies, training, supportive management and action—and these need to be addressed if employers want to leverage the competitive advantage of being able to attract and retain the best workers.

To get that competitive edge:

- Australian business leaders need to take action to foster better mental health in the workplace
- Employers should develop positive mental health policies and communicate these through every level of the business
- Training should be provided for staff and managers to help them deal appropriately with mental health issues in the workplace
- Managers and HR areas should show that they are committed to promoting the mental health of staff and create a culture to support this.
- Employers should actively identify threats to mental health in the workplace and work with staff to address these
- Businesses should promote their business as being a mentally healthy workplace to potential employees.

These strategies will make organisations employers of choice.

For further information:

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Instinct and Reason encourages businesses to visit the Heads Up website to help them create more mentally healthy workplaces—www.headsup.org.au