

Sponsored by



QBE

CIR

CONTINUITY INSURANCE & RISK



► **Cost and consequence: the business impact of poor mental health in construction** As data shows over 18 million working days were lost to poor mental health last year, employers must build a culture of well-being to safeguard the welfare of their workforce – and their business output. David Dexter writes

Mental health in construction



Sponsored by

Cost and consequence: the business impact of poor mental health in construction

As headlines broadcast the news that a million more people in the UK suffer from mental health issues today than did three years ago, figures show that almost half (47 per cent) of working age adults with a disability cite mental health as a cause – a huge jump up from 24 per cent a decade ago.

As Hannah Slaughter, senior economist at the Resolution Foundation, said earlier this year, “tackling rising ill-health is a huge social and economic challenge that we’ll be facing throughout the 2020s. The UK has a bigger, but sicker, workforce than we previously thought.”

Of course, mental health not only impacts personal well-being and healthcare, but work and employment too. Mental health is an important pillar of modern business, particularly post-pandemic – but what exactly should we be thinking about when we consider mental health in the context of employment?

As defined by the World Health Organisation, mental health is a “state of well-being in which the individual realises his or her abilities, can cope with the normal stresses of life, work productively and fruitfully and is able to make a contribution to his or her community”.

However, according to government reports, stress, depression or anxiety account for almost half (49 per cent) of all work-related ill health. And in the most recent data collection

As data shows over 18 million working days were lost to poor mental health last year, employers must build a culture of well-being to safeguard the welfare of their workforce – and their business output. David Dexter writes

from 2022/23, work-related ill health accounted for over half (54 per cent) of working days lost.

The cost – to both profit and productivity – is colossal. In the light of these quite dramatic emerging figures – which stand far higher in the UK than most European countries – are too many employers tackling workforce well-being in a reactive manner, when prevention is better than a cure?

Costs to business

ONS data shows that over 147,000 working age adults are out of the workforce due to depression and anxiety alone. If we multiply the number of people who are economically inactive due to depression, bad nerves or anxiety by the average person’s labour productivity (£62,354) we can calculate a GDP loss of £9.1 billion, according to Oxford Economics.

In addition, 18.5 million working days were lost due to work-related stress, depression, anxiety or serious mental health problems in 2022/23. When we multiply the number of working days lost by the average person’s daily labour productivity (£227 per day), we find sickness

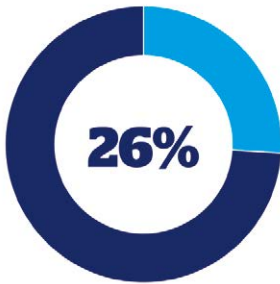
absences due to mental health conditions reduce UK GDP by a further £5.1 billion a year.

Adding the foregone GDP from those who are economically inactive due to poor mental health and those in work but losing days due to mental health conditions works out at £14.3 billion of lost GDP – or 0.6 per cent of UK GDP.

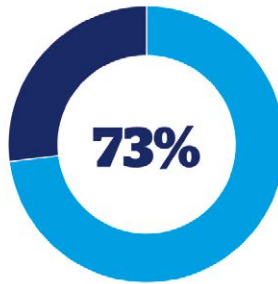
Sectors in the spotlight

We know that across the world, there have been an additional 75 million cases of anxiety, stress and depression since the start of the pandemic. The scale of this statistic is staggering – and many will be struggling with these mental health issues while continuing to work. In sectors including construction, haulage and manufacturing, the figures are even more alarming. To illustrate further, men in construction are three times more likely to kill themselves than the national average; depression and

“According to government reports, stress, depression or anxiety account for almost half of all work-related ill health”



of tradespeople are more likely than workers in other industries to experience mental ill-health in the UK



of UK tradespeople surveyed said they are experiencing mental ill-health right now or have done so in the past

Source: *Behind the High-Vis: Mental Health Whitepaper, On the Tools*

anxiety have overtaken musculoskeletal disorders in the construction sector; and research suggests that absent construction workers are more likely to lie about the reason when it is related to mental health and give a different reason for their time off.

In a 2023 whitepaper from construction community, *On the Tools*, UK tradespeople reported their experiences with mental ill health. The *Behind the High-Vis* whitepaper showed that less than half (48 per cent) of UK consumers surveyed have been affected either in the past or currently by poor mental health, compared with almost three-quarters (73 per cent) of UK tradespeople.

Further, 97 per cent of UK tradespeople surveyed who experienced mental ill health are male. One recurring theme in the qualitative research interviews was the reluctance amongst male construction workers to engage in dialogue with other tradespeople out of fear of bullying resulting from the conversation. Many interviewees reported the pressure to put on a front and that displays of emotion could be regarded as a weakness.

Employers and workers are clearly under pressure, and the numbers are

growing. Our own broader research has shown that a quarter of workers hide mental health challenges from their employers. Two construction workers die by suicide every day and nearly a third (31 per cent) say they would not feel comfortable disclosing a mental health issue to their employer.

Whilst conversation around stress and mental health is becoming more open, for key sectors such as construction, pre-emptive care should be prioritised as part of an employer's duty of care to their workforce.

Struggling through – the impact

The consequences of poor mental health are wide ranging but as far as the impact on business activities is concerned, one of the most obvious outcomes is absenteeism. In fact, data reveals that 81 per cent of construction workers in the UK – that's over 2.1 million employees – have taken sick leave as they felt they needed to take a break and rebuild their energy.

Even before the pandemic, mental health issues were the single largest cause of working days lost in the UK but for the construction sector, where

physical work forms a large part of business operations, absenteeism isn't the only mental health risk to companies. Poor mental health in workers can result in a range of potentially damaging outcomes.

"In male-dominated industries such as construction, employees are often less willing and able to open up about their mental health and ask for support," said Emma Mamo, head of workspace well-being at mental health charity, Mind.

"This can be problematic because mental health problems often become worse if left untreated and the consequences can be fatal."

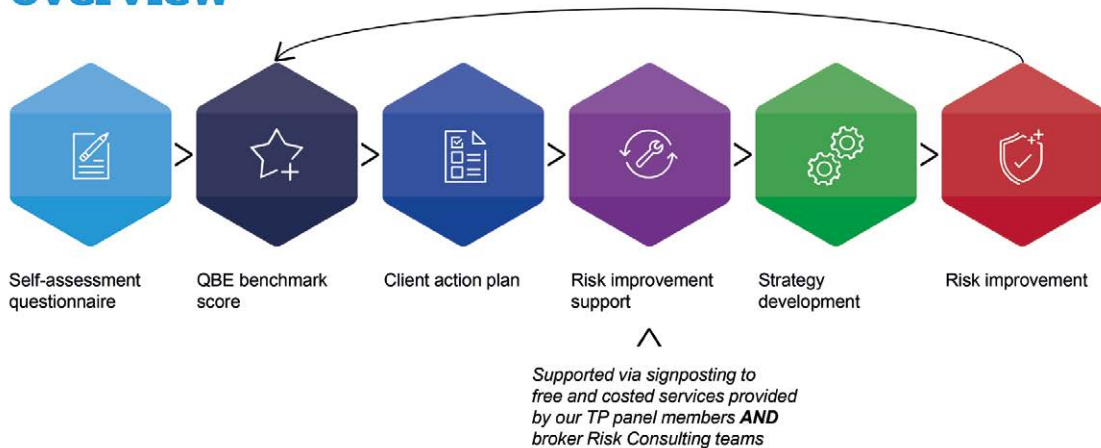
From a physical risk perspective, presenteeism is also a big concern – workers on site who, if they were honest about their mental health status, should not be there, with all the consequential associated risks when working in dangerous occupations. A lack of focus may decrease situational awareness; disengagement and increased fatalism may lead to an absence of care about risk; and reduced self-control may actively create risks.

For sectors that operate powerful machinery, working at height, or with chemical products (and where poor mental health is recorded at above average levels) safety concerns are heightened further.

"In an industry like construction, where tradespeople often work in dangerous conditions, the opportunities to engage in active suicidal ideation or even act out

"A lack of focus may decrease situational awareness; disengagement and increased fatalism may lead to an absence of care about risk; and reduced self-control may actively create risks"

Customer process overview



suicidal thoughts are much more frequent,” reports the *Behind the High-Vis* whitepaper.

“In the same way, the nature of the construction industry, unfortunately, has the potential to increase instances of ‘intrusive thoughts’ like ‘the high place phenomenon’, whereby tradespeople who may not experience mental ill health... may attempt suicide regardless.”

The research also shows that three in five UK tradespeople (60 per cent) have had difficulty concentrating because of mental ill health. As an insurer, we understand that human error is often the unrecorded, or ‘hidden’ claims driver. Potential losses covered by casualty, property, motor and professional insurance policies could easily be influenced by adverse mental health conditions, but we know that customers with mentally resilient workforces have fewer accidents and losses.

Remember: mentally robust workforces hold an improved claims profile compared with those where employers and/or employees do not make a link between mental health and workplace behaviours.

It is a mistake to place the management of risk related to mental health below the processes and checks applied to physical and financial risks.

Does your business engage in dynamic risk assessment for high-risk transient activities? Employers should consider that pre-emptive mental health risk assessments could add as much value again.

A business is only as resilient as the most vulnerable link in its mental health chain – this is a link that should be reinforced before it breaks.

Key areas employers should develop for improved staff well-being

Research shows that mental ill health can impact morale and aggravate tensions between employees and upper management. When tradespeople were asked what support they would find helpful many responded with variations of “increased support and/or awareness at management level”. Improved staff mental health can be promoted in the following stages:

Create the right culture

- Establish a mental health risk management strategy and plan for

your workforce, including reporting processes, mitigative actions and incident investigation

- Identify areas for improvement and create a timeline for revisions to ensure changes are made in a timely manner
- Grow employee confidence in an inclusive company culture with transparent reporting

Develop knowledge and awareness

- Train managers with the appropriate knowledge and skills to identify signs of poor mental health and signpost workers to advice and support
- Understand the influence of personal circumstances on overall well-being and offer support for workers which directly eases pressure
- Conduct a well-being survey to track progress, expand employer awareness of pressure points and demonstrate meaningful engagement

Build an inclusive culture

- Establish specific policies that support good mental health and self-care (flexible

Risk Management Rating



Customer Questionnaire responses automatically generate a % score



This will be extracted, converted to a descriptor

Scores and descriptors are as follows:

0 - 19%	"Immature Strategy"
20 - 39%	"Underdeveloped Strategy"
40 - 59%	"Strategy In Development"
60 - 79%	"Well Developed Strategy"
80 - 100%	"Mature Strategy"

working, health benefits, support networks) alongside events/workshops

- Communicate openly about the challenges of poor mental health (and possible solutions) to improve well-being and reduce historical or cultural stigma
- Promote existing mental well-being offerings (such as mental health first aiders or company networks) with regular internal communications

How to access QBE Minds in Business

As a leading business insurer, QBE has been supporting construction and engineering firms for more than 30 years. We work with many of the sector's leading firms and have long-term relationships with 20 of the UK's top 30 construction companies.

Access to Minds in Business is through our QRisk online risk management platform. The guidance and self-assessment tools aim to reduce the chances or impact of an unexpected event - from managing your environmental, social and governance risks, preventing common accidents in your workplace, or even improving your company's risk culture. QRisk can make it easier than ever to understand and manage the risks for your business.

You can work through each online module in QRisk at your own pace, taking what you need, at your discretion. You're in full control.

QBE Minds in Business

Mental health issues are the biggest cause of lost workdays in the UK and a contributing factor in a significant number of workplace incidents. As a responsible, customer-focused insurer, an important driver for us is to do everything we can to support our customers to manage the mental health challenge.

At QBE we see a significant need for mental health and well-being strategies in many of our customers' businesses. To help support them – and the various industries they operate in, including construction, manufacturing and haulage – we have collaborated with the mental health charity Mind, organisational culture and human error specialists Anker & Marsh and resilience specialists Petros, to build a mental health optimisation tool: Minds in Business.

Unique in the insurance market, the programme directs customers to review their end-to-end management of mental health and well-being, before assessing their strategies across leadership, planning, support, organisational capability and performance evaluation.

The process generates a Risk Improvement Recommendation Report shaping a broader workforce well-being strategy and enabling businesses to identify and evaluate

areas for improvement. Customers are provided with an overall risk management rating to help focus continuous improvement.

Minds in Business also gives access to a suite of resources and guidance, a large proportion of which is offered by our specialist partner provider panel.

Access to Minds in Business is through our QRisk online risk management platform, available only to QBE customers. QRisk offers a wide range of guidance and self-assessment tools to help reduce the chances or impact of an unexpected event.

Mental health issues are the biggest cause of lost workdays in the UK. Even a small change in an employer's approach to mental health and workforce well-being can substantially address and change workplace pressure points.

Human error is the hidden claims driver that is not always recorded, but our research indicates customers with mentally resilient workforces will have fewer accidents and an improved claims profile when compared with those who don't.

QBE Minds in Business is giving employers in the construction industry the tools to make that happen.

Please contact David Dexter
david.dexter@qbe.com or
Steve Field **steve.field@qbe.com**
for more information

www.qbeurope.com/risk-solutions/qrisk/minds-in-business



David Dexter is risk solutions practice leader, Casualty & Construction at QBE Europe



QBE. Prepared.

**How can businesses build resilience in a
challenging operating environment?**



Visit [QBEurope.com/sector-resilience](https://www.qbeurope.com/sector-resilience)
to find out.

 **QBE**
Business insurance