



# Coping with Covid

The hidden cost to businesses  
(and their people)





**Almost a year into the pandemic, with lockdowns and furlough now part of everyday life, it's easy to assume that we understand it – that we've got the measure of Covid, and it's now just a case of enduring until the vaccine rollout is complete.**

But if there's one thing the pandemic has taught us, it's that things are rarely so straightforward; our recovery – economic, social, physical and mental – will be far from linear. We are yet to see the full impact of this pandemic.

Whether it's the stress of juggling homeschooling and work or the pain of loneliness, Covid's impact stretches far beyond our physical health – it's taken a toll on our mental health as we continue to struggle with missing loved ones, moving goalposts and extended lockdowns.

With this research, we set out to quantify the impact that a year of risk, worry and change has had on our wellbeing and how that in turn affects the workplace.

The findings show the scale of the challenge that lies ahead. With £14 billion lost to mental health days alone last year and mental health-related absences on the rise, this research demonstrates that in order for businesses to recover, they must focus on safeguarding the wellbeing of their people.

Yet across the country, business leaders are looking in the wrong direction – their heads are in the books, scrutinising the numbers, fixated on the bottom line. Keen financial management will, of course, be essential to recovery, but it cannot come at the cost of people. Without engaged, highly productive employees, recovery will be at best limited and at worst impossible.

Making the case for spending when times are tough is never easy but investing in wellbeing pays. As a recent Deloitte study found, for every £1 spent on workplace mental health interventions, the business gets £5 back<sup>1</sup>. We'll look further at the economic impact and the role wellbeing should play in recovery in part two of this report: Coping after Covid.

Having spent over 100 years helping people with their health, we know the impact that poor wellbeing has on individuals, businesses and the economy. It's a price we can't afford to keep paying.

These findings are a call to action for businesses. They emphasise the need for individuals, companies and government to work together like never before to make a step change in the way we look after ourselves and one another. They demand that we not forget what is perhaps the most important lesson of 2020 – that our health truly is our wealth.

**Dave Capper, CEO**

<sup>1</sup> <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-mental-health-and-employers.pdf>

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## The research

We asked 1,600 employees and HR leaders across England about their workplace health and wellbeing.

The questionnaire-based research was conducted by an independent agency between November 2020 and January 2021.

## Key findings



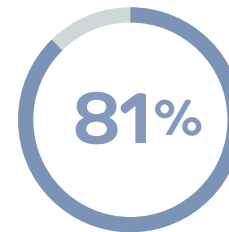
In 2020, days off due to mental health increased by **10%**

**A third** of employees reported poor mental health at their organisation



**36%** of employees say their mental health affects their productivity on a weekly basis

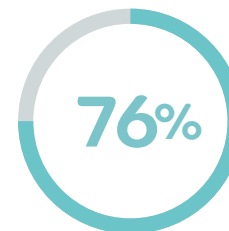
Employees report **significantly lower** levels of morale, wellbeing and productivity compared to HR leaders



**81%** of HR leaders say the pandemic has increased their wellbeing focus



**24%** of the workforce is looking for extra wellbeing support from their employer in the coming months



**76%** more mental health days off in the North of England compared to the South



the  
**mental health**

impact of Covid  
in the workplace



## Mental health days off increased in 2020

With lockdowns, reduced social contact and a big shift in how we work, it's unsurprising that the past year has seen a rise in mental health issues.

In 2020, employees reported an average of 3.2 days off work due to mental health, at a total cost to businesses of £14bn per year. This represents a 10% rise compared to 2019, and a significant dent in businesses' top line.



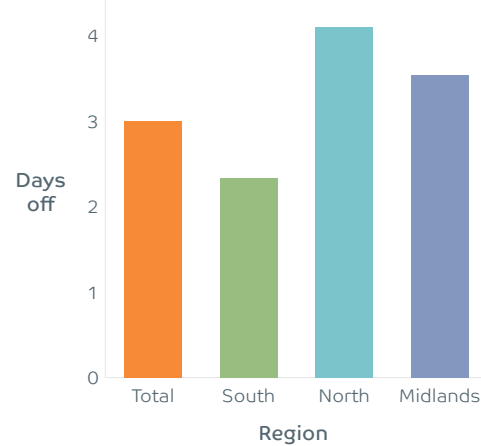
Mental health days off cost the economy

# £14bn

last year

Since this data was self-reported by employees, the full extent of mental health issues may not be reflected in companies' payroll reports. Mental health days can slip under the radar, being recorded as general illness or taken as holiday and going unnoticed by HR teams.

Number of self-reported days off in 2020 as a result of mental health



### Furloughed workers may be unaccounted for

The mental health impact of Covid is even more striking when considering the 9.9 million workers who have had time off due to furlough. Employees who had mental health issues while on furlough are unlikely to have reported it, given that they were off work already. This leaves them unaccounted for in both our research and individual HR records, but the effects will still be felt by businesses as employees return to work.

## Absences are just the tip of the iceberg

While 2020's absences paint a troubling picture, the true cost of poor wellbeing is not immediately visible to leadership teams.

Days lost to mental health are not confined to a 24-hour period of absence. Employees are likely to struggle with their mental wellbeing for some time before things get 'bad enough' to take a day off. The business impact of these lost days stretches far beyond reported absences, and the shockwaves are felt across departments as managers struggle to account for reduced productivity within their teams.

### presenteeism *noun*

The practice of coming to work despite illness, injury or mental health problems, often resulting in reduced productivity.

Even though the employee is physically at work, they are likely to underperform and may make more mistakes than usual.

As of January 2021, over a third (36%) of employees say their productivity at work is negatively affected by their mental health and wellbeing at least once a week.

This worrying trend has been exacerbated by the pandemic, with 28% of employees saying they feel less engaged than this time last year.



More than half the workforce find their mental health affects their productivity at least once a month



## The pandemic makes presenteeism more difficult to spot

The past year's lockdowns have mandated a switch to homeworking for many businesses, masking the scale of presenteeism in the workplace.

Opportunities for team building and collaboration are severely limited, and engagement is suffering as a result. Less than half (46%) of employees reported high engagement this winter and 32% reported low morale.

Our new ways of working can easily disguise the tell-tale signs that people are struggling. Remote working and Covid-secure workplaces create a sense of separation between managers and employees. Without a physical presence in the office, employees may be inclined to overcompensate or exaggerate their online visibility while quietly suffering with mental health issues.

Those struggling with stress may book short blocks of annual leave at the last minute as unofficial 'mental health days', further masking the business impact of poor mental health.

Average employee engagement is

**65%\***

\*Based on the weighted average of responses to the question: Overall, how engaged would you say you are at work at the moment?



A scenic view of a wooden pier overlooking the ocean at sunset. In the foreground, a coin-operated binocular viewer stands on the wooden deck. The pier's railing is visible, and the ocean extends to the horizon under a sky with soft, colorful clouds.

the **view**  
from the  
**HR desk**



## Employees may be struggling in silence

Our research shows a worrying disconnect between employees and HR leaders. When asked about the state of morale, wellbeing and productivity in their organisation, employees perceive the current situation far more negatively than HR teams.

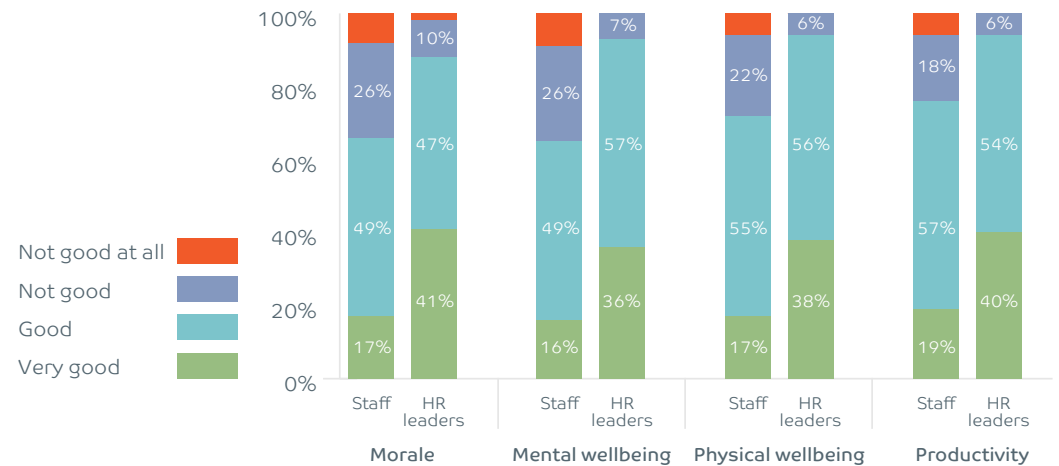
Over a third of employees (35%) reported mental wellbeing as ‘not good’ or ‘not good at all’, compared to only 7% of HR leaders.

HR are also more optimistic about productivity levels – 40% said productivity is ‘very good’, while only 20% of employees feel this way.

These findings suggest that Covid’s impact is not fully visible to HR teams. Despite these difficulties, there is a real opportunity for organisations to enhance their workplace support and emerge from lockdown with a more productive workforce.

### Wellbeing perspectives: Employees vs HR leaders

Overall, how would you describe the following when it comes to staff at your organisation?



## Covid is driving wellbeing up the agenda

While employees are still feeling the strain, HR teams are recognising the importance of the support they can offer. Expectations around employee support continue to rise, with 84% of HR leaders saying that wellbeing is getting more important to their business.

Covid-19 has accelerated plans for many organisations, with 81% of HR leaders saying the pandemic has increased their wellbeing focus.

Simultaneously, the strong link between wellbeing and productivity is driving the topic up the corporate agenda. Wellbeing support is repeatedly shown to optimise performance, with 43% of organisations with a staff wellbeing programme rating their productivity as 'very good' compared to only 18% of organisations without one.

84%

of HR leaders said wellbeing is getting more important to their business

81%

said they increased their wellbeing spend due to the pandemic

36%

of organisations expect to increase their wellbeing spend further in 2021

## Mental health drives performance



- + Customer loyalty
- + Productivity
- + Profitability
- + Staff retention

In 2019, LSE's Centre for Economic Performance published a meta-analysis of wellbeing data from almost 2 million employees and the performance of over 80,000 business, and found that higher wellbeing is positively correlated with productivity and business profitability.



## The full business impact is yet to be seen

Managers should be careful not to downplay the mental health impact of Covid on their people. If productivity is overestimated, projections and targets will follow, leading to an unfortunate reality check when departments underperform.

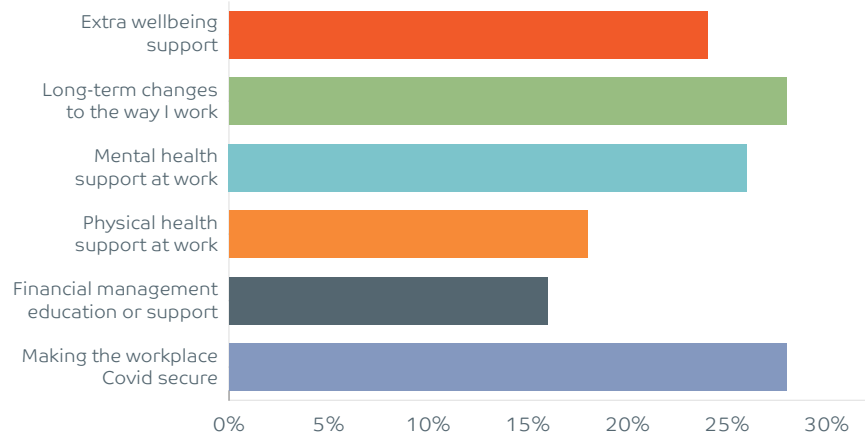
While business recovery is vital, it's important to account for reduced performance in the current climate. Managers who set unrealistic expectations are encouraging employees to overreach, risking mass burnout.

With restrictions affecting the economy across many key industries, incorrect figures will magnify existing issues and businesses will feel the financial squeeze, further setting them back from recovery.

Wellbeing's new-found prominence on the corporate agenda is a positive sign, but as the effects of the economic slowdown continue to be felt, what more can businesses do to help their people cope?

## Company-wide support: what employees want

Which, if any, of the following would you like from your employer in the next few months?



## 28% of employees are looking for long-term changes to the way they work

For some organisations, solving the productivity puzzle requires a culture shift.

An honest look at employee wellbeing will allow teams to acknowledge their biggest challenges and set expectations accordingly. This could take the form of an anonymous survey or workshop which captures current attitudes and informs the wider wellbeing strategy.

With almost a quarter of employees (24%) looking for extra wellbeing support from their employer in the coming months, it's vital that support is delivered in the right way, by the right people.



**wellbeing**  
**in action**  
practical advice for managers



## The importance of relationships

HR teams and line managers should be clear on where wellbeing responsibility lies. While HR must monitor organisational wellbeing and employee engagement, it is line managers who should step in and start the conversation on an individual level.

If employee behaviour abruptly changes or seems out of the ordinary, it may be time to check in. Often, those closest to the employee are best placed to do this.

Lockdown continues to exacerbate workplace stress, with 26% of employees reporting that they are feeling more anxious about work. Homeworking and social distancing can make it difficult to spot problems, but managers can create opportunities to pick up on social cues through regular 1:1s and wellbeing catch ups.

Team leaders should also consider how employee stress impacts the wider group. Conscientious employees may be reluctant to take time out if it puts additional pressure on their colleagues. If you notice a pattern of dependence on certain individuals, it may be time to re-evaluate how you share responsibilities within your team.



**26%**  
of employees are  
feeling more anxious  
about work

# Building a **supportive** workplace culture

## Develop genuine connections

Ask direct, open questions that show a genuine interest in the wellbeing of your team. Monthly 1:1s are a great place to ask employees how they're coping, but an informal chat can work just as well.

Help your team connect by planning regular activities which offer a break from the working day. A virtual coffee break, happy hour or book club might cater to different interests. Remember to keep these sessions casual and avoid 'forced fun'.

## Make resources accessible

All too often we signpost employees to a vague location 'on the intranet' for all our wellbeing resources. Whether you have an employee assistance programme, occupational health guidance or Mental Health First Aiders, it's important to remind employees exactly how they can access support.

## Practise empathetic listening

Managers love to find solutions – it's part of the job description. But when it comes to people, a listening ear is often the best approach.

Be consistent in your approach to build trust and rapport within your team. Employees will feel more comfortable opening up if they know their worries will be taken seriously and treated confidentially.

### **sympathy** *noun*

The feeling of being sorry for somebody; expressing that you care about somebody else's suffering.

### **empathy** *noun*

The ability to share someone else's feelings or experiences by imagining what it would be like to be in that person's situation.



## It's always better to ask

While it's natural to try and approach the situation in the most delicate way, don't fall into the trap of paralysis by analysis. Use your own words, be genuine and keep it simple. If you don't start the conversation, you'll never be able to help.

## You might ask...

“ How are you feeling?

How are you coping with the current situation?

What support have you got at home?

What are your upcoming plans?

What do you need from me?

What can I do to support you?



## Spotting the red flags

We all have our off days, but sudden changes in employee behaviour may indicate a deeper wellbeing issue. With social distancing in place, even the most diligent manager can struggle to spot the signs that someone is struggling.

While employees can be reluctant to start the conversation themselves, there are a number of behavioural changes for managers to look out for. These signals can be spotted across different working environments and often take the form of these common red flags.



### Cameras turned off

Homeworking can make it difficult to maintain working relationships, and video calls are often the best way for managers to notice changes in their team. Create a clear remote working etiquette for your organisation and check in on employees who become camera shy.



### Changing language and tone

Has someone become more negative or changed their normal way of speaking? Perhaps they're contributing less to group discussions or being dismissive of new ideas? These changes can be noticed in person, via video calls and in emails and are often an indicator of low mood.



### Emotional responses

Are emotions running high and if so, is this unusual? Look out for short-tempered responses both in person and via email, and check in with employees to see if there's an underlying cause.



### Performance issues

If someone's work isn't up to their usual standards, this is most likely not a loss of skill or knowledge, but rather a personal issue affecting their performance. Broach this issue sensitively, especially if an employee holds themselves to high standards, and listen with their wellbeing in mind.







## Resources and downloads

For HR professionals, managers and employees.

### [Covid-19 resource centre](#)

Downloadable guides to help your workforce navigate the pandemic

### [Wellbeing webinars](#)

On topics including mental health and building resilience

### [Mental Health First Aid courses](#)

Certified online courses for groups and individuals

### [HR health and wellbeing toolkit](#)

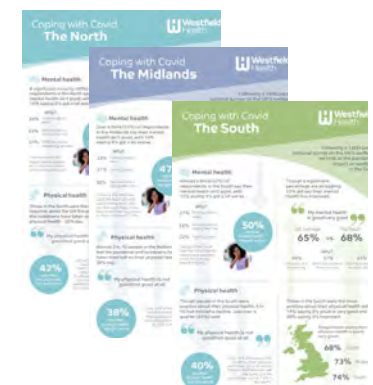
Our free guide for HR teams to kickstart their wellbeing strategy

### [Mind.org mental health advice](#)

Wellbeing at work tips from the leading mental health charity

Wondering how Covid has affected wellbeing in your local region?

Our [quick-reference factsheets](#) explore the pandemic's impact on the North, South and Midlands.



## Get in touch today.

[westfieldhealth.com/business](https://westfieldhealth.com/business)

Telephone: 0345 602 1629

Email: [businessenquiries@westfieldhealth.com](mailto:businessenquiries@westfieldhealth.com)

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Registered Office. Westfield House, 60 Charter Row, Sheffield S1 3FZ.