



The return to the workplace

The next phase of the pandemic

At the start of the pandemic, organisations were focused on business continuity. This necessitated a review of pandemic-related risks and the development of mitigation strategies. The mental health and wellbeing of employees presented significant risks and many organisations addressed them as part of their plans.

At this stage, the issue of concern is business sustainability rather than business continuity. The strain of the pandemic has disrupted some of the foundations of sustainability, including the mental health and wellbeing of employees. The risks being faced now differ from those during the height of the pandemic. Some organisations will experience some risks more significantly than others, but all organisations should be aware of each. The following outlines the six primary risks and strategies for mitigation.

The returning workforce is not the same as the pre-pandemic workforce

The pandemic's impact on mental health will remain long after the physical crisis is over

There has been much discussion recently about various approaches to managing a hybrid or dispersed workforce. Organisations and their leadership should recognise that a return to the workplace will pose several new challenges in addition to these. Whether employees have been working from home or have been on extended leave, **the workforce that is returning to the workplace is not the same as the one that left in March 2020**. The impact of the pandemic has been significant, plus a return to the workplace involves additional changes and the stress that accompanies them. This has important implications for the workplace.

- *The Mental Health Index by LifeWorks™* shows a massive decline in the collective mental health of the working population, with little evidence of any meaningful improvement since the initial decline.
- We have seen that employees who had their salary or hours reduced are reporting mental health scores lower than the scores reported for employees who actually lost their jobs – and much lower than the scores for those who were able to retain their income.

1. Disability risk has increased

In the first few months of the pandemic, we saw that more than one-quarter of the population were less likely to seek mental and physical healthcare than in 2019⁴. This delay in seeking care creates additional risk since any issues of concern are more likely to worsen in the absence of intervention.

- In LifeWorks' EAP, we saw an increase in the number of cases presenting with high-risk issues, including addiction, domestic violence, anxiety and other mental health issues, as well as a doubling of the proportion of cases involving suicidal ideation and a 250% increase of those involving social isolation.
- The proportion of the working population reporting high-risk alcohol use (15 drinks or more a week) is now 10%, a significant increase from the pre-pandemic level of 2%.

- 50% of Australians feel the need for mental health support.¹
- Several research studies that examined the aftermath of other prolonged epidemics found that the higher levels of mental health issues that emerged during such crises persisted for several years after the risk to physical health had subsided.²
- The longer-term impacts range from changes in behaviour to clinical disorders and include anger, irritability, insomnia, anxiety, depression, substance use issues and trauma-related disorder.³



working population considered to be in the high-risk mental health category as of spring 2021 vs 13% in 2019

- While the EAP is supporting those employees who access its services, many others who need support do not access its services, and they may be more likely to experience ongoing difficulties with productivity and regular attendance.
- With the doubling of the proportion of the population considered to be at high risk (34% in spring 2021, compared to 13% in 2019), we expect to see an increase of at least 60% in diagnoses of anxiety and depression, leading to an increase in disability claims.
- With a quarter of the population less likely to seek physical as well as mental healthcare, we also expect to see an increase in physical health claims and an increase in the complexity and duration of new claims as well increased litigation due to the complexity.

¹ Analysis based on the April 2021 Mental Health Index by LifeWorks.

² Wu, P., Fang, Y., Guan, Z., Fan, B., Kong, J., Yao, Z., Liu, X., Fuller, C.J., Susser, E., Lu, J. & Hoven, C.W. (2009). The psychological impact of the SARS epidemic on hospital employees in China: exposure, risk perception, and altruistic acceptance of risk. *Canadian journal of psychiatry. Revue canadienne de psychiatrie*, 54(5), 302-311.

³ Brooks S.K., Webster R.K., Smith L.E., Woodland L., Wessely S., Greenberg N., Rubin G.J. The psychological impact of quarantine and how to reduce it: rapid review of the evidence. *Lancet*. 2020; 395:912-920.

⁴ The Mental Health Index by LifeWorks, September 2020.

2. Absenteeism may increase

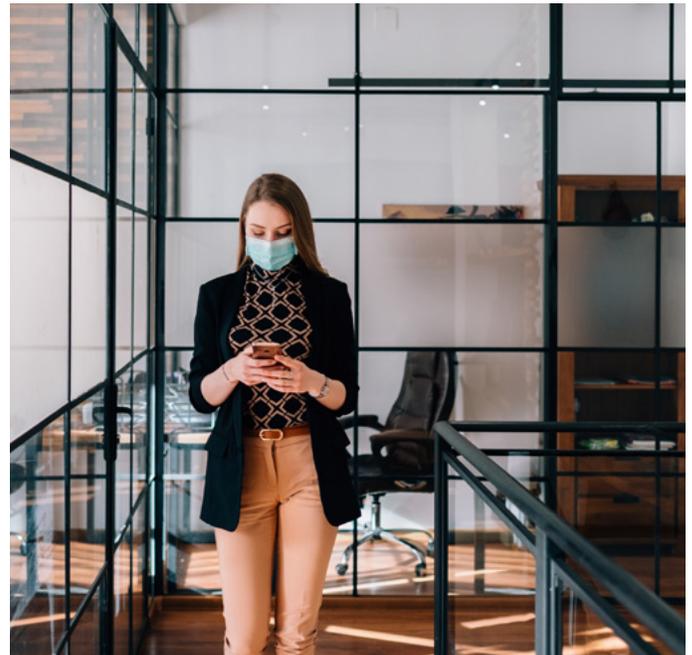
Lockdowns intend to protect lives and limit the strain on the healthcare system. As vaccines increasingly protect the population from serious illness and hospitalisation, many governments are lifting restrictions. This is despite a significant increase in the rate of illness from COVID-19 variants reported by some regions with high vaccination rates. Vaccines can limit the burden on hospitals, but they do not eliminate the risk of less serious illness and absence from work.

- In regions with a high vaccination rate, the strain on the healthcare system is reduced and additional intense lockdowns may thus be less likely. But because a higher rate of illness from COVID-19 variants is still possible, the risks shift to individuals and businesses.
- Employers, as well as employees, will likely be more vigilant against the possible spread of illness when someone shows mild symptoms and may require testing before an employee returns. This may result in additional time away from work for some.
- Children under the age of 12 are not yet eligible for vaccination, yet can develop COVID-19, which creates a caregiver issue for working parents.
- Post-COVID-19 symptoms (“Long COVID”) have been observed, even in mild cases.⁵ Persistent symptoms often include fatigue, mental haziness and breathing challenges, all of which involve risks to productivity and could lead to absenteeism.

3. Increases in turnover have started

We are now witnessing the increase in turnover rates and turnover intention that was predicted in our Mental Health Index⁶ almost a year ago.

- Many employees have been under chronic strain for more than a year. They have been dealing with multiple changes, working an extra 2 to 2.5 hours per day on average⁷ while also dealing with loss and unexpected new challenges. Many now find themselves exhausted. The urge to take back control is high and the need to relieve the strain with a fresh start is driving the surge in resignations.
- Our research shows that for more than half of the employees surveyed, the main driver of the intention to resign is mental stress. One-quarter of employees are considering leaving as a result of their employer’s response to the pandemic.
- Additionally, employees who do not leave may still experience a decline in productivity, since they may be dealing with the distractions related to this consideration as well as added work left behind by others who did leave.



⁵ <https://www.mayoclinic.org/coronavirus-long-term-effects/art-20490351>

⁶ The Mental Health Index by LifeWorks, November 2020

⁷ NordVPN, 2020

4. The role of managers is more demanding now

In a reversal of earlier patterns, the mental health of managers is now more compromised than that of employees.⁸ Before the pandemic, managers' mental health scores were slightly better than the scores for employees without management responsibilities ("non-managers"). There were many possible explanations for this – age, experience, access to resources, a sense of control – but none of those have lessened the impact of dealing with the pandemic in a leadership position. With this strain, the risk of turnover is also higher for managers.

- Managers and employees are dealing with the same pandemic-related challenges. But managers must also contend with business uncertainties, new health and safety protocols, shifting teams to different work locations, and ensuring that vulnerable employees are supported.
- More than half of managers report that they believe their role has changed during the pandemic; the majority believe the change is permanent. Many do not feel well equipped to manage the change.⁹
- In response to these additional responsibilities, the number one request from managers is for more training and better support for the wellbeing of their team.

5. Diversity, equity and inclusion issues are more visible

The pandemic also coincided with several societal traumas, including ongoing racial and indigenous issues and protests.

- These have affected employees in many ways, including triggering personal trauma and a heightened awareness of systemic racism. All of this has been accompanied by a decline in trust for established systems and authority figures.¹⁰

- These societal issues have led employees, along with many investors and members of the wider public, to express a clear expectation: organisations must ensure that their business practices and culture reflect active support for diversity, equity and inclusion.
- Almost half (44%) of respondents reported that the way they think about and interact with brands and companies has been influenced by their response to social justice issues. This is especially true for individuals under the age of 40 (54%).¹¹

6. Tension in the workplace is more likely

Major changes and prolonged strain create tensions and behaviours which may not always be congruent with expectations. The period of returning to the workplace will be no different.

- People are more likely to be on edge, quicker to anger and more irritable – all of which are predictable consequences of living with prolonged stress, as we have been doing during the pandemic.
- Workplace norms will need to be re-established or developed as an unpredictable environment is more likely to lead to conflict.

8 Mental health for people leaders during COVID-19: Leading on the edge, LifeWorks

9 Mental health for people leaders during COVID-19: Leading on the edge, LifeWorks

10 Edelman Trust Barometer, 2021.

11 The Mental Health Index by LifeWorks, December 2020

Organisations can take specific actions to manage the risks to employee health and productivity when returning to the workplace

It is clear that the events of the past several months have presented extraordinary challenges to the wellbeing of employees – beyond any other events in recent memory. More than ever, they need to reconnect with the foundations that support wellbeing.

Manage the transition back to the workplace as a major change

Among the principles of change management, these are now essential: visible leadership, stakeholder involvement, clear and consistent messaging and engaging communication.

More than ever, employees under stress will want to feel a sense of belonging and purpose, and they will be looking for a reaffirmation of the value of their roles and their efforts in the workplace.

A well-planned communications and change management strategy, which includes training to help individuals deal effectively with change, can help ensure a successful transition.

LifeWorks can help with communications and change management consultation and return to the workplace training.

Ensure visible mental health support

With the decline in mental health, the increase in substance use and the heightened reactions to stress, support for mental health is essential. To maximise the effectiveness of this support, employees would also benefit from ongoing communication about mental health, as well as visible demonstrations of empathy and support for their mental health from the leaders of their organisation.

Each employee has a different type and level of need, so organisations should consider offering support across a continuum of care. EAPs can provide this support through a range of intervention channels: in person, by telephone and in video sessions.

LifeWorks has been able to answer the increased demand for digital mental health services to support its more than 24,000 client organisations and help make life work for their employees and families.

LifeWorks can help with Workplace Learning on-site services, EAP and Total Wellbeing, as well as mental health communications strategies with the support of your LifeWorks CSM.

Review your absence and disability management practices

Ensure that your current programs and practices for managing absence and disability can accommodate this increase in the number and complexity of cases. Support for recovery from short-term disability will be essential, as well as accessible mechanisms to manage the complex and persistent issues that give rise to long-term disability risk. Mental health is, and increasingly will be, a driver of new claims. Expertise in disability management in this area will be important in the effective overall management of an organisation.

The management of employee absences also requires a special focus because such absences can be highly disruptive to overall productivity. A pattern of short absences is frequently an early indicator of chronic absence due to disability. Consistent reporting of absences, combined with effective support for employee health and a healthy workplace, can prevent significant losses for both employees and organisations.

LifeWorks can help with our EAP service for staff mental health support, our Physical Health services, as well as our Total Wellbeing platform that enables staff to assess and guide their Wellbeing journey

Train managers in workplace mental health

Issues that affect the mental health and wellbeing of employees can be a significant source of stress for managers. This stress is heightened when training for their role as managers has not equipped them with the skills they need to address these issues effectively.

Training managers to deal with mental health issues in the workplace benefits both employees and their managers. Another benefit of this training for managers is that it deepens their understanding of their own mental health and addresses the perception of the stigma that prevents many leaders from seeking the help they need.

LifeWorks can help with a variety of options for manager training that includes workplace mental health and related issues.



Build a culture that embraces diversity, equity and inclusion

The wellbeing of employees is supported in an organisation where they can feel a sense of belonging. Simply being with others in the workplace is not sufficient. Belonging requires a sense of physical and psychological safety and a feeling of being valued. Achieving this requires organisational intent, combined with individual knowledge and commitment.

LifeWorks can help with consultation and training services that address diversity, equity and inclusion.

Measure what matters

The mental health and wellbeing of employees is a critical factor in the success of every organisation's return to the workplace. It is important to know where your risk is most significant as well as whether your efforts in managing those risks are making a difference. Using its digital platform, LifeWorks has developed a unique tool to allow client organisations to measure the 'Social' wellbeing of their employees – providing additional insights to their business, and enabling enhanced ESG reporting functionality

LifeWorks can help with our **Total Wellbeing Index**, as well as benchmarking your population against the Mental Health Index and **virtual focus groups**.

All disruption provides opportunity. The COVID-19 pandemic may have created unprecedented strain but there is a significant opportunity in front of all organisations. Taking the steps required to support employees will pay dividends now and long into the future.

To find out more about how we can help contact your LifeWorks CSM for more information.