

UK's largest companies sharpen focus on workplace mental health and link between financial wellbeing and mental health strengthens

2 years ago



Almost a quarter of the UK's largest listed employers have improved their performance on workplace mental health overall in the past year, and almost half now recognise the link between financial wellbeing and the mental health of their employees, according to the second annual [CCLA Corporate Mental Health Benchmark- UK 100](#), published this week.

In an environment where UK employers in the private sector lose £43-£46 billion each year to poor workplace mental health,¹ the benchmark assesses 100 of the UK's largest listed companies with more than 10,000 employees each, representing a combined workforce of 5 million employees² on their global approach to workplace mental health. It ranks companies across five overall performance tiers to encourage companies and investors to think seriously about mental health as a systemic risk, and to develop robust management systems so that companies and their employees can thrive.

Centrica, Experian, HSBC and Serco in top tier, and 24 names move up

Since the inaugural benchmark in 2022, 24 companies have moved up at least one tier, including 10 firms who have moved out of tier five and almost a fifth of companies (19) ranking in the top two benchmark tiers, doubling the number from 2022. Of the 100, four companies have made the top tier, with Centrica,

Experian, HSBC and Serco Group performing strongest overall. The biggest improver, however, was Weir Group, climbing from tier four in 2022, to tier two in 2023.

Fair pay, financial wellbeing and mental health

In the aftermath of the pandemic and with the UK facing a continuing cost-of-living crisis, 43% companies in this year's benchmark published a formal policy explicitly acknowledging the link between financial wellbeing and mental health.

Compared to 26% in 2022 this 17 percentage points increase is the most marked year-on-year increase across the benchmark's 27 performance indicators.

Amy Browne, Stewardship Lead, CCLA said: "Covid-19 and the cost-of-living crisis have only served to compound our belief that poor mental health is a systemic risk. Companies have an economic and moral imperative to manage this risk. The huge increase in companies acknowledging the link between fair pay and financial wellbeing, and the mental health of their employees, is encouraging. It demonstrates that employers have an increasing awareness of their own responsibilities in ensuring good mental health in the workplace.

"Over the last 12 months, we have been bowled over by some of the feedback we have received from UK 100 companies. Many have used our recommendations to strengthen their own approaches, while others have used our insights to initiate and escalate internal conversations on mental health to the highest level. While it's encouraging to see solid progress from many, it is early days and we'll be monitoring companies closely over time."

Companies have further to go

Despite encouraging improvements, there are also areas that need close attention. While 93% of companies recognise mental health as an important business issue, 34% are yet to formalise their commitment to mental health in a policy statement. Similarly, 89% of UK companies are clearly investing in mental health programmes and initiatives, yet only 33% of companies report on their uptake.

One of the biggest areas needing improvement is in public leadership on workplace mental health. While 57% of companies have committed to removing the stigma associated with mental health (up from 44% in 2022), few leaders are publicly championing the issue. For investors who believe that CEO leadership is a key driver of change, the finding that fewer than 1 in 4 CEOs (37%) are formally signalling their leadership on mental health, is a potential cause for concern.

Paul Farmer, former CEO of Mind, co-author of 'Thriving at Work' and member of the expert advisory panel for the CCLA Corporate Mental Health Benchmark UK100, said: "Workers in the UK have been caught in the challenges of the post-pandemic recovery and cost of living crisis and there are now a clear range of ways that employers respond. With approximately 15% of the world's working population experiencing a mental disorder at any given time, business leaders have a critical and hands-on role to play to step up to this new challenge.

"Leadership must be visible and it must be intentional. The marginal improvement we've seen this year in CEOs publicly signalling their support for workplace mental health could indicate that leadership

efforts needs extra energy. This is an area of corporate practice that has significant moral and financial implications and which companies and investors alike should be monitoring closely. The positive lessons from Covid of a more compassionate leadership must not be lost at this crucial time.”

Peter Hugh Smith, Chief Executive, CCLA, said: “Healthy financial markets need healthy communities and the cost of mental ill-health among the corporate workforce is significant.

“For companies, employers play an important role in improving the mental wellbeing of their workers. This includes paying people enough and fairly, offering secure, good-quality jobs, and providing benefits that extend the value of their pay.

“For investors, it is very straightforward, we want to see companies taking positive steps to address this issue and we are confident that this will deliver a triple win – for employees, for employers and for investors. The risk of not doing so is too financially punitive. We have started the journey, the early results are positive, but it’s a long road ahead. Collectively as an industry we need to help companies to do more.”

The CCLA Corporate Mental Health benchmark is also starting to serve as an important engagement tool and accountability mechanism for a growing global coalition of investors and asset owners. Signatories to the [Global investor statement on workplace mental health](#) now number 45, representing in aggregate more than \$8.5 trillion in assets under management.³

The sister benchmark to the UK 100, the Global 100+, will be released in October 2023.

¹ <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-mental-health-report-2022.pdf>

² Bloomberg as at 12/01/23

³ [Global investor statement on workplace mental health \(ccla.co.uk\)](#)