Proceedings of the 5th International Conference on Modern Medicine and Global Health
DOI: 10.54254/2753-8818/2027.39298

How Healthy Workplaces Affect Employee Productivity and Organizational Performance

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Abstract. In a world that is progressing and changing rapidly, employees' mental health is often recognised but overlooked as an aspect of the workplace. This paper examines how healthy workplaces can influence employee productivity and overall organisational performance. Workplace mental health can affect employees' concentration, motivation, creativity and ability to perform consistently. Furthermore, poor mental health can create workplace challenges such as absenteeism, which may reduce organisational efficiency and increase economic costs. In contrast, organisations that promote employee wellbeing may benefit from greater workforce continuity, efficiency and performance. Therefore, using a literature review, this paper explores how workplace mental health should be viewed not only as an individual responsibility but also as an important organisational factor contributing to both economic and social outcomes. Most importantly, the key behind every success is a solid and sturdy mindset. Hence, this paper examines the consequences of poor workplace mental health and explores potential strategies for addressing these challenges.

Keywords: Workplace Mental Health, Employee Wellbeing Employee Productivity, Organisational Performance, Workplace Interventions, Strategic Investment

1. Introduction

At this time, employees' mental health will no longer be viewed as a personal, private healthcare matter [1]. Mental health is greatly linked with business productivity and performance. In the workplace, some people are open about their mental difficulties, while others struggle quietly and internally [2, 3]. However, both types of employees face the same difficulties. For instance, rushing to meet deadlines, balancing workloads, or simply coping with peer pressure can all lead to severe mental health issues, such as anxiety, depression, or neurodivergent conditions. Consequently, employee absenteeism would increase along with incredulity about their own potential. Hence, it is crucial to understand workplace mental health through statistics and established economic models and findings to develop solutions that improve morale, productivity, retention, and overall results. This essay examines three key concepts: the causes and consequences of poor mental health, the benefits of strategic investment in employees, and international perspectives and challenges.

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2. Causes and consequences of poor mental health

Firstly, it is crucial to understand that poor mental health can be the result of combinations of individual, organizational and socioeconomic factors. Individuals have different stress tolerance levels and different abilities to regulate their emotions. Hence excess workload or long working hours may lead to serious mental health issues. The organizational environment also plays an important role, as workplace relationships, management practices, workload, job security, and the behavior of colleagues can significantly influence employees' psychological well-being. In addition, socioeconomic conditions, such as financial insecurity and other economic pressures, may also increase the psychological demands experienced by employees. Furthermore, the underlying causes of workplace anxiety can also be explained by the effort–reward imbalance (ERI) model developed by Siegrist et al. Effort includes workload, responsibilities, time pressure and constant demand [4]. Moreover, rewards can include salary, recognition, promotion, job security and respect. Thus, sometimes for instance during economic turndowns employees may put in high effort, however there may be inadequate reward; as a result, there would be a sentiment of imbalances and psychological stress would be created. Eventually, poorer mental health means potential organizational consequences. Secondly, the consequences of employees having poor mental health can create a dual impact on both themselves and the business. When employees bring a negative mindset to the workplace, they stress out even more because many of them carry that weight without ever saying a word; this sometimes is also called masking-a way of hiding their real emotional state to fit in or avoid judgement. As a result, overthinking disorder may add to the stress level, which would make the situation even worse. In 2022-2023 alone, according to the Labor Force Survey (LFS) there were an estimated 875,000 cases of work-related stress, depression or anxiety in Great Britain for instance. In addition, a notable 63% of UK employees exhibited signs of burnout, such as exhaustion and disengagement [5]. Subsequently, employees may enter a vicious cycle involving self-doubt, reduced well-being, lower job satisfaction, reduced concentration, and reduced motivation. For businesses, the impact may also be significantly negative. For instance, one employee can only sense stress and self-doubt when they come to work, they would be more likely to avoid coming to work. Hence this would eventually lead to absenteeism or even turnovers. Similarly, there would be lower productivity, reduce organizational performance and possible increase in training and recruitment costs. Therefore, the consequences of poor mental health extend beyond individual employees and can become organizational and economic problems.

3. Investment in employees' mental health | from employee benefit to strategic investment

3.1. Economic losses caused by poor employee mental health

Employee mental health is often ignored by businesses when analyzing profit and loss. However, mental health issue is precisely and merely the biggest source of business losses, because without recognition and enthusiasm there would be no productivity and without productivity there would be no satisfaction. Eventually, employees would develop self-doubt, stress, depression or neurodivergent conditions. Hence, reduced productivity could potentially increase the cost per unit and increase losses for the business. Moreover, in any business organization, mental health has always been viewed as a 'soft' topic. Nevertheless, the latest 'Deloitte research' shows that the cost of poor mental health cost UK employers about fifty-one billion pounds every year. There are fundamentally three major causes. Firstly, absenteeism would reduce the workforce's capacity and can't achieve maximum productivity. Secondly, without satisfaction and purpose, they would

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eventually leave the business and this would dramatically hurt business reputation and increase the cost to recruit a new employee. In the UK for instance, according to 'Pebble Wellbeing' replacing just one employee can cost around £25,000–£30,000. Furthermore, recruitment time, training, onboarding, and productivity loss are all factors that increase the cost of the business.

3.2. Potential workplace interventions for employee mental health

Therefore, businesses should consider different methods of workplace interventions. For instance, businesses can introduce workload management, which can help when employees have high work capacity but struggle and become anxious under heavy workloads, eventually losing focus when stress, anxiety, and depression create mental exhaustion. Subsequently, 'workload management' can make employee's tasks organized and less overwhelming, in order to be able to bring out their best capabilities and maximize productivity and efficiency. Similarly, 'manager training' can also bring a significant amount of benefit. Managers plays a big role in the workplace, as they are someone who interact with employees regularly, someone who is likely to detect changes in employee's behavior and performance, and someone who communicate with employees directly and increase or reduce workplace stress. Ergo, since managers have direct impact towards the employee's mental health it is indispensable to make sure managers know how to detect and respond when an employee is struggling. Additionally, once the managers are trained, they will be able to have appropriate and efficient conversations about workload and well-being. Likewise, they could reduce potential workplace misunderstanding and conflict by creating a psychologically supportive team environment. Eventually according to Maslow's Hierarchy, once employees sense love and belonging in business organization they would then increase motivation and when senior managers recognize them whether it is their achievements or struggles, they would feel respected and valued. According to Maslow's hierarchy, self-actualization is the realization of one's full potential. Potentially, businesses will have lower absenteeism, turnover, presenteeism and have higher engagement and productivity. Moreover, inspired by some universities in north Europe, it is worth noticing that some universities require personality tests. For instance, at TU Delft University, they only consider students' academic achievement for sixty per cent and personality for forty per cent. From a practical standpoint, businesses could adopt a similar approach by choosing the right employees and managers from the outset. In particular, it would be important for businesses to understand the stress tolerance level of their managers and employees, because some jobs like doctors and nurses require a considerably high tolerance level of stress and heavy workload. Therefore, in my opinion, businesses in each sector could take the personality of workers into account, because high academic achievement doesn't always mean that managers or employees will achieve high efficiency.

However, it is critical to keep in mind that if businesses give excessive workload, unrealistic deadline, poor pay job insecurity etc. Then the business may be just treating the symptoms on the surface, rather than the underlying causes. Therefore, it is vital to take action, attention and awareness about employee's mental health in order to minimize business cost and view this as an investment that would maximize employee morale, productivity and overall organizational performance.

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4. International perspectives and challenges

4.1. Equality and equity: key distinctions in workplaces mental-health support

Before tackling the question, it is crucial to understand the difference between equality and equity. Businesses worldwide should understand, consider, and address this factor when implementing workplace healthcare support. Equality is treating everyone the same, regardless of their individual differences or circumstances. On the other hand, equity is about providing different levels or methods of support based on individual needs and circumstances to ensure everyone has an equal opportunity to succeed. Hence, businesses should take equity into account, since it is about fairness and justice. Moreover, this is where different individuals with different needs would be treated accordingly. Sometimes, equal provision of support does not necessarily bring equal outcomes. Ultimately, poor mental health can result higher healthcare expenditure, increased absenteeism and greater demand for disability-related support. Hence all of these can increase business costs significantly.

4.2. Multiple constraints for implementing mental-health strategies across countries

However, equity in workplace mental health extends beyond differences between individual employees. In some occasions a business may intend to provide supportive policies but the outcomes may differ depending on the cultural environment in which those policies are implemented. Furthermore, the topic of mental-health can be very sensitive to openly discuss for some employees. If a company tells an employee to seek professional help, can that employee actually be willing and able to access it? Access may differ considerably across countries because of differences in social stigma, culture, and institutional and socioeconomic environments. Additionally, availability and healthcare systems determine the accessibility of support. Firstly, some employees may view the mental-health support as positive, however some may view this negatively. For this reason, before taking any actions businesses must understand whether employees feel comfortable discussing their mental health. In particular, in some cultures, seeking mental health support may be perceived as a sign of weakness. Moreover, in some countries, laws categorize people with mental health issues as disabled. One example is UK's 'Equality Act of 2010' recognize disabled employees as someone that has a 'substantial adverse effect' on their life, such as they regularly cannot focus on tasks, or it takes them longer to complete tasks. Consequently, employees would not be willing to admit or seek for support if they struggle mentally; this behavior is what we have discussed earlier – 'Masking'. As a result, although businesses may provide mental health support, employees may be unwilling to access it, making the support ineffective. Furthermore, each country has its own laws and policies concerning employees' mental health. For instance, in the UK under the law of mental health employers have a 'duty of care'. This means that employers must make sure a working environment is safe, protecting staff from discrimination and carry out risk assessments. Hence, it illustrates that workplace mental-health strategies are partly shaped by national regulatory frameworks. Similarly other countries also have specific laws, for example the common ones are working hours, employee protections, employer responsibilities, and workplace health and safety requirements. Ergo, businesses do not operate in isolation; their mental-health strategies are partly shaped by the regulatory environment in which they operate.

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5. Conclusion

This study investigates the importance of workplace mental-health and what are the causes and consequences of poor mental-health. Furthermore, this study discusses potential methods for businesses to minimize employee stress, anxiety, and depression, which can lead to inefficiency. This indicates that mental health should not be viewed as a personal or healthcare issue but as closely linked to business performance and outcomes. Therefore, businesses should integrate this issue into one of their business strategies or objectives, in order to achieve high efficiency and maximum productivity to provide. Moreover, my study suggests certain workplace intervention methods to improve the overall mental health, but also, through a greater scope perhaps business internationally need to find the right person for the right job first by focusing more on people's personality rather merely on their academic achievements. As a result, there would be fewer people suffering from depression, anxiety, and self-doubt that would eventually lead to profit losses for businesses and increase the chance of suicide and mental health problems that are hard to cure. However, intervention needs to be done after statistical analysis and the understanding of the difference between equality and equity. Finally, the evidence in this paper suggests that workplace mental health extends beyond individual well-being, because it is shaped by organizational conditions and the wider cultural, institutional and socioeconomic environment in which businesses operate. Lastly, this study primarily proposes intervention strategies at the organizational and institutional levels, without a detailed discussion of the varied mental-health needs of employees in different industries and job roles.

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