

avail

The Impact of Mental Health Problems On The Canadian Workplace



The focus of this Avail research report explores the question “What is the impact of mental health problems on the Canadian workplace?”. The purpose of answering this question is to provide a benchmark of baseline metrics against which employers and organizations can establish a business case for investing in good mental health—and a call to action.

The Issue

The cost of ignoring mental illness in the workplace is quickly becoming both staggering and prohibitive for employees and the organizations they work for.

Workplaces play a key part of maintaining positive mental health and well-being. They give people the opportunity to feel productive, purposeful, and connected to others in a common pursuit. Yet no workplace is immune to the stressors and challenges that can contribute to mental health problems and illnesses and deplete a person's psychological resources and resilience.

With most adults spending more of their waking hours at work than anywhere else, understanding how mental illness affects these individuals, and the business costs that are incurred, is essential to planning proactive workplace mental health programs, tools, information, and support.

We hope that this research report brings to light some of the challenges that organizations and employees face from poor psychological well-being and mental illness, and that we have created a sense of urgency for organizations to take the next steps towards achieving a mentally healthy and resilient workforce.

“Mental health is not binary in that people either have issues or not; it lies along a continuum and can change depending on the challenges we face...It's critical that employers consider the mental health of the entire workforce and develop a strategy that addresses all levels of mental health programming, including preventative measures to keep employees healthy, early intervention to navigate through challenges, and supportive policies to aid in effective transition back into the workplace.”

—Bill Howatt, PhD, Chief Research and Development Officer, Workforce Productivity, Morneau Shepell.¹

Background

The Mental Health Commission of Canada reports that in any given year, one in five working Canadians experiences a mental health problem or illness.² With a population approaching 37 million, this figure equates to approximately 7.4 million people—a staggering statistic when recognized as equivalent to the total number of people in Canada’s two most populous cities, Toronto and Montreal, combined.

The total cost from these mental health problems and illnesses to the Canadian economy is considerably significant, being estimated at approximately \$50 billion per year, which represents 2.8% of Canada’s 2011 gross domestic product.² The majority of these costs stem from healthcare and social support services, but Canadian business suffers enormously as well, losing at least \$6 billion dollars annually to lost productivity from absenteeism, presenteeism, and turnover.

The survey

In newly published research,³ Morneau Shepell, a leading provider of employee and family assistance programs in Canada, and The Globe and Mail partnered in a survey of 1575 Canadian employees run over a six-month period from early 2017 to August 2017.

The survey reported on the workplace experience of an average professional Canadian employee with a mental health problem or mental illness. The survey results were subsequently shared with the Mental Health Commission of Canada out of which came the collaborative white paper *Understanding Mental Health, Mental Illness, and their Impacts in the Workplace*.³

Of the surveyed respondents, 49% identified themselves as working for a large employer (501 or more employees), 14% for a medium employer (between 101 and 500 employees), 28% for a small employer (one to 100 employees). And nine per cent reported that they were currently unemployed.³

The socioeconomic status and education levels of respondents were also examined.

Survey participant salaries ranged evenly between less than \$30,000 and \$120,000 annually, with 20% of participants falling within the salary range of \$51,000 to \$70,000.

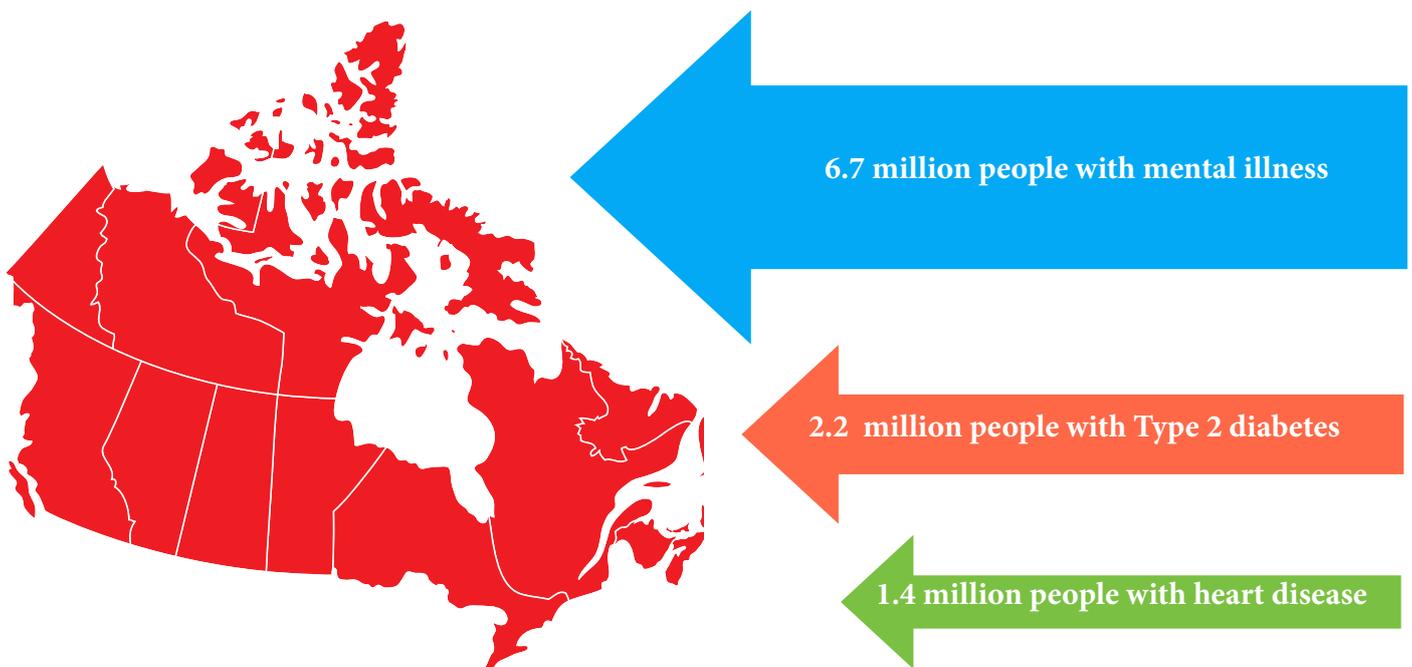
Educational levels ranged from “completed Grade 12” (10%), to community college (21%), a university degree (38%), graduate degree (19%) and post graduate degree (9%).

Finally, 34% of respondents identified as Millennials (ages 20 to 35), 35% as Generation X (ages 36 to 50), and 28% as Baby Boomers (ages 51 to 65). The remaining identified as Generation Z (ages 15 to 19) and Traditionalists (66 years and older). This coincides with an expected distribution of workers.³

Key findings

Understanding Mental Health, Mental Illness, and their Impacts in the Workplace revealed a number of important statistics, the most important of which are summarized below. Of note:

- Canadian employees report workplace stress as a top cause of mental health problems or illnesses (34%) with depression and anxiety as the other top issues (at 37% and 32%, respectively).
- Close to three-quarters (70%) of respondents stated that their work experience impacted their mental health.
- Seventy-two percent of employees surveyed reported they believed their mental health problem had or would negatively impact their careers.
- Mental health problems and illnesses were a primary reason for missing work, with 78% of respondents reporting they missed work due to mental health concerns. Of those missing work, 34% reported missing work for two or more months.
- 75% of respondents reported that to their knowledge their workplace did not have an overall workplace mental health strategy.
- If employees are not aware of, or provided, with effective, healthy coping strategies (e.g. counselling) many turn to unhealthy strategies to cope (e.g. alcohol or tobacco consumption).



The Impact of Mental Health Problems on the Canadian Workplace

- Almost half of respondents indicated that they have good coping skills for dealing with mental health challenges, citing family support and professional treatment as examples.
- For those respondents who reported that they use professional treatment, 50% reported using talking therapies (e.g. Cognitive Behavioural Therapy) and 53% relied on medication prescribed by a primary care physician and/or psychiatrist.
- 90% of respondents reported there were no attendance policies that addressed mental health (e.g., effective disability management and safe return-to-work programs).³

\$8,000,000,000

The total estimated cost of hospital care, physician care and drug expenditures associated with mental illness in Canada in 2008.⁴

What is mental health?

The World Health Organization defines mental health as “a state of well-being where every individual realizes his or her own potential, can cope with the normal stresses of life, work productively, and is able to make a positive contribution to her or his community...the ability to achieve this state of well-being is dependent on one’s ability to both cope with external demand factors (e.g., work, finances, relationships) and to create an internal sense of well-being through learned and developed skills such as emotional intelligence, sense of control, and optimism.”⁴

Mental health concerns can impact anyone at any time and can change depending on the daily experiences faced. This means that mental health requires being consciously managed on an ongoing, daily basis, and that mental health can cycle between good mental health, strained or problematic, and diagnosable mental illness.⁵

Mental health is not an “either-or” experience. For these reasons, proactive mental health promotion initiatives that increase personal protective factors (e.g. resilience, psychological capacity, optimistic thinking, hardiness), that encourage ongoing awareness and monitoring of one’s own health, and that are inclusive of the many dimensions of well-being, are most likely to be effective.

1 in 3

Number of disability claims attributed to mental illness each year.

What is mental illness?

Mental illnesses (aka “mental disorders”) are health problems recognized as medically diagnosable and that result in the notable impairment of an individual’s cognitive, affective and/or relational abilities. Mental illness affects our thoughts, emotions, and behaviours, and how we relate to others. These disorders result from biological, development, and/or psychosocial factors and can be managed using approaches comparable to those applied to physical disease (i.e., prevention, diagnosis, treatment and rehabilitation).⁶

Mental illnesses are more likely to come up during times of stress or uncertainty, which can be part of many people’s jobs. However, life stress outside of work can also affect mental health, which may then affect a person at work.

Simply put, mental illnesses affect our thoughts, feelings, behaviours, and the way we interact with the world around us.

Mental illness is not the same as feeling distressed because of normal reactions to difficult situations, such as the death of a loved one, job loss, a romantic breakup, going through a divorce, or a sudden change of circumstances. Rather, mental illness is a serious health problem that affects that person’s feelings, behaviours, our social interactions, and how we respond to the challenges we face.

Types of mental illness

The most common major mental illnesses⁷

Mood disorders that affect how you feel, including:

- Major depressive disorder
- Bipolar disorder
- Dysthymia

Anxiety disorders which cause intense and prolonged fear that is not based on actual threat or danger, including:

- Generalized anxiety disorder (GAD)
- Panic Disorder
- Simple Phobia
- Agoraphobia
- Social Phobia

Psychotic disorders (causing confused and rambling thoughts, delusions or hallucinations), including:

- Schizophrenia
- Delusional Disorder

Personality disorders which reflect personality features of thinking and behaving that differ significantly from social norms and expectations and make interpersonal functioning difficult.

Eating disorders which reflect unhealthy eating behaviours and are accompanied by negative thoughts about body shape and weight, including:

- Anorexia
- Bulimia

Disorders of childhood and adolescence, including:

- Mood disorders
- Anxiety disorders
- Attention Deficit Hyperactivity disorder (ADHD)
- Oppositional Defiant Disorder (ODD)
- Cognitive impairment, including:
- Dementia

Alzheimer's disease

Substance use disorders, including:

- Alcohol abuse/dependence
- Drug abuse/dependence

500,000

Canadians are unable to work each week due to mental health problems.²

Risk factors

Mental illnesses can emerge at any point in an individual's lifetime during childhood, adolescence or adulthood.⁷ Contributing factors include:

- genetics;
- early life experiences (e.g. abuse, trauma);
- stressful life events (e.g. financial problems, a loved one's death, divorce);
- environmental influences on a fetus (e.g. exposure to drugs or alcohol); and
- social, economic and educational status.

34%

Number of employees who report workplace stress as a top cause of mental health problems or illnesses.²

Costs to the economy

The economic burden of mental illness in Canada is estimated at \$51 billion per year or nearly 1400 dollars for each person living in Canada in 2016—a figure equivalent to 2.8% of Canada’s Gross Domestic Product. This includes health care costs, lost productivity, and reductions in health-related quality of life.^{8,9}

\$2.53 trillion



In the next 30 years, the economic impact of mental illnesses in Canada is expected to reach:

In the next decade, the annual cost of mental illness is predicted to rise to \$88.8 billion and the cumulative cost over the same period will be \$623.3 billion. By 2041, these annual costs are expected to be \$307 billion.^{8,9}

And in the next 30 years? The potential costs could exceed \$2.53 trillion.^{8,9}

Notably, these costs are an underestimate of actual costs because several factors that could affect these costs are not assessed in most studies, including:

- The impact on health-related quality of life;
- Police and criminal justice system costs incurred because people with mental health problems and illness are not getting timely or appropriate mental health services;
- Costs incurred by families caring for a family member with a serious mental illness; And,
- Indirect costs such as reduced income and taxation associated with diminished career options arising from leaving school or work prematurely.

Costs to employers

Mental illness affects the workplace by increasing costs of sick time, short- and long-term disability and workers' compensation claims. It also affects productivity through presenteeism—when people come to work but are not productive—and lost opportunity due to downtime.

78%

Number of employees reported missing work due to mental health concerns.

Of those, 34% reported missing work for two or more months.¹¹

Mental illness affects the workplace by increasing costs of sick time, short- and long-term disability and workers' compensation claims. It also affects productivity through presenteeism – decreases in performance due to illness or injury while an employee is still at work – and lost opportunity due to downtime.¹¹

One in three disability claims in Canada is related to mental illness and these claims represent approximately 70% of the total cost of disability claims.¹¹

According to research by Dr. Carolyn Dewa, Applied Public Health Chair of the Canadian Institute of Health Research and the Institute of Population and Public Health, mental illness is associated with more lost work days in Canada than any other chronic condition and costs nearly \$18 billion in lost productivity each year.¹¹

Compromised psychological health has a range of other negative effects, including compromised safety (most jobs require employees to have good concentration, social skills and the ability to solve problems effectively) and increased workplace grievances and complaints.¹¹

Coping strategies

Many Canadian organizations are uncertain how to build an effective mental health strategy and perceive a gap in resources, both to prevent mental health problems and illnesses in the workplace and to support the workers who develop them. In many workplaces there is both a lack of knowledge as to how to effectively manage the mental health of employees and a lack of resources that employers can provide. Instead of being recognized and managed, these problems are too often misjudged or disregarded.

Of those who participated in *The Mental Health Experience in Canada's Workplace* survey, 59% were found to have a neutral outlook on mental health, while the remainder noted a positive (26%) or negative outlook (15%). This trend was mirrored by the coping strategies reported by employees. The observed results were evenly distributed, with 46% of respondents reporting low/moderate coping skills and 54% using high/optimal coping skills.³

From the perspective of healthy coping skills, 45% of participants who identified as having experienced mental illness made use of family resources and

82% made use of professional treatment.³ Of those accessing professional treatment, 50% made use of talk therapy, 53% used or had used prescription medication (29% prescribed by a physician and 24% by a psychiatrist), and 20% made use of an Employee and Family Assistance Program (EFAP) through their employer.³

Of those participants over the age of 35, 51% noted a high concern for self-stigma surrounding their mental illness³ and 58% reported they had considered suicide as an option for coping.³



The costs of mental illness to employers is becoming prohibitive when you factor in the costs of turnover, presenteeism (at work but unproductive), absenteeism (including short- and long-term disability and workers' compensation premiums), conflict, addictions, accidents, drug costs, low engagement levels and lost productivity. And the personal costs? Potentially tragic yet almost entirely avoidable.

Conclusion

Mental health issues in the workplace are among the top concerns for Canadian organizations of all sizes and types. Employers and the employees who work for them are beginning to recognize that good mental health is key to personal and business success, and that to effectively reduce the negative impact of poor mental health requires awareness, intention, planning, action, and commitment. This Avail research report offers baseline metrics against which employers can establish a business case for investing in good mental health and a call for action.

Actively promoting and adopting initiatives related to enhancing workplace mental health provides immense benefits for all organizations and their employees alike, including enhanced worker satisfaction and sustainability, economic benefits related to an attentive and healthy workforce, and general improved quality of life outcomes.

An increasing number of organizations are supporting initiatives for the betterment of workplace mental health, thereby shaping an encouraging outlook on the future landscape of psychological health and safety in the workplace,

and, most importantly, the psychological well-being of workers across Canada.

When employers openly tackle the subject of mental illness and implement strategies intended to enhance well-being, they send a powerful message to employees that contributes to their feeling valued and cared for as people. Consequently, employers that support the mental well-being of their employees will find higher employee engagement, improved productivity and effectiveness, and better business results.

We advise that employers shift how they support mental health by broadening their concept of workplace mental health and act proactively rather than reactively. This means paying increased attention to early identification and modification of workplace stressors, and providing support and resources that strengthen employee psychological resilience and well-being, including preventative measures to keep employees resilient, and providing opportunities for early awareness and early intervention.

References

1. News release provided by Morneau Shepell Inc., July 5, 2018. Accessed online: <https://www.newswire.ca/news-releases/canadian-employees-report-workplace-stress-as-primary-cause-of-mental-health-concerns-687392781.html>.
2. Mental Health Commission of Canada (2012). Making the Case for Investing in Mental Health in Canada. Retrieved from https://www.mentalhealthcommission.ca/sites/default/files/2016-06/Investing_in_Mental_Health_FINAL_Version_ENG.pdf
3. Morneau Shepell (2012). Understanding Mental Health, Mental Illness, and their Impacts in the Workplace. Retrieved from: <https://www.morneaushepell.com/permafiles/91248/mental-health-white-paper-2018.pdf>
4. World Health Organization (2014). Fact File. Mental health: A State of well-being. Accessed online: http://www.who.int/features/factfiles/mental_health/en/
5. Rutter, M. (1985). Resilience in the Face of Adversity: Protective factors and resistance to psychiatric disorder. *British Journal of Psychiatry*, 147(6), 598-611. doi:10.1192/bjp.147.6.598
6. American Psychiatric Association. Accessed (2015). Official position statement accessed online: <https://www.psychiatry.org/patients-families/what-is-mental-illness>
7. American Psychiatric Association (2013). *Diagnostic and Statistical Manual of Mental Disorders (DSM-5)*.
8. Smetanin et al. (2011). The life and economic impact of major mental illnesses in Canada: 2011-2041. Prepared for the Mental Health Commission of Canada. Toronto: RiskAnalytica.
9. Lim et al. (2008). A new population-based measure of the burden of mental illness in Canada. *Chronic Diseases in Canada*, 28: 92-8.
10. De Oliveira et al. (2016). Patients with high mental health costs incur over 30% more costs than other high-cost patients. *Health Affairs*, 35: 36-43.
11. Dewa CS, Goering P, Lin E, et al. (2002). Depression-related short-term disability in an employed population. *Journal of Occupational and Environmental Medicine*. 44: 628-633.
12. Mental Health Commission of Canada (2012). *Changing directions, changing lives: The mental health strategy for Canada*. Calgary: MHCC.



We're shaping the future of behavioural health analytics to transform lives.



The Avail intelligent health platform brings an entirely new approach to achieving workforce resilience, engagement, and productivity.

Using evidence-based measures and assessment tools, our platform produces actionable insights to achieve greater behavioural and psychological fitness, directs users to relevant health-improvement education and tools, and integrates with your organization's health benefits and care services.

**Your organization's
mental health matters,
let's talk!**

hello@avail.app

720 King St W,
Suite 520 Toronto,
ON, M5V2T3

+1 (888) 502 2361