



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jennifer Schembri

**SUBJECT:** SEE BELOW

**DATE:** August 11, 2022

Approved

Date

08-12-22

**SUBJECT: BECOMING TRAUMA INFORMED IN OUR WORKPLACE: CREATING  
SAFE AND BRAVE SPACE STUDY SESSION**

## **PURPOSE OF STUDY SESSION**

Provide the Mayor, Council and Senior Staff with a greater understanding of trauma, the impact of trauma, and practices that support a safe and brave workplace that allows our leaders and workforce to thrive and enable better outcomes with our community.

## **OUTCOME**

City Council and Senior Staff will have the opportunity to:

1. develop a shared understanding of trauma,
2. increased awareness of the impact of trauma in the workplace, and
3. learn about workplace practices that support a safe and brave workplace to improve engagement, retention, innovation, creativity, and effectiveness in service of the community.

## **BACKGROUND**

### *COVID-19 Response and Recovery: Individual and Collective Trauma*

The COVID-19 pandemic, from the Shelter in Place order on March 17, 2020 to our current efforts to both support recovery and manage the ongoing effects of COVID-19, is a shared experience like nothing our City, or nation, has experienced. At the time of the Shelter in Place order 40% of our workforce began working virtually while 60% continued to provide essential services out in the community and on-site. A new Emergency Operations Center structure was organized for the response with 700+ employees directly staffing the Emergency Operations Center at its height, and the size and scope of additional employee Disaster Service Worker reassignments was one not been experienced before. New responsibilities and services were

launched and managed, while essential services continued throughout the pandemic. The uncertainty and ever-changing demands related to COVID-19 caused dizzying changes for the community and employees. Amidst the loss of life that our community was grieving, the response included managing a fire season, PG&E Power Safety Shutoffs, social unrest, and a massive economic downturn. The Emergency Operations Center response was framed around enforcing (ever changing) public health orders, saving lives, and promoting livelihood. The trajectory of the City's response and deliberations about it were captured in the regular updates and engagement with Mayor and Council through the Strategic Support Item 3.1 verbal updates at Council Meetings. The experience of our individual employees, community members, and leaders during this period is consistent with what public health officials define as trauma. The U.S. Dept. of Health and Human Services Substance Abuse and Mental Health Administration states: "Individual trauma results from an event, series of events, or set of circumstances that is experienced by an individual as physically or emotionally harmful or threatening and that has lasting adverse effects on the individual's functioning and physical, social, emotional, or spiritual well-being."

Thousands of our full-time and part-time employees, were part of a sustained trauma experience with individual and organizational impacts like nothing we have ever faced. The size, scope, and scale of the COVID-19 pandemic and its affect can further be defined as collective trauma:

"Whereas the term "trauma" typically refers to the impact that a traumatic incident has on an individual or a few people, collective trauma refers to the impact of a traumatic experience that affects and involves entire groups of people, communities, or societies. Collective trauma is extraordinary in that not only can it bring distress and negative consequences to individuals but in that it can also change the entire fabric of a community" (Psychology Today, D.R. Turmaud, May 23, 2020)

Evidence of changes to the fabric of our workplace include a range of policy changes (e.g., Mandatory Vaccination Policy and various safety-related policies) that did not exist pre-COVID, new ways of engaging with technology to conduct work, a hybrid workplace for many, and new programs initiated or expanded during COVID-19 that continued. Further, as the labor force nationally reconsiders the "meaning" of the pandemic, many have and are reassessing the relative priority of work and their personal lives.

### *The Great Resignation*

In 2021, articles about the "Great Resignation" began to immerge and in July 2021, the U.S Department of Labor reported four million Americans quit their jobs and there were 11 million open positions. McKinsey published "Great Attrition or "Great Attraction? The Choice is Yours" and urged employers to understand their tired, grieving employees as they re-examine the sense of purpose in their work. The article identifies not feeling valued by the organization or their managers or a sense of belonging as key reasons and the disproportionate departure of multi-racial/non-white employees. Their research found that "employees are far more likely to prioritize relational factors, whereas employers were more likely to focus on transactional ones." (Attachment 1) A Harvard Business Review article from March 2022 titled "Leading an

Exhausted Workforce” described the experience this way: “Everyone is exhausted. People are coping with collective grief and trauma on a global scale, which means leaders have to learn and exercise new skills.” (Attachment 2). The article goes on to name some practical strategies for leaders to foster healthy coping mechanisms, without becoming therapists, including being a role model for self-care, lightening the “stress” load, creating a cognitive safety net, learning from failure and making the work meaningful.

In May 2022, a McKinsey research article “Addressing Employee Burnout: Are you solving the right problem?” (Attachment 3) asked employees about the aspects of their jobs that undermine their mental health and well-being. Employees frequently cite the feeling of always being on call, unfair treatment, unreasonable workload, low autonomy, and lack of social support. They also state that “organizations pay a high price for failure to address workplace factors that strongly correlate with burnout, such as toxic behavior.” Toxic workplace behavior is defined by McKinsey as “interpersonal behavior that leads to employees feeling undervalued, belittled, or unsafe such as demeaning treatment, non-inclusive behavior, sabotaging, cutthroat competition, abusive management, and unethical behavior from leaders or coworkers.” The article applauds the increased investment of organizations in mental health and well-being to support employee resilience and adaptability. However, a central recommendation, based on their research is the need to focus on interventions at the system or organizational culture level to prevent, rather than remediate: “employers can and should view high rates of burnout as a powerful warning sign that the organization – not the individuals in the workforce – needs to undergo meaningful systemic change.”

In all of this, there is hope. The City has an opportunity to respond in support of leaders and employees in this post-pandemic era. According to Sandra Bloom, “understanding this experience as trauma is a first step “the impact of chronic stress and adversity robs organizations of basic interpersonal safety and trust and thereby robs an organization of health.” There are strategies and programs to support individual employees toward resilience and healing. Yet, as the McKinsey research highlights, employers need to also engage at a broader system and organizational level.

Human Resources (HR), with many partners and employees, has been laying the foundation for creating a trauma-informed organization that can lead to resilience and healing. Fundamentally our employees care deeply about the City of San José, their work, and their colleagues. This was noted by the consultant who worked with 100+ leaders on a program launched by the learning and development team in HR to support retention by providing training, coaching, guidance, and peer support to engage in one-on-one, non-performance related conversations (Employee Experience Conversations). While expressing their deep commitment to the work and general positive regard for each other, they also noted the challenges of growing burnout and stress that had become unmanageable.

In the Fall of 2020, recognizing the need for a broader strategy and set of initiatives related to employee mental health and general wellbeing, HR reached out to the National Council for Mental Wellbeing (National Council) to discuss introducing the effects of trauma and how to build resilience to City employees. This undertaking led to an ongoing effort in support of the Powered by People initiative to Nurture Employee Growth, Safety and Wellness by building a more Trauma-Informed and Resilience-Oriented Culture (TIROC) at the City.

### 2022-2023 City Initiatives Roadmap

Enterprise Priority	Initiative					
Enterprise Priority Foundational	Initiative					
Strategic Fiscal Positioning and Resource Deployment	Emergency Fiscal Recovery + Planning	Outcomes, Equity Indicators, + Performance Management	Disparity Study	Advancing Equity through Culture Practice	Procurement Improvement	
	Workforce Diversity + Talent Pipeline	Citywide Hiring	Employee Wellbeing, Growth, + Retention	Digital Workforce	Customer Service Vision + Standards	
Powered by People						



While trauma-informed care undertakings are often grounded in external-facing efforts to promote restorative and healing ways of engaging clients, patients, stakeholders and participants, workforce wellness reminds us that equal amounts of resources and energy must be put into inward-facing trauma-informed care efforts.

On November 9, 2020, a 3-hour training was conducted with Senior and Executive Staff where the over 90 leaders in attendance learned about trauma and its effects, organizational self-care and how to build organizational resilience. The training which was conducted by the National Council was well received and aligned with the City Manager's objective of creating a "system of care" for all employees. This led to the decision to undertake a City-wide Powered by People initiative to build a trauma-informed culture at the City for all employees.

The National Council's primary method for advancing implementation of trauma-informed, resilience-oriented approaches in organizations is the creation of a Learning Community. This method combines face-to-face trainings and meetings, virtual coaching, and access to an array of

resources and tools. The Learning Community supports the organization to advance a shared trauma-informed, resilience-oriented philosophy, set of beliefs, and language, and facilitates individual, team, and organizational culture change. It also raises awareness of trauma-informed, resilience-oriented principles and practices, promotes the sharing of knowledge and experiences, and supports widespread practice improvement.

According to the National Council's experience, some of the outcomes associated with TIROC initiatives include a decrease in critical incidents, staff turnover, staff use of sick time, and staff injury. Increases in employee and customer engagement, positive health behaviors, staff and customer satisfaction are also typical results. Critical to successful outcomes is the leadership's understanding of the core principles of trauma-informed, resilience-oriented approaches. In February of 2021, after responding to a Request for Proposals, the National Council entered into an agreement with the City of San José to provide a year plus training program with the goal of building a trauma-informed, resilience-oriented culture at the City.

### *A Phased Approach*

#### Phase One

The first phase of the work included an 8-hour training entitled Adverse Childhood Experiences Study (ACES). Over 170 employees from 10 departments attended in April of 2021. All the attendees of the training were invited to participate on a team dedicated to beginning to address the challenges of building a workforce that effectively responds to trauma. In order to apply for this year long endeavor, each team was required to identify a project or policy they wanted to implement in their respective department or City-wide, and an executive sponsor to help remove any barriers to the teams' success.

#### Phase Two – Forming a Learning Community

Six teams were formed from the Library, Parks Recreation and Neighborhood Services, Public Works, Housing and HR/Office of Employee Relations, along with a cross-departmental group from GARE (Office of Racial Equity (ORE) and Planning, Building and Code Enforcement). Executive sponsors from each team were invited to attend a separate series of trainings around the National Council's framework for trauma-informed, resilience-oriented leadership. Executive sponsors from Housing, Library, Public Works, HR and ORE attended at least one or more of the trainings. An advisory team with representatives from ORE, the City Manager's Office, and HR was formed to help guide the process, convening separately with members of the National Council.

A second round of the ACES training, attended by an additional 182 employees from 15 departments was completed in early February of 2022. Also in February, each of the existing six teams was invited to share their progress and challenges to date at a mid-year meeting. In addition to excitement over the possibilities of positive change in the City of San José and the connection they feel to one another, feedback from many of the teams related to burnout and a perceived lack of connection to and support of their leadership. Some expressed feelings of a lack of moral and psychological safety which are core principles of being trauma-informed.

Following the mid-year meeting, three TIROC refresher sessions were held in March-May of 2022 that covered topics including infusing TIROC tools into your daily work and compassionate resilience. A total of 268 employees attended over three separate sessions and feedback included:

“Really glad you are doing this. We should make mental health first aide classes just as important as CPR/First Aid. You are 2 or 3 times as likely to be called upon for mental health first aid than CPR/first aid.”

“Learning that trauma is not the event itself but comes from how we deal with the event. It made me better understand why an ‘event’ that happens to me, might not cause me to experience trauma, but the same event might cause someone else to experience trauma.”

“To some extent this is about priorities - is our priority to get stuff done, or to get it done well, taking people's differing needs into account? As long as managers and leaders are putting pressure on us to work fast rather than well, it will be harder to create a safe/secure environment for employees and the public. Also, the example that they set is really important.”

Feedback from team members at the mid-year meeting, and from surveys following each training also indicated that more training and engagement at the leadership level was needed. On April 27, 2022, HR facilitated a study session with 100+ senior and executive staff members. This in-person session gave leaders an opportunity to engage with one another as leaders and to expand their awareness and understanding of the five types of safety (Physical, Psychological, Social, Moral and Cultural) as an important foundation for supporting a trauma-informed and resilient workplace. The goal was to provide a safer and braver space to discuss and share ideas about how these aspects of safety arise in the workplace – by walking in small, cross-departmental groups at our Happy Hollow Zoo and brainstorm ideas they would like to see brought to a Council Study Session in August.

The event at Happy Hollow was positively received with leaders expressing gratitude for opportunity to engage with their peers. Additional positive feedback included being able to “be a person,” learning about safety and networking with other departments and that there was a common “a-ha” moment recognizing that many are experiencing similar issues/challenges and feelings with their workforce (stress, workload, vacancy levels, COVID). Prioritizing all types of safety, (beyond keeping employees safe from COVID and other aspects of their physical safety) is necessary in order to begin to transform our culture to be trauma-informed. All employees, including leaders, need to feel safe in order to build trust and display transparency, and creating space for affirming conversations can help create a positive, trauma-informed culture.

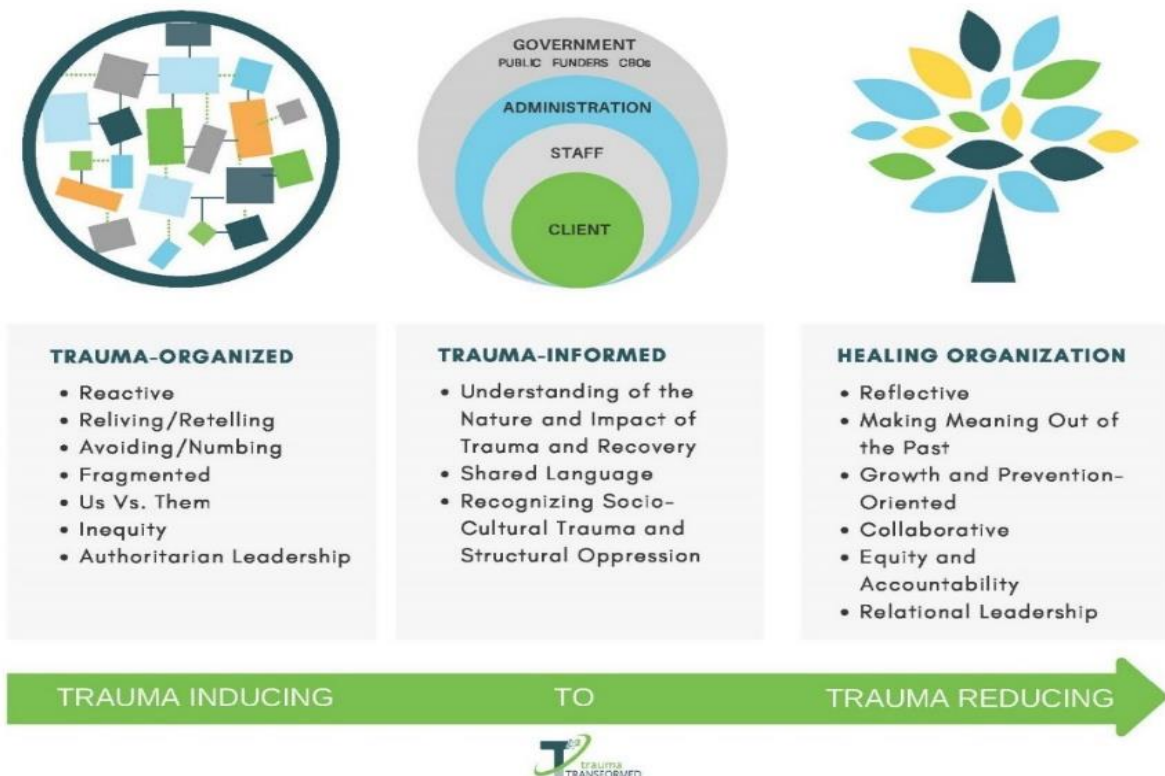
Prior to embarking on the next phase of the TIROC work, the current plan is to take a pause to prepare for a broader engagement with leadership through the upcoming Council Study Session on August 19, 2022. As noted earlier, the purpose of the Study Session is to “provide the Mayor, Council and Senior Staff with a greater understanding of trauma, the impact of trauma, and

practices that support a safe and brave workplace that allows our leaders and workforce to thrive and enable better outcomes with our community.”

It is important that leaders and employees alike take the opportunity to identify the effects the pandemic and compounding stress is having on them. New data collected by Ginger indicated that nearly 70% of workers feel more stress during the pandemic than any other point in their careers. While the workplace can be a source of stress for many, it can also be a place of healing. In addition, getting enough sleep, exercise, nutrition and hydration, mental downtime is essential both at home and at work.

We wanted to document and share what we have learned and accomplished to date, in part so there is opportunity for course correction and improvement. To be successful in the change the City is undertaking, its leaders must embrace vulnerability and cultivate a culture in which brave work, tough conversations, and whole hearts are expected and rewarded (Brown, 2018). We welcome an opportunity to discuss how we might help make positive changes in moving the City, first, towards becoming trauma-informed and long-term a healing organization.

### *Moving from Trauma-Organized to a Healing Organization*



### *Trauma-Organized*

It is well documented that trauma is a pervasive, long-lasting public health issue that affects our workforce and systems. According to author Sandra L. Bloom, “the impact of chronic stress and adversity robs organizations of basic interpersonal safety and trust and thereby robs an organization of health.” Trauma-informed systems work is based on the understanding that our service delivery systems can inadvertently reinforce oppression and create harm. When our systems are traumatized, it prevents us from responding effectively to each other and the people we serve. In order to move from being trauma-organized towards being trauma-informed, staff and leaders need to become trauma-sensitive themselves. This means becoming sensitive to the ways staff, managers, groups, policy makers and systems are impacted by individual and collective exposure to overwhelming stress and adversity.

### *Trauma-Informed*

Trauma-informed organizations have become aware of how prevalent trauma is and have begun to consider that it might impact their staff and the people they serve. In trauma informed organizations, the following exists:

- Leadership understands that knowledge about trauma could potentially enhance their ability to fulfill their mission and begins to seek out additional information on the prevalence of trauma for the population served.
- Awareness training is offered (including definitions, causes, prevalence, impact, values and terminology of trauma-informed care). People are made aware of how and where to find additional information and are supported in further learning.
- The organization explores what this new information might mean for them and what next steps may need to be taken.
- Most staff: 1) know what the term trauma refers to; and 2) are aware that knowledge about the impact of trauma can change the way they see (and interact with) others. The impact of trauma is referenced in informal conversations among staff.

Being trauma-informed can also be defined as recognizing the prevalence of ACES among people and being aware of the impact. Organizations that are trauma-informed actively promote awareness and understanding of trauma both through a shared language and understanding of trauma and moving from a viewpoint of what’s wrong with you to what happened to you. They also create a safe environment and view trauma through a sociocultural lens and show organizational commitment to trauma-informed care.

### *Healing Organization*

Organizations where staff policies, procedures, and services have an understanding of trauma embedded within them can be defined as healing organizations. Their approaches to providing services are trauma-reducing and growth and prevention oriented. Equity and accountability are

paramount. While we recognize there is a lot of work still to be done, our goal is that San José eventually become a healing organization.

Through the National Council, HR staff were introduced to Councilmember Zeke Cohen from the City of Baltimore. Councilmember Cohen has been leading a City-wide effort to implement trauma-informed care and transform Baltimore to a “Healing” City. In 2020, Councilman Cohen sponsored the Healing City Act which made Baltimore the first city in America to successfully legislate trauma-informed care. Councilmember Cohen has continued to push to fully implement this groundbreaking law while building the grassroots movement that fueled it. We are looking forward to him sharing his lessons learned at the upcoming Council Study Session.

## **CONCLUSION**

Organizational change is challenging and requires involvement from all levels of an organization but having a different way to assess and formulate past and current stress is frequently the beginning of a healing and even transformative process (Bloom, 1997). If members of organizations can similarly adopt a trauma-informed model that enables them to collectively assess and constructively respond to recurrent stress in a different way, transformative organizational change may be possible. If we are able to make a transformative organizational change where employees feel a greater sense of belonging, psychological safety, inclusivity, and that they have a sustainable growth environment with sustainable work, they have the best chance of becoming thriving leaders and employees who will serve the community well. This in turn will have a positive impact on our attraction and retention of our employees.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City’s Council Agenda website for the August 19, 2022 City Council Study Session.



JENNIFER SCHEMBRI  
Director of Employee Relations/  
Director of Human Resources

The primary author of this memorandum was Kelli Parmley, Assistant Director of HR. For questions, please contact Kelli Parmley, Assistant Director of HR at [kelli.parmley@sanjoseca.gov](mailto:kelli.parmley@sanjoseca.gov).

## **Attachments**

- Attachment 1 - ‘Great Attrition’ or ‘Great Attraction’? The choice is yours
- Attachment 2 - Leading an Exhausted Workforce
- Attachment 3 - Addressing employee burnout: Are you solving the right problem?

September 2021

# McKinsey Quarterly

## ‘Great Attrition’ or ‘Great Attraction’? The choice is yours

**A record number of employees are quitting or thinking about doing so. Organizations that take the time to learn why—and act thoughtfully—will have an edge in attracting and retaining talent.**

*by Aaron De Smet, Bonnie Dowling, Marino Mugayar-Baldocchi, and Bill Schaninger*

**More than 19 million US workers**—and counting—have quit their jobs since April 2021, a record pace disrupting businesses everywhere. Companies are struggling to address the problem, and many will continue to struggle for one simple reason: they don’t really understand why their employees are leaving in the first place. Rather than take the time to investigate the true causes of attrition, many companies are jumping to well-intentioned quick fixes that fall flat: for example, they’re bumping up pay or financial perks, like offering “thank you” bonuses without making any effort to strengthen the relational ties people have with their colleagues and their employers. The result? Rather than sensing appreciation, employees sense a transaction. This transactional relationship reminds them that their real needs aren’t being met.

If the past 18 months have taught us anything, it’s that employees crave investment in the *human* aspects of work. Employees are tired, and many are grieving. They want a renewed and revised sense of purpose in their work. They want social and interpersonal connections with their colleagues and managers. They want to feel a sense of shared identity. Yes, they want pay, benefits, and perks, but more than that they want to feel valued by their organizations and managers. They want meaningful—though not necessarily in-person—*interactions*, not just transactions.

By not understanding what their employees are running from, and what they might gravitate to, company leaders are putting their very businesses at risk. Moreover, because many employers are handling the situation similarly—failing to invest in a more fulfilling

employee experience and failing to meet new demands for autonomy and flexibility at work—some employees are deliberately choosing to withdraw entirely from traditional forms of full-time employment.

In this article, we highlight new McKinsey research into the nature and characteristics of the Great Attrition and what's driving it (see sidebar, "About the research"). The bottom line: the Great Attrition is happening, it's widespread and likely to persist—if not accelerate—and many companies don't understand what's really going on, despite their best efforts. These companies are making ineffective moves based on faulty assumptions.

It doesn't have to be this way. If companies make a concerted effort to better understand why employees are leaving and take meaningful action to retain them, the Great Attrition could become the Great Attraction. By seizing this unique moment, companies could gain an edge in the race to attract, develop, and retain the talent they need to create a thriving postpandemic organization.

But this won't be easy, because it requires companies and their leaders to truly understand their employees. It requires leaders to develop a much deeper empathy for what employees are going through and to pair that empathy with the compassion—and determination—to act and change. Only then can employers properly reexamine the wants and needs of their employees—together with those employees—and begin to provide the flexibility, connectivity, and sense of unity and purpose that people crave.

Along the way, many senior executives will be challenged to reimagine how they lead. The skills that made leaders effective before the COVID-19 pandemic—strong coaching, mentoring, creating strong teams—are just table stakes for the challenge of the months and years ahead.

## **The Great Attrition is happening—and will probably continue**

Executives who think that employee attrition is easing—or is limited to particular industries—are misguided. Forty percent of the employees in our survey said they are at least somewhat likely to quit in the next three to six months. Eighteen percent of the respondents said their intentions range from likely to almost certain. These findings held across all five countries we surveyed (Australia, Canada, Singapore, the United Kingdom, and the United States) and were broadly consistent across industries (Exhibit 1). Businesses in the leisure and hospitality industry are the most at risk for losing employees, but many healthcare and white-collar workers say they also plan to quit. Even among educators—the employees least likely to say they may quit—almost one-third reported that they are at least somewhat likely to do so.

Furthermore, these trends may persist. Fifty-three percent of the employers said that they are experiencing greater voluntary turnover than they had in previous years, and 64 percent expect the problem to continue—or worsen—over the next six months (Exhibit 2).

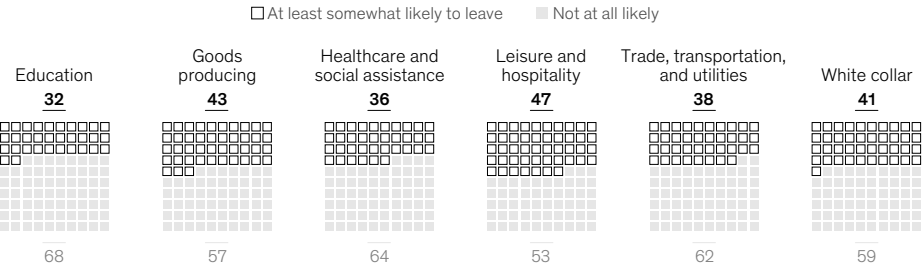
Exhibit 1

The ‘Great Attrition’ is real, and appears widespread across industries.

Likelihood that employees will leave their current job in next 3–6 months, % of respondents



Share of respondents who are at least ‘somewhat likely’ to leave their current job in next 3–6 months, by industry, %

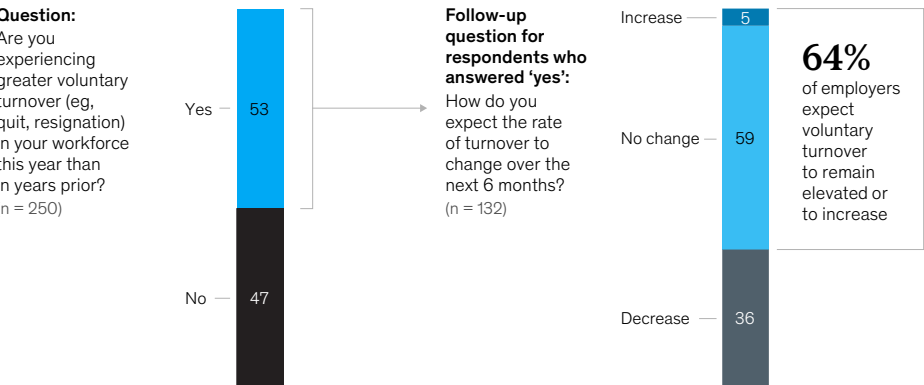


Note: Survey encompassed Australia, Canada, Singapore, United Kingdom, and United States (n = 4,924).

Exhibit 2

Most employers are experiencing greater turnover, and most expect the problem to continue or worsen over the next six months.

Share of employers, %



# Attrition could get worse, since employees are willing to quit without a job lined up

Among the employees in our survey, 36 percent who had quit in the past six months did so without having a new job in hand (Exhibit 3). This is yet another way the Great Attrition differs fundamentally from previous downturn-and-recovery cycles—and another sign that employers may be out of touch with just how hard the past 18 months have been for their workers.

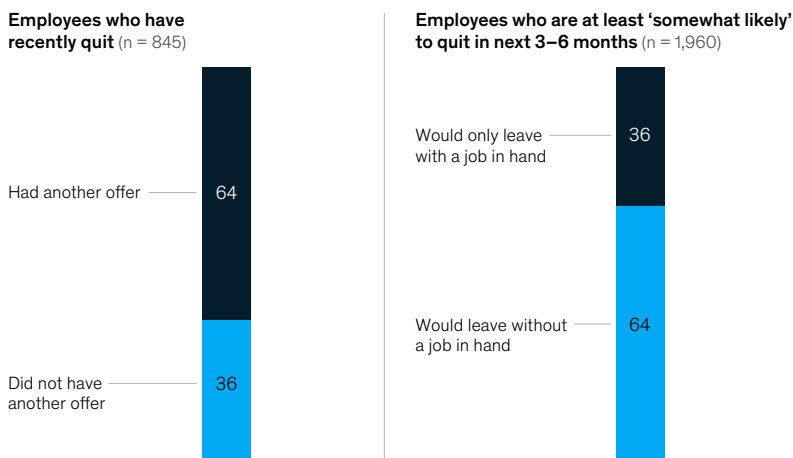
Employees in the United States were the most likely to say they had left their old jobs without a new one (40 percent). At the industry level, 42 percent of healthcare and social-assistance workers who quit did so without having a new job—a reminder of the pandemic’s toll on frontline workers. One-quarter of white-collar employees who quit said they had done so without having a job lined up, a finding that held across income levels.

This trend not only is poised to continue but could get much worse. Among employees who said they are at least somewhat likely to leave their jobs in the next three to six months, almost two-thirds added that they would do so without lining up new jobs.

Exhibit 3

## Attrition may accelerate, as people are willing to quit without another job lined up.

Share of respondents, %



## Otherwise satisfied employees may also be tempted to quit as their options expand

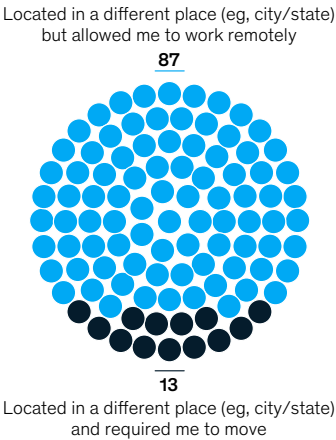
CEOs may be tempted to take solace in the fact that 60 percent of the employees in our survey said they were not at all likely to quit in the next three to six months. But employers shouldn’t consider this 60 percent “safe” from the prospect of attrition either. Options are increasing, and with more and more employers offering remote-work choices for hard-to-source talent, these employees could change their intentions.

Consider a few significant findings. Among employees who said they were not at all likely to quit, 65 percent reported that a primary reason to stay in their job was that they liked where they lived. But among survey respondents who took new jobs in new cities during the past six months, almost 90 percent didn't have to relocate (Exhibit 4), because so many more companies are allowing remote work. Having more “location agnostic” positions to choose from could prompt otherwise satisfied employees to start second-guessing their commitment to the companies where they now work, particularly if executives mishandle the transition to a hybrid-work environment—or stubbornly fail to offer one at all.

Exhibit 4

**Expanded remote-work options could tempt otherwise satisfied employees to quit.**

**Working arrangement for new job located in different city/state,<sup>1</sup> % of respondents**



<sup>1</sup>Responses from participants who said that they took a new job in a new city/state in the past 6 months (n = 280).

**Employers can't fix what they don't understand**

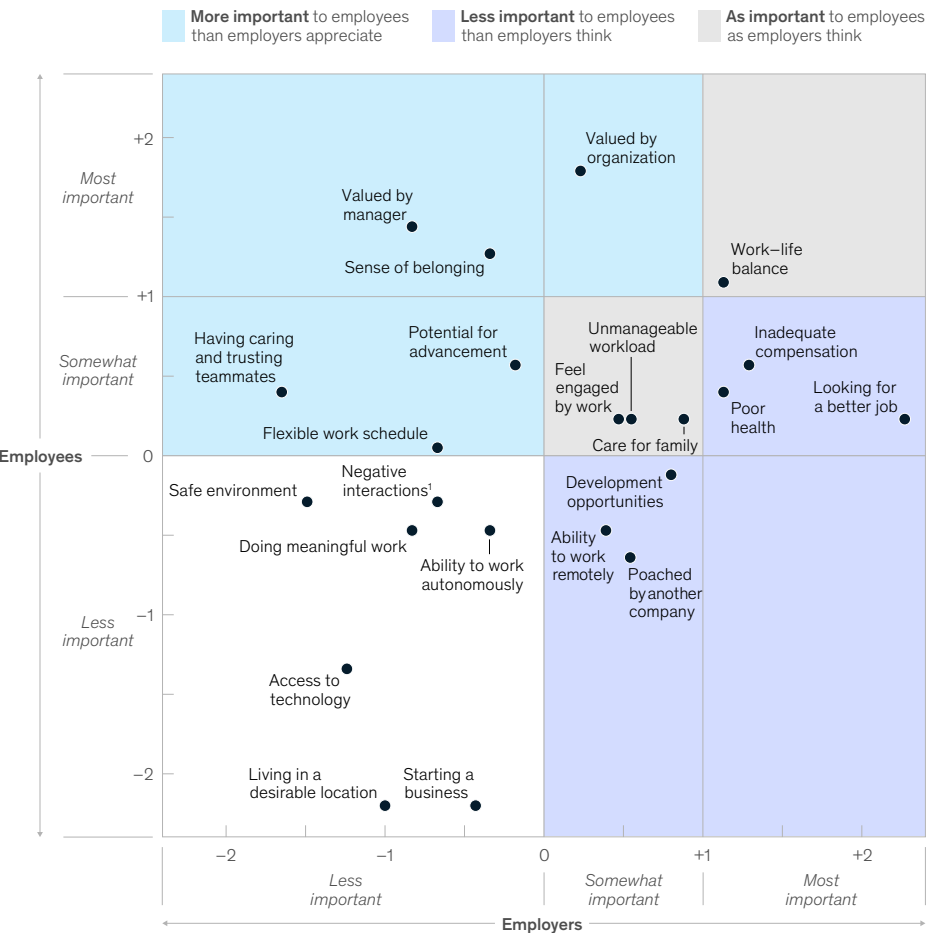
To stem the tide, senior executives must understand why employees are leaving. Many are struggling to do so. For example, when employers were asked why their people had quit, they cited compensation, work–life balance, and poor physical and emotional health. These issues did matter to employees—just not as much as employers *thought* they did. By contrast, the top three factors employees cited as reasons for quitting were that they didn't feel valued by their organizations (54 percent) or their managers (52 percent) or because they didn't feel a sense of belonging at work (51 percent). Notably, employees who classified themselves as non-White or multiracial were more likely than their White counterparts to say they had left because they didn't feel they belonged at their companies—a worrying reminder of the inequities facing Black employees and other minority groups.

Exhibit 5 shows where the disconnect between employers and employees was most acute. It highlights how employees were far more likely to prioritize relational factors, whereas employers were more likely to focus on transactional ones.

Exhibit 5

**Employers do not fully understand why employees are leaving.**

**Factors that are important to employees versus what employers think is important**



Note: Standardized scores are reported for both employee and employer perspectives. Employees were asked to respond to the following question: To what extent did the following factors impact your decision to leave your last job? (Not at all, slightly, moderately, very much, extremely); employers were asked to respond to the following question: Why do you think employees are choosing to leave your organization now? (select all that apply)

<sup>1</sup> Includes clients, customers, patients, and students.

**Start turning attrition into attraction**

Our research underscores the many ways the pandemic has irrevocably changed what people expect from work. The landscape will continue to change as companies try out new hybrid-work approaches. If you're a CEO or a member of a top team, your best move now is to hit "pause" and take the time to think through your next moves. A heavy-handed back-to-the-office policy or other mandates delivered from on high—no matter how well intentioned—are likely to backfire.

## About the research

**To better understand** what's driving voluntary attrition in the labor market, we conducted separate surveys of employers and of employees in Australia, Canada, Singapore, the United Kingdom, and the United States. Both surveys spanned multiple industries. The employee survey included 5,774 people of working age; the employer survey, 250 managers specializing in talent (for instance, chief talent officers). These managers were evenly split between large organizations (with more than \$1 billion in revenues) and midsize ones (with revenues from \$50 million to \$1 billion).

But don't think through your next moves in a vacuum; include your employees in the process. Look to them to help shape the plan and solutions. Our research suggests that executives aren't listening to their people nearly enough. Don't be one of these executives.

As you take stock, ask the following questions:

***Do we shelter toxic leaders?*** Executives who don't make their people feel valued can drive them from companies, with or without a new job in hand. If you don't have leaders who motivate and inspire their teams and lead with compassion, you need them—desperately.

***Do we have the right people in the right places (especially managers)?*** Many employers in our survey reported having the right people but not necessarily in the right places. When it comes to managers, this problem can be particularly damaging, especially in hybrid environments, where new leadership skills are required. Training and capability building will be crucial for managers and executives who didn't come from hybrid or virtual environments—in other words, for everyone from the C-suite to the front line.

***How strong was our culture before the pandemic?*** If you're like many executives we know, you see a return to the office as a way to address lingering culture and connectivity concerns. Or you prefer a full return to the office because you miss it yourself (a case of "absence makes the heart grow fonder"). You should remember that although the needs of your employees have changed, your culture may not have kept up, and any prior organizational weaknesses are now magnified. Employees will have little tolerance for a return to a status quo they didn't like before.

***Is our work environment transactional?*** If your only response to attrition is to raise compensation, you're unwittingly telling your people that your relationship with them is transactional and that their only reason to stay with you is a paycheck. Your very best people will always have a better cash offer somewhere else. You want to solve the problems of the whole person (not just their bank accounts) as well as the whole organization.

***Are our benefits aligned with employee priorities?*** Free parking or entertainment-related perks are probably not top of mind for employees right now. Among survey respondents who had left their jobs,

45 percent cited the need to take care of family as an influential factor in their decision. A similar proportion of people who are *thinking* of quitting cited the demands of family care. Expanding childcare, nursing services, or other home- and family-focused benefits could help keep such employees from leaving and show that you value them as whole people. Patagonia, long the standard-bearer for progressive workplace policies, retains nearly 100 percent of its new moms with on-site childcare and other benefits for parents.

***Employees want career paths and development opportunities. Can we provide it?***

Employees are looking for jobs with better, stronger career trajectories. They desire both recognition and development. Smart companies find ways to reward people by promoting them not only into new roles but also into additional levels *within* their existing ones. This is one way companies can more quickly reward and recognize people for good work. Waffle House famously offers three levels for grill positions—which at other companies is just one role. Entry-level cooks are “grill operators,” more experienced cooks “master grill operators,” and the best cooks are known as “rock star grill operators,” or more colloquially as “Elvis on the grill.”

***How are we building a sense of community?*** Remote work is no panacea, but neither is a full on-site return. In-person connectivity continues to have massive benefits for your organization. But it will require considerable management attention to get right as health and safety concerns continue to evolve, particularly because employees’ needs and expectations have changed. For example, employees with unvaccinated young children may feel unsafe at large in-person gatherings. One organization took an inclusive approach by sending out themed “staycation” packages: a movie night with popcorn and a gift card; a game night with family-oriented games, chips, and salsa; and a “virtual spa day” complete with face masks, tea, and chocolate. The company created a Slack channel for posting photos and stories, encouraging employees to share these experiences. Another organization encouraged connectivity among employees by offering coffee gift cards to those who signed up to participate in one-on-one “coffee chats” with employees they didn’t know—a perk that improved connectivity and helped people expand their networks.

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If you lead a large team or a company, remember this: the Great Attrition is real, will continue, and may get worse before it gets better. Yet this unique moment also represents a big opportunity. To seize it, take a step back, listen, learn, and make the changes employees want—starting with a focus on the relational aspects of work that people have missed the most. By understanding why they are leaving and by acting thoughtfully, you may just be able to turn the Great Attrition into the Great Attraction. Q

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**Harvard  
Business  
Review**

**Leading Teams**

# **Leading an Exhausted Workforce**

by Robin Abrahams and Boris Groysberg

March 25, 2022



Martin Barraud/Getty Images

**Summary.** Everyone is exhausted. People are coping with collective grief and trauma on a global scale, which means leaders have to learn and exercise new skills. The authors share steps you can take to foster healthy coping mechanisms and discourage unhealthy ones; help... [more](#)

Have your customers been unusually irritable lately? Are people taking forever to respond to e-mails? Are friends and colleagues making surprising life changes? Have you lost focus during important conversations?

All of these behaviors, different as they may be, are responses to the overwhelming circumstances people are facing as we move into the third year of the pandemic. Nearly everyone has lost someone or something — a job, a relationship, their peace of mind. Any hopes for a clear, definitive end to the pandemic are dashed. We are post-emergency, but still in crisis.

Leaders aren't therapists and shouldn't try to be. But people are coping with collective grief and trauma on a global scale, which means leaders have to learn and exercise new skills. There are steps you can take to foster healthy coping mechanisms and discourage unhealthy ones; help ward off some of the typical mistakes that people make under pressure; and ensure you don't cause additional anxiety on top of what people are already dealing with.

### **Be a Role Model**

Self-care is not a luxury: It's essential. If you're tense, irritable, withdrawn, or volatile, your team may suffer similarly. If your view of reality is warped by denial, delusion, or us-and-them thinking, your team's ability to take effective action is severely curtailed. If you act out in harmful ways or make rash, inconsistent decisions, you will destroy trust and morale.

Bring your humanity front and center. Be a role model for managing inevitable human imperfection with mental flexibility, emotional openness, and healthy habits.

### **Mental flexibility**

In a time of crisis, there is a greater need for mental acuity, as new information is constantly coming in and circumstances constantly changing. Yet this acuity is harder to achieve when you're facing stress, trauma, and fatigue, which create mental fog and a kind of cognitive tunnel vision. Keep those mental muscles limber!

At work, make a regular habit of asking for input and admitting what you don't know. Normalize and destigmatize admitting mistakes. Acknowledge conflicting impulses and values, make it OK to change your mind when new information comes in, and apologize without embarrassment when you need to.

At home, consider a personal practice to get yourself out of mental ruts. Spending time in nature, journaling, starting a new hobby, meditation — anything that uses different muscles in the brain and creates an opportunity for reflection.

### **Emotional openness**

Acknowledge when you're having a hard time, or if you're not at the top of your game. There is a balance to be struck: A leader cannot share every passing doubt and fear. More importantly, it's better not to lean on team members for emotional reassurance. It is not their responsibility to tell you everything will be all right, or to flatter your ego. But your more tuned-in team members can already tell when you're having a bad day — you may as well admit it, so that they'll know *you* know, and everyone can make the appropriate adjustments.

### **Healthy behaviors**

Ideally, you have social/emotional support outside the office — a spouse, friends, therapist, religious leader, or even a “personal board of directors.” Check in with these folks regularly! And take care of yourself in all the simple, basic ways: sleep, exercise, nutrition, hydration, mental downtime.

Make sure that your team has what they need to do these things for themselves. They likely don't need advice on what to do, but the practical resources — time, money, equipment, access — to do it. Make self-care a regular topic of conversation — occasionally begin a meeting by asking everyone to state one good thing they've done for themselves, or a meaningful conversation they've had lately.

If your industry/corporate culture has a competitive leisure-activity ethos — “work hard, play hard” — explicitly disrupt that. If everyone is bragging about training for a Tough Mudder or racking up foreign language skills on DuoLingo over the weekend, point out that eating ice cream while watching a crime show is also a valid way to spend free time.

## **Lighten the Load**

Stress has a cumulative impact. For the body and brain, there is no difference between deadline pressure, an argument with one’s spouse, financial worries, the dog that won’t stop barking, and the computer that keeps crashing. The patience, self-control, perspective, attentiveness, and wisdom to deal with these situations all come out of the same fund, psychologically.

And for a lot of people, that fund is in arrears. Even before the pandemic “Americans were flirting with symptoms of burnout,” physician Lucy McBride wrote in *The Atlantic*, noting that we were “among the least healthy populations in wealthy countries. Diseases of despair — including depression, anxiety, PTSD, and addiction — were already rampant.” Since Covid, “[e]very aspect of life has required added work .... we’ve had to juggle parenting, caregiving, and working without our traditional support structures.”

## **Reduce stressors**

As much as possible, minimize stressors in your own and employees’ lives. Make a positive goal out of decreasing stress, across the board, for everyone. Think of it as a psychological energy conservation plan: What can be done to conserve people’s valuable cognitive and emotional energy for the most crucial tasks, at work and home? Encourage suggestions — employees may well come up with process improvements, or ideas for low-cost perks or practices that would ease their lives.

## **Don’t add to anxiety**

There may not be much that leaders can do about grief and trauma, but they can do quite a bit to create a culture that doesn't create unnecessary anxiety. People fear pain. They are anxious about looking foolish, or old and out-of-touch, or of being embarrassed.

As a leader, you can do a lot to ease — or exacerbate — these kinds of anxieties. For example, let employees know that it is OK if their home office is messy on Zoom, or if their child wanders in. (If it is not okay, explain why. “Because it doesn't look professional” is not, in 2022, a good enough reason!) In meetings, make it safe to ask questions that may seem stupid — or to simply not have any pertinent questions, or comments, or ideas to share.

### **Create a Cognitive Safety Net**

People are spacey — have you noticed that? Grief, trauma, anxiety all can lead to losing time, focus, and endless pairs of reading glasses. Losing typical routines and environmental cues makes it even worse, as does having to adapt to a set of changing behaviors in the rest of life, as well. Everyone is experiencing cognitive overload.

### **Mitigate mistakes**

Acknowledge the mental burden that people are under. Create checklists, cross-check protocols, backup plans, whatever is appropriate to your particular business, to prevent serious errors. If this represents a new way of doing things, be clear that the new measures don't represent a lack of trust or confidence in the team.

This is also a time to double down on corporate culture and values. A strong shared sense of who “we” — as an organization or a team — are, what we stand for, and what we do will help decrease the number of judgment calls overwhelmed individuals have to make.

### **Reduce tunnel vision**

Another aspect of spaciness is a tendency to focus on only one side of an issue, to get hung up on details or one's own concerns. Ensure that all aspects of a situation are being examined by using role play and other mental exercises. In another piece, we advised "[W]hen debating a course of action, have team members list all the 'hard, cold' reasons for a decision and then all the 'warm, fuzzy' reasons, or the most pessimistic/most optimistic scenarios, or the like." Bring up hypothetical points of view — how would you explain this product to a space alien? How would people from 200 years ago solve this problem? It doesn't take much — people do better on creativity tests if they are simply asked to do things like a creative person would.

In particular, at the end of a meeting, ask "What questions would someone who really doesn't understand this issue have?" People can admit to greater vulnerability and confusion if they don't have to attribute it to themselves. (Even the most psychologically safe team may have members who are self-protective by nature.) Get employees to talk about their pets. You might be surprised what comes up if you ask a colleague how her dog is handling her return to the office.

### **Learn from failure**

Mistakes and failures are inevitable — especially now, as an overextended workforce tries to adapt to a constantly changing business environment. How will you deal with them?

Amy Edmondson's research shows that teams that destigmatize failure do a better job of both learning from past mistakes, and experimenting with new ways of solving problems or conducting routine business. She recommends that leaders reward, rather than metaphorically shooting, the messengers of bad news. Don't make employees afraid to admit mistakes or bring problems or unknowns to your attention. Instead, analyze failures together with your teams, and figure out ways to improve.

### **Make It Meaningful**

Meaning matters more than happiness, especially when it comes to surviving in difficult circumstances. On the biological level, in fact, a lack of meaning itself might be a difficult circumstance. Research finds that people who have little sense of meaning in their lives, *even if they are happy*, have immune-response patterns similar to “people who are responding to and enduring chronic adversity.”

As a leader, encourage team members to engage in meaningful activities inside and outside of work. Foster on-the-job friendships and chances to connect. Draw a clear picture of how specific tasks fit into the organizational mission, and how the organization fits into larger society. Talk about what you find meaningful in life, and how you ensure you have the time and energy for these things.

At the same time, acknowledge that meaning is not found exclusively, or even primarily, through work. Find out what non-work activities and identities matter to your team. Connect their job to those, just as you connect it to the organizational mission: a salary that sends the kids to a good school; a flexible schedule for auditions; opportunities for continuing education or travel; perks and discounts that make life with kids — or life alone — easier.

Jobs that take up a person’s entire life and make up their core identity are so 20th century. A job that is a key support of a meaningful life, filled by a well-rounded, well-rested employee: This is the 21st century job.

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# Addressing employee burnout: Are you solving the right problem?

Employers have invested unprecedented resources in employee mental health and well-being. With burnout at all-time highs, leaders wonder if they can make a difference. Our research suggests they can.

*This article is a collaborative effort by Jacqueline Brassey, Erica Coe, Martin Dewhurst, Kana Enomoto, Renata Giarola, Brad Herbig, and Barbara Jeffery, representing the views of the McKinsey Health Institute.*



**The COVID-19 pandemic** has accelerated and exacerbated long-standing corporate challenges to employee health and well-being, and in particular employee mental health.<sup>1</sup> This has resulted in reports of rapidly rising rates of burnout<sup>2</sup> around the world (see sidebar “What is burnout?”).

## What is burnout?

**According to the** World Health Organization, burnout is an occupational phenomenon. It is driven by a chronic imbalance between job demands<sup>1</sup> (for example, workload pressure and poor working environment) and job resources (for example, job autonomy and supportive work relationships). It is characterized by extreme tiredness, reduced ability to regulate cognitive and emotional processes, and mental distancing. Burnout has been demonstrated to be correlated with anxiety and depression, a potential predictor of broader mental health challenges.<sup>2</sup> When used in this article, burnout does not imply a clinical condition.

<sup>1</sup> Job demands are physical, social, or organizational aspects of the job that require sustained physical or mental effort and are therefore associated with certain physiological and psychological costs—for example, work overload and expectations, interpersonal conflict, and job insecurity. Job resources are those physical, social, or organizational aspects of the job that may do any of the following: (a) be functional in achieving work goals; (b) reduce job demands and the associated physiological and psychological costs; (c) stimulate personal growth and development such as feedback, job control, social support (Wilmar B. Schaufeli and Toon W. Taris, “A critical review of the job demands-resources model: Implications for improving work and health,” from Georg F. Bauer and Oliver Hämmig’s *Bridging Occupational, Organizational and Public Health: A Transdisciplinary Approach*, first edition, Dordrecht, Netherlands: Springer, 2014).

<sup>2</sup> Previous meta-analytic findings demonstrate moderate positive correlations of burnout with anxiety and depression—suggesting that anxiety and depression are related to burnout but represent different constructs (Katerina Georganta et al., “The relationship between burnout, depression, and anxiety: A systematic review and meta-analysis,” *Frontiers in Psychology*, March 2019, Volume 10, Article 284).

Many employers have responded by investing more into mental health and well-being than ever before. Across the globe, four in five HR leaders report that mental health and well-being is a top priority for their organization.<sup>3</sup> Many companies offer a host of wellness benefits such as yoga, meditation app subscriptions, well-being days, and trainings on time management and productivity. In fact, it is estimated that nine in ten organizations around the world offer some form of wellness program.<sup>4</sup>

As laudable as these efforts are, we have found that many employers focus on individual-level interventions that remediate symptoms, rather than resolve the causes of employee burnout.<sup>5</sup> Employing these types of interventions may lead employers to overestimate the impact of their wellness programs and benefits<sup>6</sup> and to underestimate the critical role of the workplace in reducing burnout and supporting employee mental health and well-being.<sup>7</sup>

Research shows that, when asked about aspects of their jobs that undermine their mental health and well-being,<sup>8</sup> employees frequently cite the feeling of always being on call, unfair treatment, unreasonable workload, low autonomy, and lack of social support.<sup>9</sup> Those are not challenges likely to be reversed with wellness programs. In fact, decades of research suggest that interventions targeting only individuals are far less likely to have a sustainable impact on employee health than systemic solutions, including organizational-level interventions.<sup>10</sup>

Since many employers aren’t employing a systemic approach, many have weaker improvements in burnout and employee mental health and well-being than they would expect, given their investments.

<sup>1</sup> When used in this article, “mental health” is a term inclusive of positive mental health and the full range of mental, substance use, and neurological conditions.

<sup>2</sup> When used in this article, “burnout” and “burnout symptoms” refer to work-driven burnout symptoms (per sidebar “What is burnout?”).

<sup>3</sup> McKinsey Health Institute Employee Mental Health and Wellbeing Survey, 2022: n (employee) = 14,509; n (HR decision maker) = 1,389.

<sup>4</sup> Charlotte Lieberman, “What wellness programs don’t do for workers,” *Harvard Business Review*, August 14, 2019.

<sup>5</sup> Anna-Lisa Eilerts et al., “Evidence of workplace interventions—A systematic review of systematic reviews,” *International Journal of Environmental Research and Public Health*, 2019, Volume 16, Number 19.

<sup>6</sup> Katherine Baicker et al., “Effect of a workplace wellness program on employee health and economic outcomes: A randomized clinical trial,” *JAMA*, 2019, Volume 321, Number 15; erratum published in *JAMA*, April 17, 2019.

<sup>7</sup> Pascale M. Le Blanc, et al., “Burnout interventions: An overview and illustration,” in Jonathan R. B. Halbesleben’s *Handbook of Stress and Burnout in Health Care*, New York, NY: Nova Science Publishers, 2008; Peyman Adibi et al., “Interventions for physician burnout: A systematic review of systematic reviews,” *International Journal of Preventive Medicine*, July 2018, Volume 9, Number 1.

<sup>8</sup> Paula Davis, *Beating Burnout at Work: Why Teams Hold the Secret to Well-Being and Resilience*, Philadelphia, PA: Wharton School Press, 2021.

<sup>9</sup> Jennifer Moss, *The Burnout Epidemic: The Rise of Chronic Stress and How We Can Fix It*, Boston, MA: Harvard Business Review Press, 2021.

<sup>10</sup> Hanno Hoven et al., “Effects of organisational-level interventions at work on employees’ health: A systematic review,” *BMC Public Health*, 2014, Volume 14, Number 135.

Organizations pay a high price for failure to address workplace factors<sup>11</sup> that strongly correlate with burnout,<sup>12</sup> such as toxic behavior.<sup>13</sup> A growing body of evidence, including our research in this report, sheds light on how burnout and its correlates may lead to costly organizational issues such as attrition.<sup>14</sup> Unprecedented levels of employee turnover—a global phenomenon we describe as the Great Attrition—make these costs more visible. Hidden costs to employers also include absenteeism, lower engagement, and decreased productivity.<sup>15</sup>

In this article, we discuss findings of a recent McKinsey Health Institute (MHI) (see sidebar “The McKinsey Health Institute: Join us!”) global survey that sheds light on frequently overlooked workplace factors underlying employee mental health and well-being in organizations around the world. We conclude by teasing up eight questions for reflection along with recommendations on how organizations can address employee mental-health and well-being challenges by taking a systemic approach focused on changing the causes rather than the symptoms of poor outcomes. While there is no well-

established playbook, we suggest employers can and should respond through interventions focused on prevention rather than remediation.

## We are seeing persistent burnout challenges around the world

To better understand the disconnection between employer efforts and rising employee mental-health and well-being challenges (something we have observed since the start of the pandemic), between February and April 2022 we conducted a global survey of nearly 15,000 employees and 1,000 HR decision makers in 15 countries.<sup>16</sup>

The workplace dimensions assessed in our survey included toxic workplace behavior, sustainable work, inclusivity and belonging, supportive growth environment, freedom from stigma, organizational commitment, leadership accountability, and access to resources.<sup>17</sup> Those dimensions were analyzed against four work-related outcomes—intent to leave, work engagement, job satisfaction, and organization

<sup>11</sup> Gunnar Aronsson et al., “A systematic review including meta-analysis of work environment and burnout symptoms,” *BMC Public Health*, 2017, Volume 17, Article 264.

<sup>12</sup> Sangeeta Agrawal and Ben Wigert, “Employee burnout, part 1: The 5 main causes,” Gallup, July 12, 2018.

<sup>13</sup> *The high cost of a toxic workplace culture: How culture impacts the workforce — and the bottom line*, Society for Human Resource Management, September 2019.

<sup>14</sup> Caio Brighenti et al., “Why every leader needs to worry about toxic culture,” MIT Sloan Management Review, March 16, 2022.

<sup>15</sup> Eric Garton, “Employee burnout is a problem with the company, not the person,” *Harvard Business Review*, April 6, 2017.

<sup>16</sup> Argentina, Australia, Brazil, China, Egypt, France, Germany, India, Japan, Mexico, South Africa, Switzerland, Turkey, the United Kingdom, and the United States. The combined population of the selected countries correspond to approximately 70 percent of the global total.

<sup>17</sup> The associations of all these factors with employee health and well-being have been extensively explored in the academic literature. That literature heavily informed the development of our survey instrument. We have psychometrically validated this survey across 15 countries including its cross-cultural factorial equivalence. For certain outcome measures we collaborated with academic experts who kindly offered us their validated scales including the Burnout Assessment Tool (BAT), the Distress Screener, and the Adaptability Scale referenced below.

## The McKinsey Health Institute: Join us!

**The McKinsey Health Institute (MHI)** is an enduring, non-profit-generating global entity within McKinsey. MHI strives to catalyze actions across continents, sectors, and communities to achieve material improvements in health, empowering people to lead their best possible lives. MHI is fostering a strong network of organizations committed to this aspiration, including employers globally who are committed to

supporting the health of their workforce and broader communities.

MHI has a near-term focus on the urgent priority of mental health, with launch of a flagship initiative around employee mental health and well-being. By convening leading employers, MHI aims to collect global data, synthesize insights, and drive innovation at scale. Through collaboration, we

can truly make a difference, learn together, and co-create solutions for workplaces to become enablers of health—in a way that is good for business, for employees, and for the communities in which they live.

To stay updated about MHI's initiative on employee mental health and well-being sign up at [McKinsey.com/mhi/contact-us](https://McKinsey.com/mhi/contact-us).

advocacy—as well as four employee mental-health outcomes—symptoms of anxiety, burnout, depression, and distress.<sup>18</sup> Individual adaptability was also assessed<sup>19</sup> (see sidebar “What we measured”).

<sup>18</sup> Instruments used were the Burnout Assessment Tool (Steffie Desart et al., *User manual - Burnout assessment tool [BAT]*, - Version 2.0, July 2020) (burnout symptoms); Distress Screener (4DSQ; JR Anema et al., “Validation study of a distress screener,” *Journal of Occupational Rehabilitation*, 2009, Volume 19) (distress); GAD-2 assessment (Priyanka Bhandari et al., “Using Generalized Anxiety Disorder-2 [GAD-2] and GAD-7 in a primary care setting,” *Cureus*, May 20, 2021, Volume 12, Number 5) (anxiety symptoms); and the PHQ-2 assessment (Patient Health Questionnaire [PHQ-9 & PHQ-2], American Psychological Association) (depression symptoms).

<sup>19</sup> In this article, “adaptability” refers to the “affective adaptability” which is one sub-dimension of The Adaptability Scale instrument (Michel Meulders and Karen van Dam, “The adaptability scale: Development, internal consistency, and initial validity evidence,” *European Journal of Psychological Assessment*, 2020, Volume 37, Number 2).

## What we measured

**Workplace factors** assessed in our survey included:

- *Toxic workplace behavior:* Employees experience interpersonal behavior that leads them to feel unvalued, belittled, or unsafe, such as unfair or demeaning treatment, noninclusive behavior, sabotaging, cutthroat competition, abusive management, and unethical behavior from leaders or coworkers.
- *Inclusivity and belonging:* Organization systems, leaders, and peers foster a welcoming and fair environment for all employees to be themselves, find connection, and meaningfully contribute.
- *Sustainable work:* Organization and leaders promote work that enables a healthy balance between work and personal life, including a manageable workload and work schedule.
- *Supportive growth environment:* Managers care about employee opinions, well-being, and satisfaction and provide support and enable opportunities for growth.
- *Freedom from stigma and discrimination:* Freedom from the level of shame,

prejudice, or discrimination employees perceive toward people with mental-health or substance-use conditions.

- *Organizational accountability:* Organization gathers feedback, tracks KPIs, aligns incentives, and measures progress against employee health goals.
- *Leadership commitment:* Leaders consider employee mental health a top priority, publicly committing to a clear strategy to improve employee mental health.
- *Access to resources:* Organization offers easy-to-use and accessible resources that fit individual employee needs related to mental health.<sup>1</sup>

Health outcomes assessed in our survey included:

- *Burnout symptoms:* An employee's experience of extreme tiredness, reduced ability to regulate cognitive and emotional processes, and mental distancing (Burnout Assessment Tool).<sup>2</sup>
- *Distress:* An employee experiencing a negative stress response, often involving negative affect and physiological reactivity (4DSQ Distress Screener).<sup>3</sup>

— *Depression symptoms:* An employee having little interest or pleasure in doing things, and feeling down, depressed, or hopeless (PHQ-2 Screener).<sup>4</sup>

— *Anxiety symptoms:* An employee's feelings of nervousness, anxiousness, or being on edge, and not being able to stop or control worrying (GAD-2 Screener).<sup>5</sup>

Work-related outcomes assessed in our survey included:

- *Intent to leave:* An employee's desire to leave the organization in which they are currently employed in the next three to six months.
- *Work engagement:* An employee's positive motivational state of high energy combined with high levels of dedication and a strong focus on work.
- *Organizational advocacy:* An employee's willingness to recommend or endorse their organization as a place to work to friends and relatives.
- *Work satisfaction:* An employee's level of contentment or satisfaction with their current job.

<sup>1</sup> Including adaptability and resilience-related learning and development resources.

<sup>2</sup> Burnout Assessment Tool, Steffie Desart et al., “User manual - Burnout assessment tool (BAT), - Version 2.0,” July 2020.

<sup>3</sup> Distress screener, 4DSQ; JR Anema et al., “Validation study of a distress screener,” *Journal of Occupational Rehabilitation*, 2009, Volume 19.

<sup>4</sup> Kurt Kroenke et al., “The patient health questionnaire-2: Validity of a two-item depression screener,” *Medical Care*, November 2003, Volume 41, Issue 11.

<sup>5</sup> Kurt Kroenke et al., “Anxiety disorders in primary care: Prevalence, impairment, comorbidity, and detection,” *Annals of Internal Medicine*, March 6, 2007, Volume 146, Issue 5.

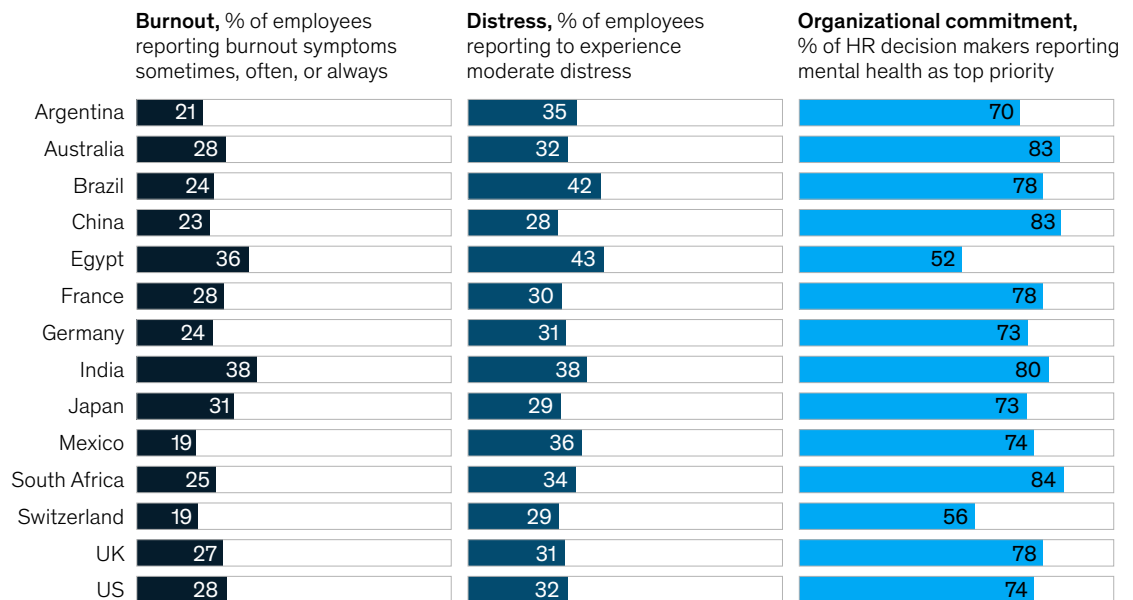
Our survey pointed to a persistent disconnection between how employees and employers perceive mental health and well-being in organizations. We see an average 22 percent gap between employer and employee perceptions—with employers consistently rating workplace dimensions associated with mental health and well-being more favorably than employees.<sup>20</sup>

In this report—the first of a broader series on employee mental health from the McKinsey Health Institute—we will focus on burnout, its workplace correlates, and implications for leaders. On average, one in four employees surveyed report experiencing burnout symptoms.<sup>21</sup> These high rates were observed around the world and among various demographics (Exhibit 1),<sup>22</sup> and are consistent with global trends.<sup>23</sup>

Exhibit 1

## Employees report high rates of burnout and distress symptoms, despite organizational commitment to mental health and well-being as a priority.

### Workplace outcomes by country



Note: Employees and HR decision makers surveyed were not necessarily from the same organizations.

Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022; employee, n = 14,509; HR decision maker, n = 1,389

<sup>20</sup> Our survey did not link employers and employees' responses. Therefore, these numbers are indicative of a potential gap that could be found within companies.

<sup>21</sup> Represents global average of respondents experiencing burnout symptoms (per items from Burnout Assessment Tool) sometimes, often, or always.

<sup>22</sup> Our survey findings demonstrate small but statistically significant differences between men and women, with women reporting higher rates of burnout symptoms (along with symptoms of distress, depression, and anxiety). Differences between demographic variables across countries will be discussed in our future publications.

<sup>23</sup> Ashley Abramson, "Burnout and stress are everywhere," *Monitor on Psychology*, January 1, 2022, Volume 53, Number 1.

So, what is behind pervasive burnout challenges worldwide? Our research suggests that employers are overlooking the role of the workplace in burnout and underinvesting in systemic solutions.

## Employers tend to overlook the role of the workplace in driving employee mental health and well-being, engagement, and performance

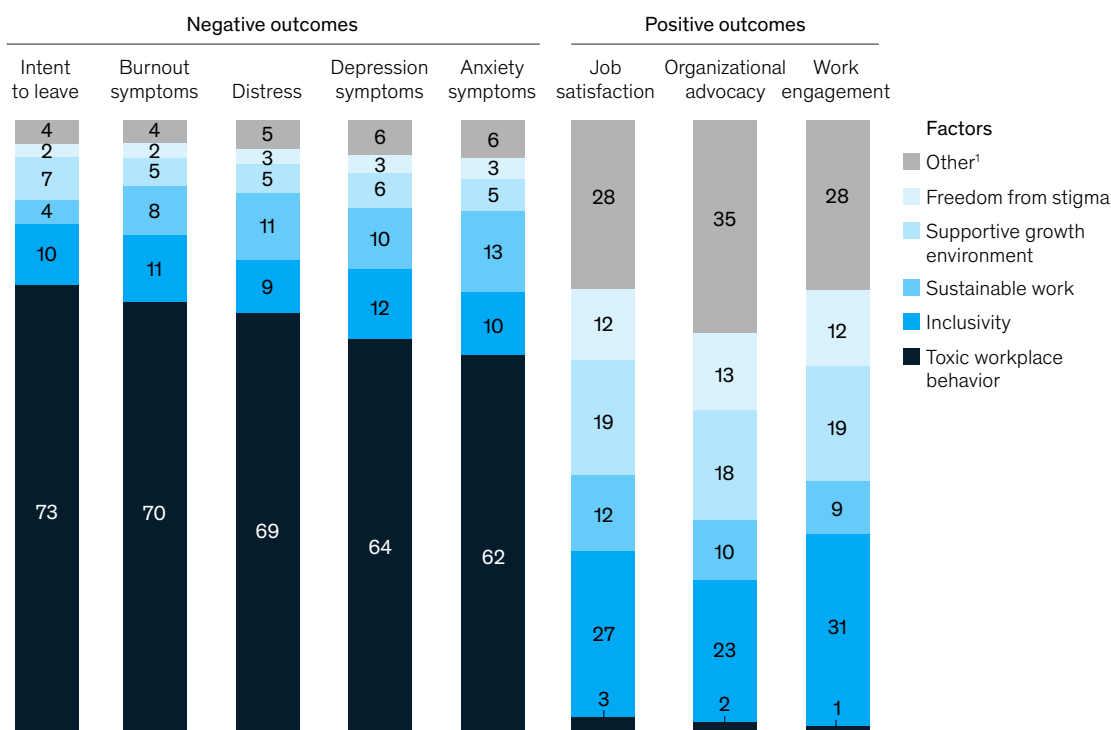
In all 15 countries and across all dimensions assessed, toxic workplace behavior was the

biggest predictor of burnout symptoms and intent to leave by a large margin<sup>24</sup>—predicting more than 60 percent of the total global variance. For positive outcomes (including work engagement, job satisfaction, and organization advocacy), the impact of factors assessed was more distributed—with inclusivity and belonging, supportive growth environment, sustainable work, and freedom from stigma predicting most outcomes (Exhibit 2).

Exhibit 2

## Toxic workplace behavior is the biggest driver of negative workplace outcomes, such as burnout and intent to leave.

**Contributing factors to workplace outcomes, % of variance in outcome measure driven by factor**



Note: % values indicate the relative contribution of each predictor to the proportion of variance explained for each outcome. These metrics were forced to sum to 100% (instead of R<sup>2</sup> or no meaningful sum) to allow for direct comparisons of the proportion of total variance explained across outcomes. Total r-squared for each outcome: work engagement, 0.53; organizational advocacy, 0.51; work satisfaction, 0.51; burnout symptoms, 0.36; intent to leave, 0.34; distress, 0.22; depression symptoms, 0.21; anxiety symptoms, 0.19. Figures may not sum to 100%, because of rounding.

<sup>1</sup>Includes organizational accountability, employee health as a strategic priority, and access to resources.

Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

<sup>24</sup> Measured as a function of predictive power of the dimensions assessed; predictive power was estimated based on share of outcome variability associated with each dimension; based on regression models applied to cross-sectional data (that is, measured at one point in time), rather than longitudinal data (that is, measured over time); causal relationships have not been established.

# In all 15 countries and across all dimensions assessed, toxic workplace behavior had the biggest impact predicting burnout symptoms and intent to leave by a large margin.

## The danger of toxic workplace behavior—and its impact on burnout and attrition

Across the 15 countries in the survey, toxic workplace behavior is the single largest predictor of negative employee outcomes, including burnout symptoms (see sidebar “What is toxic workplace behavior?”). One in four employees report experiencing high rates of toxic behavior at work. At a global level, high rates were observed across countries, demographic groups—including gender, organizational tenure, age, virtual/in-person work, manager and nonmanager roles—and industries.<sup>25</sup>

Toxic workplace behaviors are a major cost for employers—they are heavily implicated in burnout, which correlates with intent to leave and ultimately

drives attrition. In our survey, employees who report experiencing high levels of toxic behavior<sup>26</sup> at work are eight times more likely to experience burnout symptoms (Exhibit 3). In turn, respondents experiencing burnout symptoms were six times more likely to report they intend to leave their employers in the next three to six months (consistent with recent data pointing to toxic culture as the single largest predictor of resignation during the Great Attrition, ten times more predictive than compensation alone<sup>27</sup> and associated with meaningful organizational costs<sup>28</sup>). The opportunity for employers is clear. Studies show that intent to leave may correlate with two- to three-times higher<sup>29</sup> rates of attrition; conservative estimates

<sup>25</sup> Differences between demographic variables across countries will be discussed in our future articles.

<sup>26</sup> “High” represents individuals in the top quartile of responses and “low” represents individuals in the bottom quartile of responses.

<sup>27</sup> Charles Sull et al., “Toxic culture is driving the Great Resignation,” MIT Sloan Management Review, January 11, 2022.

<sup>28</sup> Rasmus Hougaard, “To stop the Great Resignation, we must fight dehumanization at work,” Potential Project, 2022.

<sup>29</sup> Bryan Bohman et al., “Estimating institutional physician turnover attributable to self-reported burnout and associated financial burden: A case study,” *BMC Health Services Research*, November 27, 2018, Volume 18, Number 1.

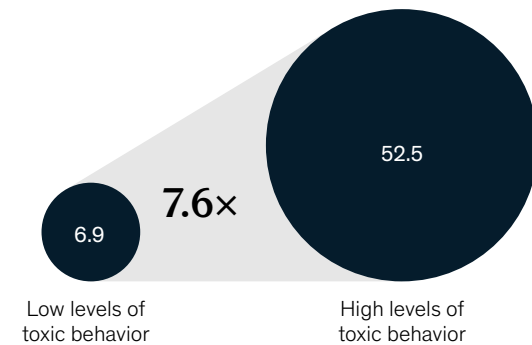
## What is toxic workplace behavior?

**Toxic workplace behavior** is interpersonal behavior that leads to employees feeling undervalued, belittled, or unsafe, such as unfair or demeaning treatment, non-inclusive behavior, sabotaging, cutthroat competition, abusive management, and unethical behavior from leaders or coworkers. Selected questions from this dimension include agreement with the statements “My manager ridicules me,” “I work with people who belittle my ideas,” and “My manager puts me down in front of others.”

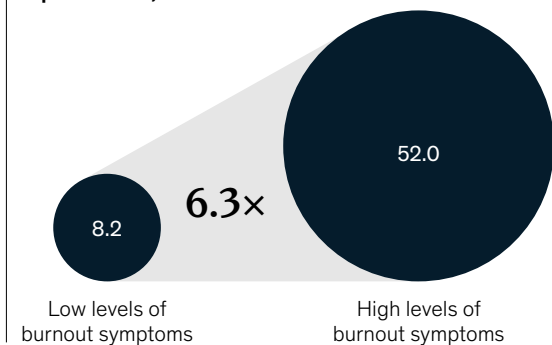
### Exhibit 3

## Employees reporting high levels of toxic behavior at work are more likely to experience burnout, leading to an increased intention to quit.

Share of employees reporting burnout symptoms by level of toxic behavior reported at work, %



Share of employees reporting intent to leave their job in the next 3–6 months by level of burnout experienced, %



Note: "Low" refers to bottom quartile of respondents; "high" refers to top quartile of respondents.  
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

of the cost of replacing employees range from one-half to two times their annual salary. Even without accounting for costs associated with burnout—including organizational commitment<sup>30</sup> and higher rates of sick leave and absenteeism<sup>31</sup>—the business case for addressing it is compelling. The alternative—not addressing it—can lead to a downward spiral in individual and organizational performance.<sup>32</sup>

### Individuals' resilience and adaptability skills may help but do not compensate for the impact of a toxic workplace

Toxic behavior is not an easy challenge to address. Some employers may believe the solution is simply training people to become more resilient.

There is merit in investing in adaptability and resiliency skill building. Research indicates that employees who are more adaptable tend to have an edge in managing change and adversity.<sup>33</sup> We see that edge reflected in our survey findings: adaptability acts as a buffer<sup>34</sup> to the impact of damaging workplace factors (such as toxic behaviors), while magnifying the benefit of supportive workplace factors (such as a supportive growth environment) (Exhibit 4). In a recent study, employees engaging in adaptability training experienced three times more improvement in leadership dimensions and seven times more improvement in self-reported well-being than those in the control group.<sup>35</sup>

<sup>30</sup> Michael Leiter and Christina Maslach, "The impact of interpersonal environment on burnout and organizational commitment," *Journal of Organizational Behavior*, October 1988, Volume 9, Number 4.

<sup>31</sup> Arnold B. Bakker et al., "Present but sick: A three-wave study on job demands, presenteeism and burnout," *Career Development International*, 2009, Volume 14, Number 1.

<sup>32</sup> Ibid.

<sup>33</sup> Karen van Dam, "Employee adaptability to change at work: A multidimensional, resource-based framework," from *The Psychology of Organizational Change: Viewing Change from the Employee's Perspective*, Cambridge, England: Cambridge University Press, 2013; Jacqueline Brassey et al., *Advancing Authentic Confidence Through Emotional Flexibility: An Evidence-Based Playbook of Insights, Practices and Tools to Shape Your Future*, second edition, Morrisville, NC: Lulu Press, 2019; B+B Vakmedianet B.V. Zeist, Netherlands (to be published Q3 2022).

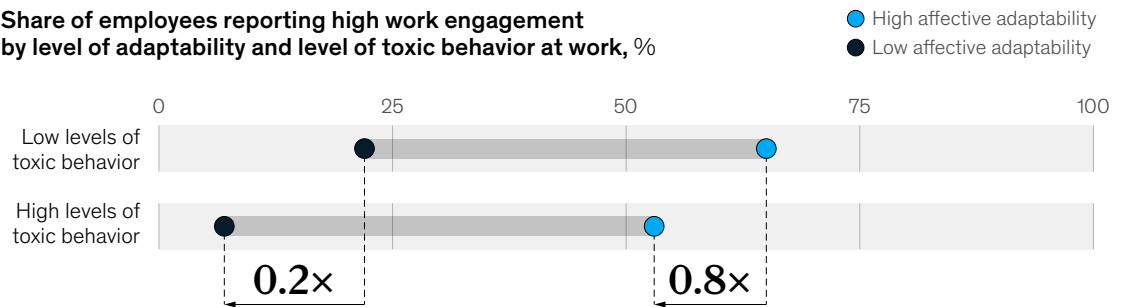
<sup>34</sup> Estimated buffering effect illustrated in Exhibit 4.

<sup>35</sup> McKinsey's People and Organization Performance - Adaptability Learning Program; multirater surveys showed improvements in adaptability outcomes, including performance in role, sustainment of well-being, successfully adapting to unplanned circumstances and change, optimism, development of new knowledge and skills; well-being results were based on self-reported progress as a result of the program.

Exhibit 4

## Although affective adaptability buffers the effect of toxic workplace behavior, it is not sufficient to overcome a bad environment.

Share of employees reporting high work engagement by level of adaptability and level of toxic behavior at work, %



Note: "Low" refers to bottom quartile of respondents; "high" refers to top quartile of respondents.  
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

However, employers who see building resilience and adaptability skills in individuals as the sole solution to toxic behavior and burnout challenges are misguided. Here is why.

Individual skills cannot compensate for unsupportive workplace factors. When it comes to the effect of individual skills, leaders should be particularly cautious not to misinterpret "favorable" outcomes (for example, buffered impact of toxic behaviors across more adaptable employees) as absence of underlying workplace issues that should be addressed.<sup>36</sup>

Also, while more adaptable employees are better equipped to work in poor environments, they are less likely to tolerate them. In our survey, employees with high adaptability were 60 percent more likely to report intent to leave their organization if they experienced high levels of toxic behavior at work than those with low adaptability (which may possibly relate to a higher level of self-confidence<sup>37</sup>). Therefore, relying on improving employee adaptability without addressing

broader workplace factors puts employers at an even higher risk of losing some of its most resilient, adaptable employees.

### What this means for employers: Why organizations should take a systemic approach to improving employee mental health and well-being

We often think of employee mental health, well-being, and burnout as a personal problem. That's why most companies have responded to symptoms by offering resources focused on individuals such as wellness programs.

However, the findings in our global survey and research are clear. Burnout is experienced by individuals, but the most powerful drivers of burnout are systemic organizational imbalances across job demands and job resources. So, employers can and should view high rates of burnout as a powerful warning sign that the organization—not the individuals in the workforce—needs to undergo meaningful systematic change.

<sup>36</sup> Tomas Chamorro-Premuzic, "To prevent burnout, hire better bosses," *Harvard Business Review*, August 23, 2019.

<sup>37</sup> Brassey et al. found that as a result of a learning program, employees who developed emotional flexibility skills, a concept related to affective adaptability but also strongly linked to connecting with purpose, developed a higher self-confidence over time; Jacqueline Brassey et al., "Emotional flexibility and general self-efficacy: A pilot training intervention study with knowledge workers," *PLOS ONE*, October 14, 2020, Volume 15, Number 10.

# Employees with high adaptability were 60 percent more likely to report intent to leave their organization if they experienced high levels of toxic behavior at work than those with low adaptability.

Taking a systemic approach means addressing both toxic workplace behavior and redesigning work to be inclusive, sustainable, and supportive of individual learning and growth, including leader and employee adaptability skills. It means rethinking organizational systems, processes, and incentives to redesign work, job expectations, and team environments.

As an employer, you can't "yoga" your way out of these challenges. Employers who try to improve burnout without addressing toxic behavior are likely to fail. Our survey shows that improving all other organization factors assessed (without addressing toxic behavior) does not meaningfully

improve reported levels of burnout symptoms. Yet, when toxic behavior levels are low, each additional intervention contributes to reducing negative outcomes and increasing positive ones.

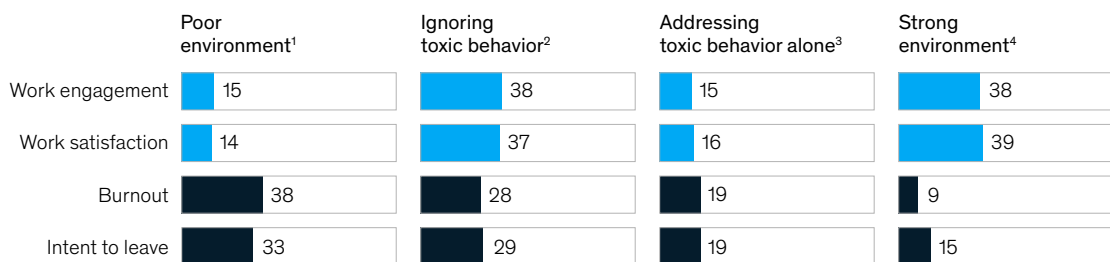
Exhibit 5 shows the estimated interplay between the drivers and outcomes, based on our survey data.

Taking a preventative, systemic approach—focused on addressing the roots of the problem (as opposed to remediating symptoms)—is hard. But the upside for employers is a far greater ability to attract and retain valuable talent over time.

Exhibit 5

## When there are high levels of toxic behavior in a workplace, addressing other organizational factors doesn't meaningfully improve burnout or intent to leave.

**Employee health and business outcomes by work environment type,**  
% of respondents with high level of outcome



Note: "Low" refers to bottom quartile of respondents; "high" refers to top quartile of respondents.

<sup>1</sup>High levels of toxic behavior; low levels of sustainable work, supportive growth environment, and inclusivity.

<sup>2</sup>High levels of toxic behavior, sustainable work, supportive growth environment, and inclusivity.

<sup>3</sup>Low levels of toxic behavior, sustainable work, supportive growth environment, and inclusivity.

<sup>4</sup>Low levels of toxic behavior; high levels of sustainable work, supportive growth environment, and inclusivity.

Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

# Employers can and should view high rates of burnout as a powerful warning sign that the organization—not the individuals in the workforce—needs to undergo meaningful systematic change.

## **The good news: Although there are no silver bullets, there are opportunities for leaders to drive material change**

We see a parallel between the evolution of global supply chains and talent. Many companies optimized supply chains for “just in time” delivery, and talent was optimized to drive operational efficiency and effectiveness. As supply chains come under increasing pressure, many companies recognize the need to redesign and optimize supply chains for resilience and sustainability, and the need to take an end-to-end approach to the solutions. The same principles apply to talent.

We acknowledge that the factors associated with improving employee mental health and well-being (including organizational-, team-, and individual-level factors) are numerous and complex. And taking a whole-systems approach is not easy.

Despite the growing momentum toward better employee mental health and well-being (across business and academic communities), we’re still early on the journey. We don’t yet have sufficient evidence to conclude which interventions work most effectively—or a complete understanding of why they work and how they affect return on investment.

That said, efforts to mobilize the organization to rethink work—in ways that are compatible with both employee and employer goals—are likely to pay off in the long term. To help spark that conversation in your organization, we offer eight targeted questions

and example strategies with the potential to address some of the burnout-related challenges discussed in this article.

## **Do we treat employee mental health and well-being as a strategic priority?**

This is fundamental to success. When a large organization achieved a 7 percent reduction in employee burnout rates (compared with an 11 percent increase in the national average within the industry over the same period), the CEO believed that leadership and sustained attention from the highest level of the organization were the “key to making progress.”<sup>38</sup> Senior executives recognized employee mental health and well-being as a strategic priority. Executives publicly acknowledged the issues and listened to employee needs through a wide range of formats—including town halls, workshops, and employee interviews (our research suggests that leaders are not listening to their people nearly enough). They prioritized issues and defined clear, time-bound measurable goals around them—with a standardized measure of burnout being given equal importance to other key performance metrics (financial metrics, safety/quality, employee turnover, and customer satisfaction). Although anonymous at the level of the individual, results were aggregated at division/department level to allow executive leadership to focus attention and resources where they were most needed.<sup>39</sup> This example highlights how CEOs have the ability to create meaningful change through listening to employees and prioritizing strategies to reduce burnout.

<sup>38</sup> John H. Noseworthy and Tait D Shanafelt, “Executive leadership and physician well-being: Nine organizational strategies to promote engagement and reduce burnout,” *Mayo Clinic Proceedings*, January 2017, Volume 92, Number 1.

<sup>39</sup> Liselotte Dyrbye et al., “Physician burnout: Contributors, consequences and solutions,” *Journal of Internal Medicine*, 2018, Volume 283, Number 6.

### Do we effectively address toxic behaviors?

Eliminating toxic workplace behavior is not an easy task. Organizations that tackle toxic behavior effectively deploy a set of integrated work practices to confront the problem,<sup>40</sup> and see treatment of others as an integral part of assessing an employee's performance. Manifestations of toxic behavior<sup>41</sup> are flagged, repeat offenders either change or leave, and leaders take time to become aware of the impact their behavior has on others. If you lead part of an organization, looking at your own behaviors, and what you tolerate in your own organization, is a good place to start.<sup>42</sup>

Another component of eliminating toxic behavior is cultivating supportive, psychologically safe work environments, where toxic behaviors are less likely to spread across the organization.<sup>43</sup> Effective leaders know that emotional contagion<sup>44</sup> may go both ways: displaying vulnerability and compassion fuels more compassionate teams; displaying toxic behavior fuels more toxic teams.<sup>45</sup> There are two caveats: toxic behavior may not be intentional—particularly if individuals are not equipped to respond with calm and compassion under pressure—

and regardless of intent, toxic behavior spreads faster and wider than good behavior.<sup>46</sup> To prevent unintentional dissemination of toxic behaviors, role modeling from adaptable, self-regulating, compassionate leaders may help (see sidebar “Leaders with higher self-regulation may be better, less toxic leaders”).

### Do we create inclusive work environments?

Most leaders recognize the established associations between performance and inclusion, but inclusion does not happen by accident. Inclusion is a multifaceted construct that must be addressed comprehensively and proactively. Most companies define inclusion too narrowly and thus address it too narrowly as well. Over the past three years, we've broadened our perspective on how to create truly inclusive workplaces and developed a modern inclusion model. The model includes 17 practices (based on frequency of desired behaviors) and six outcomes (based on perceptions of effectiveness). Each practice falls into one of three relationships that shape workplace inclusion: organizational systems, leaders, and peers/teammates.

<sup>40</sup> Robert I. Sutton, *The No Asshole Rule: Building a Civilized Workplace and Surviving One That Isn't*, first edition, New York, NY: Business Plus, 2010.

<sup>41</sup> “Why every leader,” 2022.

<sup>42</sup> “Author Talks: How to handle your work jerk,” March 29, 2022.

<sup>43</sup> Annie McKee, “Neutralize your toxic boss,” *Harvard Business Review*, September 24, 2008.

<sup>44</sup> John T. Cacioppo et al., *Emotional Contagion*, Cambridge, England: Cambridge University Press, 1994.

<sup>45</sup> Michael Housman and Dylan Minor, *Toxic workers*, Harvard Business School working paper, No. 16-057, October 2015 (revised November 2015).

<sup>46</sup> “To prevent burnout,” 2019.

## Leaders with higher self-regulation may be better, less toxic leaders

**Research shows** that leaders' development of self-regulation increases followers' ratings of their effectiveness and is associated with higher team financial performance as well as a higher final team grade compared with a control group. The benefits of self-regulation also improved leaders' development of task-relevant competencies.<sup>1</sup> Furthermore, building employees' resilience and adaptability skills leads to a higher sense of agency and self-efficacy,<sup>2</sup> which is related to reduced burnout and improved performance.<sup>3</sup>

<sup>1</sup> Robin Martin and JooBee Yeow, “The role of self-regulation in developing leaders: A longitudinal field experiment,” *Leadership Quarterly*, October 2013, Volume 24, Number 5.

<sup>2</sup> Jacqueline Brassey et al., “Emotional flexibility and general self-efficacy: A pilot training intervention study with knowledge workers,” *PLOS ONE*, October 14, 2020, Volume 15, Number 10; and Jacqueline Brassey et al., *Advancing Authentic Confidence Through Emotional Flexibility: An Evidence-Based Playbook of Insights, Practices and Tools to Shape Your Future*, second edition, Morrisville, NC: Lulu Press, 2019; B+B Vakmedianet B.V. Zeist, Netherlands (to be published Q3 2022).

<sup>3</sup> Charles Benight et al., “Associations between job burnout and self-efficacy: A meta-analysis,” *Anxiety, Stress, & Coping*, 2016, Volume 29, Issue 4; and Alex Stajkovic, “Self-efficacy and work-related performance: A meta-analysis,” *Psychological Bulletin*, 1998, Volume 124, Number 2.

The 17 inclusive-workplace practices, when done consistently well, drive workplace inclusion and equity for all employees by providing clarity into actions that matter. For example, among employees working in hybrid models, work-life support was the top practice employees desired improvements on—with nearly half of employees recommending prioritizing policies that support flexibility—including extended parental leave, flexible hours, and work-from-home policies.

A truly inclusive workplace implements systems that minimize conscious and unconscious bias, allowing employees to express themselves and connect with each other. It also features leaders who not only advocate for team members and treat them impartially but also uphold and support all organizational systems and practices. For example, one employer defined data-driven targets for the representation and advancement of diverse talent across dimensions (beyond gender and ethnicity) and role types (executive, management, technical, board)—leveraging powerful analytics to track progress and foster transparency along the way.

#### **Do we enable individual growth?**

Evidence suggests that individual growth, learning, and development programs are effective<sup>47</sup> ways to combat burnout and to retain and engage employees, and therefore are important for addressing growing talent and skills shortages within organizations. Employers who “double down” on talent redeployment, mobility, reskilling, and upskilling tend to see improvement across a range of financial, organizational, and employee experience metrics. In a recent study of extensive employee data, offering lateral career opportunities was two-and-a-half times more predictive of employee retention than compensation, and 12 times more predictive than promotions<sup>48</sup>—signaling an opportunity for leaders to support employee desires to learn, explore, and grow way beyond traditional career progression.

Investing in your employees’ capabilities can drive financial returns, is often cheaper than hiring, and signals to employees that they are valued and have an important role in the organization.

#### **Do we promote sustainable work?**

Promoting sustainable work goes beyond managing workload. It’s about enabling employees to have a sense of control and predictability, flexibility, and sufficient time for daily recovery. It’s also about leading with compassion and empathy<sup>49</sup>—tailoring interventions based on where, when, and how work can be done, and how different groups are more likely to (re)establish socio-emotional ties after a long period of isolation and loss of social cohesion.

One technology company is using real-time data on employee preferences to rapidly test and iterate solutions that work for specific groups around return-to-office options. To find solutions that work for your employees, consider adopting a test-and-learn mindset. This approach can help the organization make progress while adapting as context evolves (a hallmark of more productive organizations).

#### **Are we holding leaders accountable?**

Many organizations consider people leadership criteria in their performance management. Yet, there is substantial room to grow when it comes to employers providing transparency around employee mental-health and well-being objectives and metrics.<sup>50</sup>

Organizations that are doing this well have set clear expectations for managers to lead in a way that is supportive of employee mental health and well-being.<sup>51</sup> They offer training to help managers identify, proactively ask about, and listen to employees’ mental-health and well-being needs. They also introduce mental-health “pulse” checks and incorporate relevant questions into the broader employee satisfaction surveys, to establish a

<sup>47</sup> Arnold B. Bakker and Evangelia Demerouti, “Towards a model of work engagement,” *Career Development International*, 2008, Volume 13, Issue 3.

<sup>48</sup> “Why every leader,” 2022.

<sup>49</sup> “It’s time to eliminate bad bosses. They are harmful and expensive,” Potential Project, The Human Leader, April 2022.

<sup>50</sup> *Workplace Mental Health Blogs*, One Mind, “Fix performance management by aligning it with employee mental health,” blog entry by Daryl Tol, March 2, 2022; Garrett Slettebak, “Measuring progress on workplace mental health”, One Mind at Work, March 24, 2022.

<sup>51</sup> Taylor Adams et al., *Mind the workplace: Work health survey 2021*, Mental Health America, 2021.

baseline and track trends in how employees are feeling. Discussion on employee mental health and well-being can be incorporated into regular leadership meetings, including concerns, risks, and potential actions.

To encourage leaders to lead by example and increase their accountability, some employers embed employee mental-health support into leaders' reviews based on anonymous upward feedback from their teams. Finally, some companies are exploring if they can go even further and tie incentives to short- and long-term employee mental-health and well-being objectives.

### **Are we effectively tackling stigma?**

As noted in a previous McKinsey article, the majority of employers and employees acknowledge the presence of stigma<sup>52</sup> in their workplaces. Stigma has been shown to have real costs to workforce productivity, often exacerbating underlying conditions because of people being afraid to seek help for mental-health needs and driving down an employee's self-worth and engagement.

We see several actions that organizations are taking to eliminate stigma.<sup>53</sup> Leading by example can make a difference, with senior leaders stepping forward to describe personal struggles with mental health, using nonstigmatizing language.<sup>54</sup> Leaders showing vulnerability helps to remove shame and promote a psychologically safe culture.<sup>55</sup>

Stigma can also be reduced by companies prioritizing mental wellness as critical for peak performance instead of rewarding overwork at the expense of rest and renewal—rewarding an “athlete” mindset instead of overemphasizing a “hero.” This can begin to shift perception of signs of burnout or other mental-health needs as being indicative of a moral failing. Finally, creating a dedicated role to

support employee mental health and well-being and appointing a senior leader, such as chief wellness officer, will increase awareness and show commitment.

### **Do our resources serve employee needs?**

Leaders should evaluate whether mental-health and well-being resources are at parity with physical-health benefits and how frequently they are being used by employees. An increasing number of employers have expanded access to mental-health services<sup>56</sup>; however, research shows that almost 70 percent of employees find it challenging to access those services.

In a previous survey, 45 percent of respondents who had left their jobs cited the need to take care of family as an influential factor in their decision (with a similar proportion of respondents who are considering quitting also citing the demands of family care). Expanding childcare, nursing services, or other home- and family-focused benefits could help keep such employees from leaving and show that you value them. Patagonia, long the standard-bearer for progressive workplace policies, retains nearly 100 percent of its new mothers with on-site childcare and other benefits for parents.

Never in history have organizations around the world devoted so much attention and capital to improving employee mental health and well-being. It is lamentable that these investments are not always providing a good return regarding improved outcomes. Employers that take the time to understand the problem at hand—and pursue a preventative, systemic approach focused on causes instead of symptoms—should see material improvements in outcomes and succeed in attracting and retaining valuable talent. More broadly, employers globally have an opportunity to play a pivotal role in helping people achieve

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<sup>52</sup> In the context of employee mental health, stigma is defined as a level of shame, prejudice, or discrimination toward people with mental-health or substance-use conditions.

<sup>53</sup> Erica Coe, Jenny Cordina, Kana Enomoto, and Nikhil Seshan, “Overcoming stigma: Three strategies toward better mental health in the workplace,” July 23, 2021.

<sup>54</sup> Evelien Brouwers et al., “To disclose or not to disclose: A multi-stakeholder focus group study on mental health issues in the work environment. *Journal of Occupational Rehabilitation*, 2020, Volume 30, Number 1.

<sup>55</sup> *Global thriving at work framework*, MindForward Alliance, 2020.

<sup>56</sup> Charles Ingoglia, “Now more than ever, employers must provide mental health support for employees,” National Council for Mental Wellbeing, May 4, 2022.

material improvements in health. With collaboration and shared commitment, employers can make a meaningful difference in the lives of their employees and the communities they live in.

years to life and life to years. As part of that, MHI is focused on improving employee mental health and well-being at scale—in a way that is good for business, for employees, and for the communities they live in.

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The McKinsey Health Institute (MHI) is collaborating with leading organizations around the world to achieve material improvements in health—adding

To stay updated about MHI's initiative on employee mental health and well-being, sign up at [Mckinsey.com/mhi/contact-us](https://mckinsey.com/mhi/contact-us).

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