



Corporate Mental Health
Alliance AUSTRALIA

Hitting the Limit

Understanding the nexus
between Mental Health and
People Performance

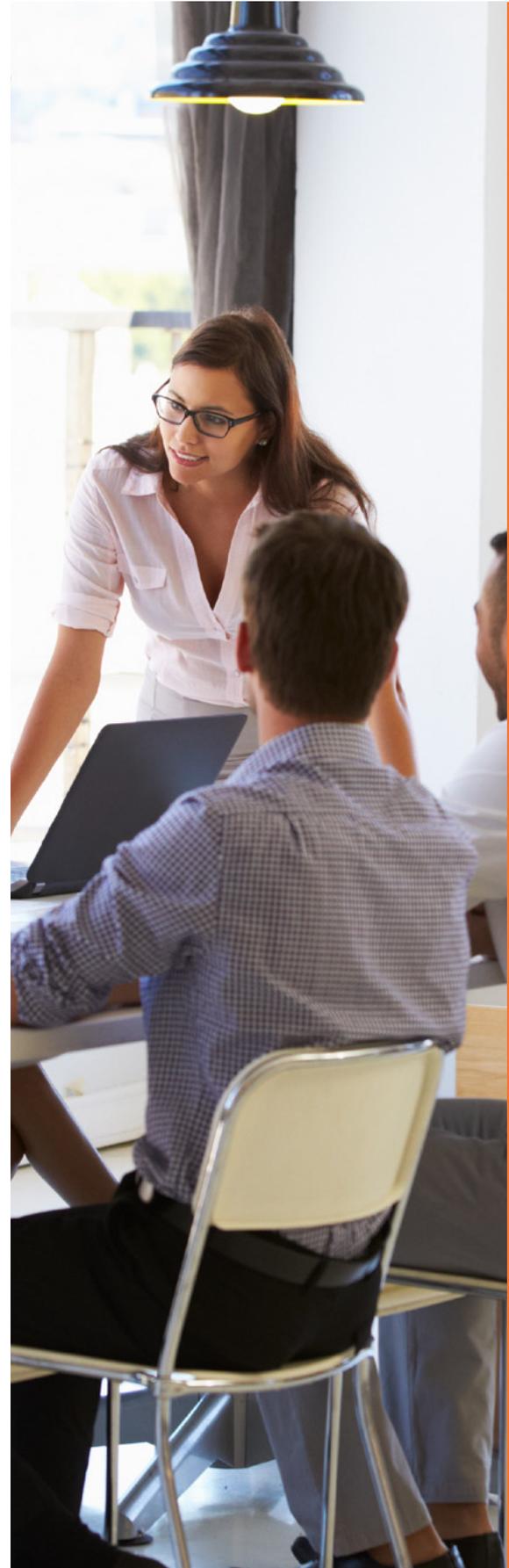
About the Corporate Mental Health Alliance Australia

CMHAA are a business-led, expert-guided alliance of Australian businesses dedicated to providing mentally healthy workplaces for all people. As a community of like-minded organisations, we know that we can do better.

Doing better begins with business leaders prioritising the mental health and wellbeing of their people and the way they experience the workplace every day.

We also believe that when businesses pool their resources, share openly, and work collaboratively towards a common goal, improved and sustainable mental health outcomes can be achieved for more people.

To learn more about our principles, priorities and activities go to: cmhaa.org.au.



Foreword

This report comes at a crucial time. Australia is facing a productivity crisis, with productivity growth at its lowest rate since the 1950s. Couple this with the increasing rates of mental health issues among young Australians, and it's clear that we must do more to understand the link between productivity and mental health to cultivate a sustainable workforce.

Over the past three years, the Corporate Mental Health Alliance Australia has advocated for greater awareness of mental health in the workplace to support Australia's workforce. We've brought together leaders from our member organisations at events like Wellbeing Week, Men's Health Week and World Mental Health Day. These events provide crucial learning moments about protecting mental wellbeing and creating space for open conversations.

We know that poor mental health leads to burnout, reduced employee engagement, diminished performance and increased turnover. In its recent Leading Mentally Healthy Workplaces Survey Report, the Alliance found that almost half the respondents (44 per cent) felt that burnout was affecting their work performance.

To build businesses that thrive and create impact, it's clear we need to focus on the health of the people delivering this work. Productivity is not about finding ways to make people work harder. It's about ensuring that the time people spend at work is efficient, sustainable and not detrimental to their health.

The evolving modern workplace makes this a complex problem. The lag effects of COVID-19, the hybrid workplace and changing employee expectations have transformed the status quo. Remote-enabling technologies and AI are part of everyday work now and it's up to leaders to use these tools to make life and work better for employees.

In this report, you will find a variety of insights gathered from CEOs of the Alliance's member organisations and aligned Industry companies. These insights reveal a deeper understanding of leaders' perspectives around employee mental health, wellbeing and productivity within the rapidly evolving workplace. You'll also learn what some leaders are doing to monitor, improve and cultivate mentally healthy and productive workplaces in their own organisations.

Building on these insights, the Alliance is excited to explore further opportunities to advocate for Australia's workforce. This includes fostering better collaboration between business and government at the intersection of mental health and productivity in the form of a national mental health workplace strategy. Such an initiative would give government and industry a common narrative and framework to address mental health challenges, bringing together best-practice thinking from leaders to tackle a nationwide problem.

I am extremely proud of the work the Alliance does to advance the private sector's understanding of mental health issues and build more inclusive and mentally healthy workplaces. The issues our nation faces require rigorous research and a learner's mindset, so that each of us can improve how we support mental health at work.

On behalf of the Alliance, I would like to thank the CEOs who participated in our study and generously gave us their time, honesty and insights. I am also grateful to Dr Kim Hamrosi, CEO of the Alliance, and Andrew Sedger who led the research team for this report.

Finally, a big thank you to all our member organisations for joining us on this crucial mission and supporting better mental health among employees across Australia.

Sincerely,



Steven Worrall
Managing Director,
Microsoft Australia and New Zealand and
Chair, CMHAA

Contents

Executive Summary	6
The road to here	8
Where are we heading?	9
What do leaders think?	9
An evolving view of productivity	10
COVID-19 and beyond productivity	12
The impact on mental health and wellbeing	12
Executive leadership and productivity	13
The productivity shift	13
It's complicated	14
People and performance	16
Investing in people	16
Flexibility	16
Performance and the human element	18
The issue of mental health	20
A sleeper issue	20
Setting up the structure	20
Creating a 'mentally healthy' ethos	22
Beyond the workplace	22
Leading a new era	23
Changing times	23
Measuring productivity	25
Leadership styles	25
Changing up thinking	27
Designing intentionally	27
Enabling productive ways of working	28
Experimentation and innovation	30
Technology for good	32
A role for Government	33
A collaborative approach	33
Investment in community mental health	33
Reducing the load	33
Formalising a framework	34
Where to now?	35
Conclusion	36
Acknowledgements	37
CEO's Participating	37
Research Team	37



Executive Summary

Australia is facing a wicked problem. Rising rates of mental illness coincide with a decade-long decline in productivity growth in Australia. Research suggests a clear link between escalating mental health issues and diminishing productivity, exacerbated by stressors in modern work environments and the disruptions of the COVID-19 pandemic.

The nexus between these escalating rates of mental ill health and declining productivity in Australia has become a pressing concern nationally for business leaders and policymakers alike.

All businesses are grappling with the new nature of the workplace and different ways of working as attitudes and behaviours catch up with technological advances. The pace of change has been exponential and is transforming work in ways that previously may have taken decades.

Building upon the insights of the Leading Mentally Healthy Workplaces Survey 2023, with over 7,500 employees from across 14 companies and different sectors, CMHAA extended invitations to the CEOs of our member organisations and other aligned leaders to engage in interviews to cultivate a deeper understanding of a broad spectrum of leaders' perspectives and actions regarding employee mental health, wellbeing, and productivity (as related to people performance) within the rapidly evolving workplace landscape. A total of 18 CEO's participated.

Most companies in Australia are taking proactive measures to address the negative impact of unfavourable work conditions on both mental and physical health. Many are actively championing the promotion of good health as a strategy to engage their workforce and lift productivity.

It is clear our workplaces have the opportunity to create meaningful connections for individuals and create communities of learning where emerging technology is a benefit to improve productivity and workplace satisfaction – this is a challenge for all leaders and one that the CMHAA is committed to supporting.



Key Insights:



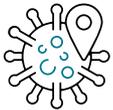
Productivity

In adapting to the post-COVID-19 economic landscape and rapidly evolving technologies, there's a recognition that traditional productivity measures must evolve to maximise output while also prioritising employee wellbeing.



Adaptivity

Managing people in an era of disruption, diversity, hybrid work and evolving expectations requires adept leadership skills, sitting with uncertainty and blending different ways of working. Post-COVID-19 leadership is about self-care and modelling mentally healthy behaviours.



COVID-19

The impact of COVID-19 on organisations varied widely, highlighting diverse experiences and challenges including in individual wellbeing, leadership effectiveness, productivity shifts, and the effects of remote work on mental health.



Complexity

The pandemic introduced a heightened level of complexity into assessing productivity and performance, especially due to hybrid work models, as it has altered not only when and where people work but also the dynamics of how they work.



Optimisation

The evolving workplace landscape has necessitated a shift from past practices, to taking a holistic approach to business leadership that prioritises managing both the employee and customer needs, and recognising mental health and overall wellbeing as critical factors for optimal employee performance.



Understanding

Team conversations have shifted dramatically due to COVID-19 and evolving work practices, shining a light on many aspects of employees' lives outside of work and prompting a better understanding of how to promote mental health and wellbeing in the workplace than previously.



Mental Health

The issue of mental health has transcended its historical categorisation as a secondary concern to become a critical focus for many companies. Leaders now see its profound impact on employee wellbeing, engagement, and workplace dynamics, and increasingly embedding mental health initiatives into core business strategies.



Systems

Employers to some extent, are at the frontline of dealing with emerging mental health issues. Fostering better collaboration between business and government is essential to understanding the intersection of productivity and mental health, with a focus on collaboration, investment in community mental health, regulatory reform and a national approach which could lead to better outcomes.



Realignment

Post-COVID-19 there has been a return to core business values, optimising productivity and working efficiently and effectively. The focus is on rethinking and embedding into a company's DNA sustainable and productive ways of working as the modern workplace evolves, ensuring organisational resilience and enabling a more tailored and nuanced approach to managing workload.



Experimentation

The rise of hybrid workplaces, and evolving employee expectations have disrupted the traditional workplace setup, with leaders experimenting, adapting and innovating around work in a measured way. There is a re-evaluation of work-life balance as well as the role of technology in creating environments where flexibility and productivity complement each other.

The road to here

Australia is facing a wicked problem. Rates of mental illness, particularly among young people and millennials¹, are on the rise. At the same time, productivity growth has, over the past decade, fallen to its lowest rate since the 1950s.

The nexus between the escalating rates of mental ill health and declining productivity in Australia has become a pressing concern nationally, garnering substantial attention from business leaders and policymakers alike. A mounting body of research indicates that there is a tangible connection between these two phenomena.

The stressors inherent in contemporary work environments and compounded by the disruptions of the COVID-19 pandemic are exacerbating mental health issues such as anxiety and depression among the Australian workforce². Poor mental health leads to adverse outcomes for businesses, including reduced employee engagement, higher rates of absenteeism, diminished job performance and increased turnover.^{3,4} The subsequent decline in productivity translates into financial losses for businesses, making them less competitive locally and globally.⁵

Business leaders increasingly recognise the gravity of this issue and its implications for organisational success. They know that thriving, well-managed companies that create meaningful employment opportunities and foster inclusive workplace cultures are the foundation of a sustainable, productive, and competitive economy. They also know that prioritising employee wellbeing better positions them to attract and retain top talent, giving them a strategic advantage over their competitors.^{6,7} This approach aligns with the broader trend of employees seeking workplaces that prioritise their holistic health and wellness.

More and more business leaders are also recognising their legal, moral and ethical duty to address the mental health of their workforce. As custodians of their organisations, they wield considerable influence in shaping a workplace culture that champions employee wellbeing. By valuing employee wellbeing, investing in comprehensive mental health programs, offering accessible resources for employees, and promoting a healthy work-life balance, business leaders can enhance productivity and underscore their commitment to fostering a workforce that thrives mentally and emotionally.⁸

This approach aligns with societal expectations for responsible corporate citizenship and contributes to the creation of a more resilient and sustainable workforce capable of navigating the multifaceted and complex challenges facing the contemporary business landscape.

What do we mean by 'productivity'?

"Productivity is about getting more output from every dollar invested or hour worked. Productivity is what drives higher wages and higher living standards. It's about working smarter, not harder, to get more from what we put in (whether the inputs are labour, capital or raw materials)."
[BCA Seize the moment report.](#)

This report focuses on 'productivity' in the context of people performance and capabilities and ensuring that an individual's participation in the workforce can be as effective as possible. We aim to explore the evolving nature of work in ways that can promote better work practices and cultures that enhance the mental health, wellbeing and performance of the workforce.



43%
of Australians

have experienced a mental disorder at **some time in their life**¹²



46%
increase

in mental health claims since pre-pandemic times¹⁴



1 in 5
Australians

have experienced a mental health disorder **in the last year**¹⁵



39%
increase

in the average number of days **taken off work due to mental health in the last 4 years**¹³



\$70 billion

Per year cost to the economy

with further cost of \$150 billion per year in diminished health and reduced life expectancy for people living with mental illness¹⁶



\$14.5 billion

in government expenditure

on mental health and suicide prevention in 2019-20¹⁷



\$600 million

Per day

cost of mental illness to Australia¹⁸

Where are we heading?

All businesses are grappling with the new nature of the workplace and different ways of working as attitudes and behaviours catch up with technological advances. The pace of change has been exponential, and the technological revolution, particularly with generative AI (Artificial Intelligence), is transforming work in ways that previously may have taken decades.

Most companies in Australia are taking proactive measures to address the negative impact of unfavourable work conditions on both mental and physical health. Many are actively championing the promotion of good health as a strategy to engage their workforce and lift productivity. And, as maturity and understanding evolve, more companies are embracing the notion of wellbeing as a catalyst for achieving enduring commercial success and as a metric for assessing their broader societal influence.

But companies have a lot of work ahead of them to turn the tide of poor workforce mental health. The Corporate Mental Health Alliance Australia (CMHAA) inaugural 'Leading Mentally Healthy Workplaces Survey Report 2023' of over 7,500 Australian employees assessed the key factors influencing employees' mental health in the workplace, including stress, burnout, experience of work, social connection, and support.⁹ Almost half (44 percent) of survey respondents reported that burnout is affecting their performance at work. The survey data also established a relationship between burnout and reduced performance. Among those performing below their usual level, 58 per cent reported experiencing some symptoms of burnout, with 26 per cent reporting persistent burnout. We estimated that presenteeism caused by burnout ranged from 11 to 26 days annually in these employees.

Why does productivity growth matter?

The key to long-term prosperity is productivity growth.

It is the process by which people get more from less: more and better products to meet human needs produced with fewer hours of work and fewer resources. In many cases this growth occurs with lighter environmental impact.¹⁰

A decline in productivity as seen in the last 60 years of 0.7% means the economic pie will be smaller and the time it takes for economic output to increase would take longer. Australians would over time have to work relatively more hours to afford fewer goods and services.

Productivity growth enables companies to increase wages for workers, leading to lower prices, higher profits and stronger economic growth.¹¹

What do leaders think?

Building upon these insights, CMHAA extended invitations to the CEOs of our member organisations and leaders with prior involvement in our mission to engage in interviews. These interviews were designed to cultivate a deeper understanding of a broad spectrum of leaders' perspectives and actions regarding employee mental health, wellbeing, and productivity (as related to people performance) within the rapidly evolving workplace landscape. The focus was on uncovering the implications for both leaders and employees, pinpointing challenges and exploring strategies, assessing the role of various stakeholders, and reflecting on the leadership insights gained during the post-COVID-19 transition.

A total of 18 CEO's participated in the 45-minute interviews.

An evolving view of productivity

We began our series of questions by asking CEO's how they defined productivity in the context of their own organisation and if they felt this was changing as notions of work evolved.

While CEOs recognise that productivity is a multi-faceted concept, they essentially view it as "the attainment of goals and targets within a suitable timeframe". How leaders measure and assess productivity varies across different organisational areas, reflecting the diversity of operations of the companies they run. Depending on the sector, approaches to measuring productivity are relatively straightforward; for example, utilisation and billable hours or unit sales, cost-to-sales ratios and dollars generated per hour worked by teams. Assessing the performance of support functions, however, poses unique challenges for some organisations.

For some leaders, the broader economic landscape, shaped by post-COVID-19 effects, is creating challenges that surpass those encountered during the pandemic. Factors such as constrained capital flows, elevated interest rates, supply chain disruptions and a tight labour market are amplifying business threats. This shift has necessitated an emphasis on productivity, cost-efficiency and business outcomes as well as 'getting back to the basics' of core business functions.

"In that environment, organisations need to identify those 'things' that are outside of the real value creation for their business or required by regulation. If what you're working on isn't core business, it's OK to say that was a great idea but we just don't have the time right now and the people to do that. That's a big piece for business at the moment, to maintain standards, quality, values and workplace culture, but underneath all that turning some of those other things off."

Dale Connor
Chief Executive Officer, Lendlease Australia

This has meant shifting their focus toward the effectiveness and productivity of operations, aiming to maximise output while potentially working with the same or fewer resources while also considering and balancing against employee wellbeing. As a result, some leaders have adopted a 'doing less with less' mantra to reduce pressure on teams and the risk of fatigue and burnout.

In response to the evolving world of work, there's a recognition that traditional measures of productivity and job execution need to adapt accordingly. For example, law and professional services firms have traditionally focussed on distinguishing billable from non-billable work. However, this is evolving as firms recognise that measuring people solely based on billable hours is an incomplete approach. Employees make other valuable contributions, such as educating others in a master-apprenticeship model, client development, and overall client care.

"One of the enduring things I've noticed throughout my career is the emphasis on billable versus non-billable work. We don't just assess our people by reference to the billable aspects because there are so many other things that we expect our people to be able to do - like leading and developing others, building client relationships and business development. While billable work will always be important, when it comes to measuring performance and contributions, we look at more than the financials."

Renae Lattey
Chief Executive Partner, King & Wood Mallesons

Over the decade to 2020, average annual labour productivity growth in Australia was the slowest in 60 years, falling to just 1.1% compared with 1.8% over the 60 years to 2019-20¹⁹



There is a sense that ‘knowledge workers’ metrics such as utilisation do not always give a complete picture of productivity. For example, where work is cyclical and tied to economic conditions, declining headline utilisation doesn’t necessarily indicate a decline in productivity.

“Lawyers record the time they spend on client matters, so we have an easily available measure (utilisation %) to assess productivity. However, we need to view productivity holistically, rather than overly focusing on utilisation. When you look at the numbers alone, there is a temptation to think that someone who is highly utilised is very productive, but that may not be the case. They could be taking longer than others would do on a task that should be done more quickly. On the other hand, you could see a low utilisation figure and think that person is not being productive because they have the capacity to do more, but they might have done their work quickly and there’s just not enough work that person is being asked to do.”

Amber Matthews
 Managing Partner, DLA Piper Australia

Some leaders say that utilisation rates in the professional services sector have been declining over the years. This decline may be due, in part, to increasing client demands that limit billable work, leading to more non-billable tasks. Pricing structures are also shifting away from traditional billing, with clients seeking alternative arrangements. This trend is expected to intensify, especially with the increasing role of artificial intelligence, which enhances efficiency without diminishing the value of work performed.

Many note that the business landscape is also evolving rapidly, driven by technology adoption and the need for more efficient work processes that may help solve the productivity conundrum.

“The significant issue we’re currently addressing, and one which our Firm is taking a leading edge position on, is AI. This technology will play a key role in helping solve the productivity dilemma we all face. It’s an inevitable factor our clients and we must confront, like it or not. While there are risks associated with AI, which require careful management, there’s also extraordinary opportunities. It also highlights the rapid pace of change we live with today. The challenges brought about by the COVID-19 pandemic were significant and in many ways a catalyst for improved productivity. Fast forward, the tech transformation is the huge challenge we’re all now learning to navigate.”

Virginia Briggs
 Chief Executive Officer & Managing Partner, MinterEllison

\$39.9
 Billion
 per year

The Productivity Commission estimates between \$12.2 and \$39.9 billion lost relating to the workplace due to loss of productivity and participation in the workplace²⁰

9%
 of businesses

have a sustained and integrated approach to mental health in the workplace²¹

COVID-19 and beyond productivity

Leaders' views about the impact of COVID-19 reflect the diverse experiences and challenges faced by the different organisations during the pandemic. The key themes include individual wellbeing, leadership effectiveness, productivity shifts, and the impact of remote work on mental health.

The impact on mental health and wellbeing

Leaders universally agree that workforces rose to the challenge of the rapidly changing working environment as the pandemic unfolded. It was a testament to how adaptable leaders and employees were. Organisations doubled down on wellbeing during the pandemic because of the rapid technological uplift required to work safely and the cognitive load of adjusting to remote work while maintaining productivity.

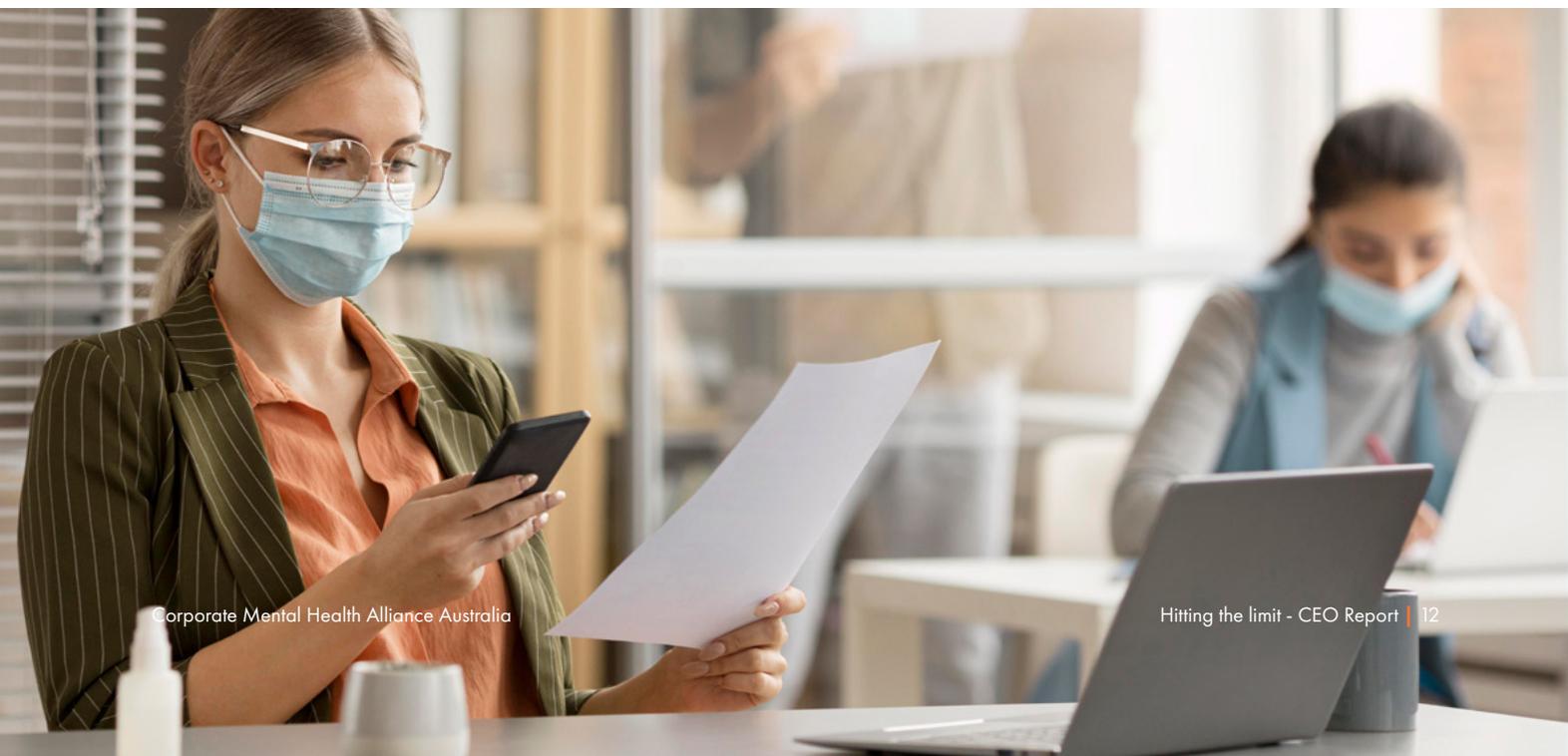
However, as the pandemic continued, the blurred lines between home and work started to be felt. All organisations stepped up efforts to engage teams through enhanced communication and programs in response to these challenges. Some employees were doing it tougher than others, depending on where they lived.

"We have always put a huge focus on wellbeing and mental health. There were two big things that we did straight from the outset – enabling technology and really doubling down on wellbeing for people because it was just such a difficult time for us. When looking back at that period, we increased productivity. And also, whilst we were in it, wellbeing was clearly down."

Laura Malcolm
Chief Executive Officer, Avana Australia

"During the pandemic you could see the difference in mood and mental health depending on which state in Australia people lived in and how they were experiencing lockdowns. It required leaders to put themselves in the shoes of each person they were working with to better understand their perspective and mindset. The pandemic reinforced the importance of active engagement and helping our people maintain good mental health and wellbeing. It also accelerated our investment in technology to give people the tools they need to work flexibly."

Amber Matthews
Managing Partner, DLA Piper Australia



Executive leadership and productivity

Leaders also struggled during the pandemic, shouldering a great deal of responsibility to look after their people while maintaining personal and firm-wide productivity.

“That would have been challenging for any leader. Aside from the fact that they might have had their own personal challenges as a result of being locked down, leaders had to put on a brave face and rally the troops to try and keep everyone positive and productive. And, whether you are the chief executive or another partner or senior member of the firm leading a team of people, there was a heavy burden to try and help others get through it.”

Emma Covacevich
Chief Managing Partner, Clayton Utz

Many leaders that we spoke with acknowledge the toll on executive wellbeing.

“I feel our productivity as a leadership team’s been really strong because when we were locked down (and early on, when COVID-19 hit), we just had to move really quickly on things - to working from home and transitioning to Teams. We had to move really quickly on making decisions... But again, the question is the impact it’s had. All conversations I have with my leadership team now - when we do year-end and half-year reviews - there’s been moments of ‘I’m really tired, I need a break. I’ve been running pretty hard.’”

David Larocca
Oceania CEO & Regional Managing Partner, Ernst & Young

The productivity shift

At the beginning of the pandemic, productivity appeared to stay intact or even improve for many companies due to heightened work demands, greater flexibility, and decreased travel. But looking back, leaders are uncertain whether the extended working hours and heightened workloads during this period genuinely led to enhanced productivity and whether this was sustainable.

“I think there were areas across our organisation, where people weren’t travelling, they weren’t commuting. I would argue workload and time at work definitely increased. Now, can we say productivity increased? I think that’s the million-dollar question. In parts of the organisation, absolutely. And highly productive people, I found were still highly productive in this work environment. But we certainly had fluctuations across the organisation, some for better, and some not.”

Susan Martin
Managing Director, Johnson & Johnson MedTech

For many employees, the focus on flexibility meant greater autonomy to manage their time and energy levels. But for some, this freedom led to “false productivity” as, in the absence of other normal activities being available during COVID-19 lockdowns, they worked more.

“So, I’d say a general statement from a staff perspective, increased productivity levels during and post-pandemic certainly surprised us. We had a big focus on flexibility going into the pandemic, but that also meant that our people could more effectively manage their time and their energy levels. And I guess the pandemic accelerated lots of things... it accelerated our thinking and development in productivity, flexibility and time management. But there’s a bit of, what I would call ‘false productivity’ because demand was so strong, and people at home were looking for things to do. So, they worked. And, coming out of the pandemic, I think we’ve seen particularly the mental health and wellbeing impacts of that from both a personal and a professional perspective.”

David Larocca
Oceania CEO & Regional Managing Partner, Ernst & Young



It's complicated

Many CEOs acknowledge that the pandemic introduced a heightened level of complexity into assessing productivity and performance, primarily due to the widespread adoption of hybrid work models.

This shift has altered not only when and where people work but also the dynamics of how they work, creating a markedly different landscape from the pre-pandemic era. The challenge for many was how to nurture relationships, foster clarity about outcomes, and strike a balance between physical and virtual interactions to optimise productivity and effectiveness.

As organisations emerge post-COVID-19, employees and leaders are shifting their views on productivity and performance as they adjust to the 'new normal'. Individuals are redefining their work habits and personal preferences and aligning these with corporate expectations. Many employees have changed their perspectives and behaviours as they navigate these uncertainties.

"At the outset of the pandemic, with everyone transitioning to remote work, there was a widespread assertion that productivity remained unaffected; if anything, it surged, and operations continued with remarkable fluidity. However, as the pandemic persisted, a sense of fatigue gradually set in. Individuals found themselves grappling with questions about their new work routines, personal preferences, and the evolving expectations of their employers. This prolonged period of uncertainty has prompted many to have to reassess and adapt their approaches to their work and working styles."

Angela Fox

Managing Director, Dell Technologies, Australia and New Zealand

Incentivising office attendance and maintaining remote productivity were two key aspects of the evolving hybrid workplace. Leaders recognise that some individuals excel in a remote work setting but require engagement to prevent overworking, while others may need support to maximise their productivity outside the office.

Many leaders acknowledge that acquiring the skills to navigate these complexities is crucial in this new work environment.

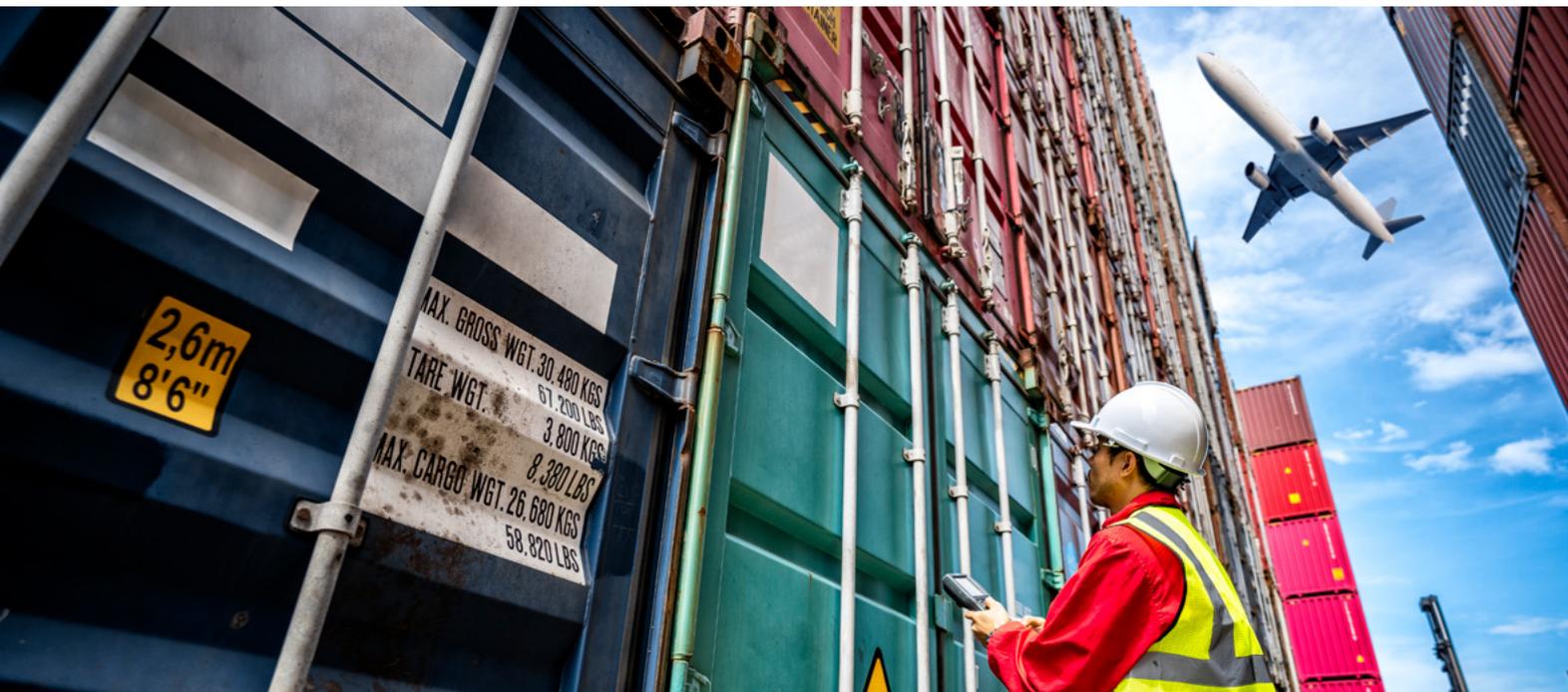
COVID-19 also brought about a newfound openness and authenticity in how people present themselves. All leaders agree on the importance of inclusion and encouraging employees to bring their whole selves to work. However, the pandemic forced the curtains down, providing a glimpse into the diverse experiences and challenges individuals face. While this fostered a more genuine connection and authenticity in the workplace, it also places additional pressure on leadership to navigate this evolving dynamic.

"I believe COVID-19 has brought about a profound shift in leadership dynamics. It has unveiled a raw and unfiltered portrayal of individuals. While we've long championed inclusion and encouraged our workforce to bring their entire selves to the workplace, the pandemic has torn down barriers, allowing us to witness the depth of each person's experiences — be it vulnerability, fear, or comfort levels. Consequently, we've gained a deeper understanding of our employees, encompassing both their strengths and struggles as they navigate daily life. While this newfound transparency is commendable and fosters a culture of authenticity, it also places an additional burden on leaders to navigate these complexities."

Angela Fox

Managing Director, Dell Technologies, Australia and New Zealand





The deep engagement during the pandemic revealed a variety of employee preferences and needs that were previously not as obvious. Leaders now face the challenge of navigating a far more complex ecosystem and the pressure to cater to employees in a different and personalised way. The current skill shortage and war for talent have only added to this expectation.

“COVID-19 made leaders engage quite deeply with their people. We learned that many people have different preferences in the way they work. Prior to COVID-19, we probably had lots of people who came into the office every day, even if it wasn't the most productive environment for the tasks they needed to achieve. Now we are far more alive to people's different preferences and strengths. The war for talent also means businesses need to be more flexible and accommodating to attract and retain good people. But it does create complexity and ambiguity which can be more difficult to manage, and this is putting pressure on our leaders to adapt more quickly than perhaps they are ready to do.”

Amber Matthews
Managing Partner, DLA Piper Australia

Some companies grew rapidly during the pandemic whilst also experiencing high levels of staff turnover, capability constraints and productivity fluctuations.

“But I would say that the impact observed was different at different levels in the organisation. At the senior level, both executive roles and some senior managers, I think productivity has been maintained. However, as we go through the organisation, I think areas of productivity have declined in our frontline and team leaders when you consider the changing demands of these roles over the pandemic, the skills and capabilities of these roles and how we look at and measure productivity in a distributed workplace model. The focus on how we measure productivity and outcomes achieved in a post-pandemic environment has absolutely shifted.”

Ian Whitehead
Chief Executive Officer, Latrobe Health Services

Leaders believe that the pace and magnitude of workplace change have never been felt as acutely. Employees are under constant pressure to adapt and upskill to keep pace with technological innovations while meeting escalating workload demands. Leaders are dealing with fluctuating and uncertain economic conditions, workforce redundancies, and intermittent growth slowdowns. The result is a sense of heightened intensity for both employees and leaders.

Many acknowledge navigating this evolving, complex and often intricate landscape requires business leaders to prioritise resilience and adaptability at both the individual and organisational levels. To be successful, they must embrace change and grow their capacity to sit with ambiguity. They also need to cultivate a strong people culture to mitigate the challenges posed by the accelerated pace of technological evolution and the broader economic fluctuations.

People and performance

Managing the assets of people and customers is paramount and speaks to an increasingly holistic approach to business leadership. In essence, leaders recognise the importance of mental health and overall wellbeing to optimal employee performance.

Investing in people

The profound connection between employee wellbeing and customer outcomes was eloquently expressed by Richard Feledy, Allianz: "Everything must start with our people first, and then good customer outcomes follow." This belief underscores a fundamental truth in what many leaders see as organisational success: the nexus between workforce performance and positive financial outcomes.

"From a people point of view, and mental health point of view, of course we know that to achieve our best we need our people to be at their best. And there's lots of research including our own, that tells us that we were losing many days a year through presenteeism or lost productivity, lack of engagement. And I, like any business leader, must and am vitally interested in helping to create the best environment that I can so that I can help my team to be at their best."

Steven Worrall
Managing Director, Microsoft Australia & New Zealand

The understanding organisational excellence goes hand in hand with employee wellbeing aligns with a growing body of research on the impact of presenteeism, lost productivity, and lack of engagement on overall performance.

Flexibility

Leaders have a deep sense that the world has changed, and organisations can't just do what they did five years ago and expect the same outcomes. The idea of flexibility is emerging as one of the major sticking points between employees and leaders, and of concern for leaders.

"Offering our people greater flexibility in how and where they work has been one of the biggest silver linings emerging from the pandemic, however, I worry about how we most effectively support one another's wellbeing in hybrid environments. For example, if someone finishes a challenging phone call with a client, on a negotiation, or with a colleague and sits there ruminating about what went wrong, in the office it's more likely other people will pick up on those feelings and jump in so that person can let off steam. It's different when someone is sitting at home by themselves where others can't see them, pick up on body language and respond accordingly. I worry a lot about that."

Renae Lattey
Chief Executive Partner, King & Wood Mallesons

In the post-pandemic landscape, discussions around flexibility and productivity often revolve around the delicate balance between personal responsibilities and work commitments. While many leaders see it as positive that individuals feel comfortable expressing their need for personal time, the challenge lies in creating a framework that respects and supports individual needs without compromising the collective effectiveness of the team and the productivity of the organisation.



“When we think about reward and recognition alongside productivity-based measures, it’s all about giving people back quality time - and creating a culture where it’s acceptable to take it. Since the pandemic, I’ve had more conversations about flexibility in meeting times than I’ve had in 30 years. That’s a positive, because it shows people are comfortable to have the conversation and acknowledge that work is just one part of their life, not their entire life.

At the same time, the need to be flexible and productive for some people can have a knock-on effect of compromising flexibility for others. So a meeting that might have been at 3 pm moves to 6 pm so someone can do school pickup, which then impacts someone else taking the kids to soccer training. Navigating that range of needs in how we come together as a team has a new dimension to consider that didn’t exist pre-pandemic.”

Mike Schneider
Managing Director, Bunnings

For many employees, the disappearance of the daily commute has allowed them to manage their lives and time in a way that suits their energy flow or even to live remotely. It’s been nothing short of a game-changer.

“The first thing I’d say is the pandemic introduced us to hybrid work in a way that nothing else had, until that point. But the technology has been there for years and we have been using it for years without realising. But not at a large scale. And when we look back, I think many people would say there are many benefits of the pandemic in regards to its acceptance now. And the licence that they have to work remotely has changed many people’s lives for the better.

The idea of commuting for an hour or three, every day to get to an office is now no longer the standard. And there are many, many employees who are acknowledging that are more productive, and they get a better client experience, and employee experience when there’s flexibility around the way in which they work. So there’s a positive there.”

Steven Worrall
Managing Director, Microsoft Australia & New Zealand

This flexibility has, however, created complexity where client-facing engagement is required or in-person meetings are essential to a role. Flexibility and hybrid working have shifted the boundaries between work and personal life. While convenient for some, these blurred lines raise concerns about the impact of remote work on mental health. Leaders are worried about employees spending an extensive amount of time working remotely and virtually, with some reluctant to come into the office at all.

“I think what we’ve lost with the flexibility is boundaries. People know boundaries are a lot more blurred between work and life. And I don’t think that that is fundamentally healthy. I also don’t think it’s good for our mental health and wellbeing to be spending so much time virtually connecting.”

Laura Malcolm
Chief Executive Officer, Avantade Australia

No leader has the hybrid model worked out completely. It is evident that navigating the hybrid working model is challenging and involves experimenting with different approaches, given the uncertainty surrounding its long-term direction.

“From a leadership position, we are all still learning and there are still challenges with hybrid working, particularly when we have teams that are mixed between flexible, work from home, and office-based. We can absolutely measure outcomes, including wellbeing and engagement. But context is everything – where and when are we being most productive? And does this change over time?”

Richard Feledy
Managing Director, Allianz Australia

For most CEOs, the emphasis is on outcomes rather than mandates. They prefer to focus on connection, collaboration, and learning, all of which thrive in in-person settings.

“We haven’t mandated anything; I am strongly of the view that mandating doesn’t work. And people reject that. We’ve been talking about outcomes. So, connection, collaboration, and, learning, particularly learning by osmosis. When we are largely an apprenticeship model, those three things happen best in person.”

David Larocca
Oceania CEO & Regional Managing Partner, Ernst & Young

For many, their current stance encourages employees to spend two to three days a week in the office. However, the approach remains flexible, recognising the ongoing uncertainty and individual preferences among employees.

Performance and the human element

Some leaders note that the intricate web of systems and processes designed to enhance efficiency in the modern workplace can often inadvertently contribute to mounting workloads. New technologies, reporting metrics, and initiatives can make work even more complex for employees. Therefore, it is essential to critically examine these systems to ensure they align with the broader goals of improving performance and protecting workforce wellbeing. In other words, the successful application of performance systems requires a thoughtful and deliberate consideration of the human impact.

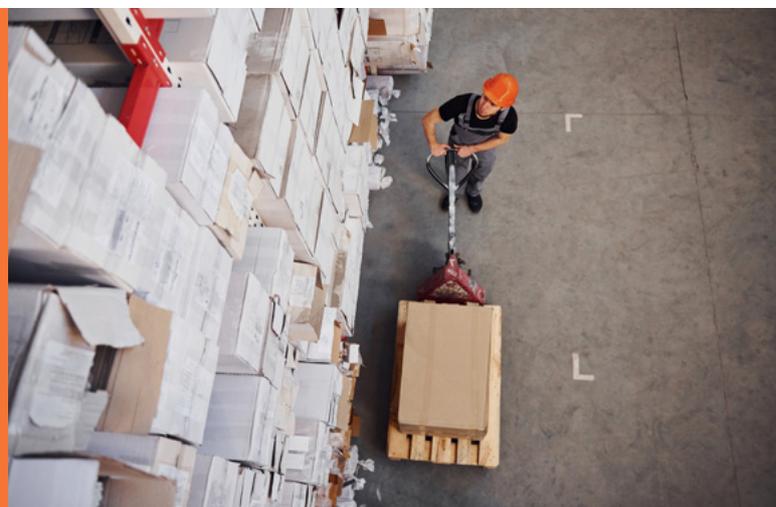
“Consider the tools individuals engage with daily for their work or the changes in business applications—how effectively did we manage the associated change management? This is a critical aspect we’ve been emphasising. Have we truly considered the impact on people? While we often prioritise assessing business benefits and impacts, we must not overlook the crucial ‘last mile’ of change management, which revolves around individuals. Implementing such changes essentially upends their routines, introducing new stresses into their daily lives.

It’s imperative to prioritise the human aspect of these changes and ensure we’ve adequately prepared individuals to navigate the associated stress. While metrics readily gauge tool adoption rates, assessing the human impact and productivity implications requires gathering feedback from teams and leaders attuned to picking up what’s going on and how individuals are responding to the change.”

Angela Fox

Managing Director, Dell Technologies, Australia and New Zealand

Strategically, leaders recognise they must approach these transformations with a more holistic mindset. This requires considering the immediate operational implications and the lasting effects on the individuals who are core to the organisation’s success.



Social connection and belonging

Striking a balance between enabling newfound flexibility and hybrid working and maintaining social connection and belonging is crucial for leaders. They recognise the value of human connection and in-person moments, like chance encounters, lunches, and coffees, as irreplaceable for boosting energy levels, satisfaction and motivation.

“We value being physically connected with each other.... And so how do we create more moments where we bring teams together, a more rigorous approach to location meetings. We’ve got social clubs, and bands, we have family groups, we have volunteering days, we have commitments and connections with local schools...And it’s those moments again, volunteering days, where people are coming together not necessarily to talk about the greater glory of Microsoft, but they’re travelling together to work as humans at the things that they care about.

That’s what binds people together and then by relation to the company and then that goes some way to addressing that gap between the espoused culture and lived experience.”

Steven Worrall

Managing Director, Microsoft Australia & New Zealand

Others miss the old ‘water cooler conversations’ and wonder what we’ve lost now we have fewer moments between in-person meetings and chats in the coffee line.

“If I go into our head office, I’ll run into five people in the coffee line before I’ve gone to my first meeting. We connect, learn and in some instances solve something before I get into my first meeting. It’s the old water cooler theory and although there is not a metric for the effectiveness of our networks, it’s an example of productivity loss in both the work output and the personal connection. Our teams are now calling for it, so we have a number of events to bring people back together to connect in the office.”

Annette Karantoni

Managing Director, Primary Connect & Chief Supply Chain Officer, Woolworths Group

Some leaders worry that hybrid has caused a loss of ‘stickiness’ to the organisations because of few opportunities to interact, to know people more deeply and to sense what they need.

“I do think that I would use the term connection. When I started in my career as a graduate, you spent time in the office, you got to meet the people from the mailroom or the switchboard. You got the opportunity to meet junior managers and senior managers through your interactions in the office or over lunch.

By contrast, where new employees were being onboarded fully remotely and virtually, they are only meeting colleagues and building relationships over email, Zoom or Teams interactions. Personal connection is so much more challenging through these channels – leading to the question of how ‘sticky’ does this enable you to be to your team and the broader organisation?”

Ian Whitehead
Chief Executive Officer, Latrobe Health Services

How leaders and managers build, assess and maintain a connection to the organisation has become an important skill since COVID-19. Many companies have made it clear to staff that coming into the office is essential, particularly for team meetings, staff induction, and team events and initiatives.

Other features of working life at risk from hybrid work are the ‘apprenticeship model’ and ‘learning by osmosis’, particularly for those employees early in their career or new to the organisation. Leaders now must consider what needs to be

put in place to replace the incidental things that would happen naturally in an in-person setting. Leaders must be deliberate when planning about culture, learning, skills and capabilities in in-person and hybrid settings.

“Our culture and teaching, each has been built by seeing and learning from each other – and that has been passed down to each generation as they have come through the firm. After four years of people working remotely, we’re starting to see some challenges, like people not having been trained in quite the same way or at the same level as they would have been previously.

Part of it is because we’ve grown and evolved, and part of it is because those people have not been in the office. You can’t take for granted the things people used to pick up from one another by being in the office together. So going forward, how do you train your leaders and your people to be more deliberate around connection and culture in a hybrid environment?”

Renaë Lattey
Chief Executive Partner, King & Wood Mallesons

All the CEOs we spoke with are navigating the complexity around hybrid and bringing people together while acknowledging that the current balance might not be optimal. It’s clear that leaders are still figuring out the best way to reach a harmonious balance.



The issue of mental health

The World Health Organisation²² defines mental health as ‘a state of mental wellbeing that enables people to cope with the stresses of life, realize their abilities, learn well and work well, and contribute to their community’.

Mental health extends beyond the mere absence of mental disorders. It exists on a continuum, exhibiting diverse experiences among individuals and encompasses varying levels of difficulty, distress and social and clinical outcomes.

The leaders we spoke with are genuinely concerned about their people and the impact of the last few years on employee mental health. The issue of mental health has transcended its historical categorisation as a secondary concern to become a critical focus for many companies. Leaders recognise its profound impact on employee wellbeing, engagement and overall workplace dynamics. They are increasingly working towards integrating and embedding mental health initiatives into their core business frameworks.

Leaders are acutely aware of the legal obligation to manage risks to employee psychological health and safety at work. But they also recognise the moral imperative of fostering a psychologically resilient and thriving workforce and the strategic necessity for the long-term success of any business. It is no longer a nice to do but a must do.

A sleeper issue

Could mental ill-health be a sleeper issue and, if left unaddressed, have the potential to amplify over time?

Significant strides have been made in addressing the stigma surrounding mental health, though there remains room for improvement. Many of the leaders we interviewed have seen a rise in EAP usage and time out for mental health issues. New Workers Compensation data supports this, showing a 46 per cent increase in mental health (psychological) claims since pre-pandemic times.²³ But it also begs other questions – What’s the impact of this rise in claims? How much is still undiagnosed? And how many people are not getting early intervention? These issues worry many leaders.

“We’ve come a long way but across society and in the workplace there is still some work to be done on removing stigma for people who are struggling. There are still plenty of people not accessing help or accessing interventions too late. Now, once you’re in that ‘too late’ situation the productivity impact can be huge. You’re opening your business up to potential claims; it’s all very reactive. We’d rather help people before this point and intervene before it becomes both a huge personal problem for them and a significant problem for your business.”

Richard Feledy
Managing Director, Allianz Australia

A key concern is that employees often refrain from seeking assistance until the situation reaches a critical point. The reasons for this may be complex – fear, stigma, cultural or personal. Leaders admit that they and their managers could be better skilled at recognising the signs that people are struggling and being able to intervene early and prevent more severe consequences.

Setting up the structure

So how do organisations structure their business and set up their operating environments to deal with this? We know that early intervention makes an enormous difference. For many organisations, there is a definite strategic shift toward prevention and early intervention measures as a critical start-point of mental health management.

“And the scariest thing, I think, for people who are heading into this area is you don’t know. You know something’s wrong, but, you don’t know what it is or how to deal with it. So, I think removing the stigma, having very open, transparent discussions, ensuring you have some sort of support network available, and then building interventions and having structured plans around how you deal with it are critical starting points. Also, personally, having professionals in my workforce who are able to educate me, in terms of how we’re going to set up our business, to address the topic, has been priceless.”

Richard Feledy
Managing Director, Allianz Australia

Some leaders are challenging their peers to integrate and embed mental health into everything they do.

“Are you committed to an enduring effort and are you in it for the long haul? Is it part of your personal and company DNA? Or are these intermittent activities that don’t necessarily create change? There’s something about the commitment to making Mental Health part of what you do and making it an equal priority to delivering the P&L. And if it’s not, there’s a fundamental challenge on the commitment and investment mindset to leverage the positive impact we can make.”

René Dedoncker
 Managing Director, Fonterra Australia

Monitoring employee mental health is possible but it is not a perfect science. Key metrics include the use of Employee Assistance Programs (EAPs), absenteeism, retention and turnover, leave balances, workers compensation claims and annual employee surveys. It also includes the use of resources and peer support services. It’s important that mental health metrics are elevated to the Board agenda to ensure accountability from the top.

“I’m certainly not naive to the challenges that we have in front of us in ensuring we keep a large organisation, mentally and physically fit. And that’s going to continue to be a focus for us. As a Board, each quarter we examine the metrics that are really related to the wellbeing of our people. Our annual survey has a huge emphasis in regard to health and wellbeing. And, we’ll get this amazing pulse check, which will set the course of actions we may need to take in the year ahead.”

Susan Martin
 Managing Director, Johnson & Johnson MedTech

Businesses are prioritising targeted education and support programs to empower employees to manage their mental health. This involves disseminating knowledge about mental health and ensuring that practical resources and a supportive infrastructure are in place. Fostering a culture where employees feel both informed and cared for is critical.

Organisations are also implementing various programs to build competencies and capabilities for both leaders and employees, partnering with external experts or delivering internally. There is a focus on peer support networks and mental health first aid. One organisation rolled out Psychosocial Wardens to help leadership teams strengthen their competencies around mental health and find better ways to support employees.

The Our AP Way

What is it?

Australia Post (AP) is undergoing a transformation that may be difficult and anxious for some employees. The Australia Post Way is a cultural program that celebrates the history of AP and its changing face and incorporates managing change and mental health.

How does it support good mental health?

The program helps people to consider mental health in terms of feeling ‘above the line and below the line’ and to think about their mental health and its relationship to safety. For example, what are the risks if you come into the workplace feeling ‘below the line’? Could you make a mistake and injure yourself; could you injure a colleague?

AP has put 34,000 people through the expert-designed program in the last 18 months. It has helped build knowledge, skills and capabilities in mental health, wellbeing and managing change. It’s facilitated by 3700 trained AP staff from different areas of the business – from Paul Graham, CEO to truck drivers at the depots.



Creating a 'mentally healthy' ethos

Some leaders recognise that cultivating and embedding a mental health-friendly culture transcends merely acknowledging the issue. It involves actively dismantling stigma, prioritising accessible psychological care, implementing tailored programs and resources, and adopting a holistic whole-person approach. This creates an environment where mental wellbeing is championed, laying the foundation for a healthier and ultimately more productive workforce.

"We've very deliberately built that into our programs and policies. The important concept is of leaders' role-modelling, practising positive psychology and being quite overt demonstrating that we, as leaders, use the programs...And it's [mental health] become something where it's just completely healthy and accepted to talk about these things. Having a culture where you feel comfortable to do that, and there is no judgement and it is celebrated and embraced - that's the biggest thing for me that we've done."

Leah Weckert

Chief Executive Officer and Managing Director, Coles Group

But even when the culture is strong, people leaders are not necessarily equipped to navigate the complexities of mental health challenges within the workforce. For example, there can be a stark difference in the way people respond to sick leave related to mental health issues compared to a physical ailment like cancer. Mental health concerns seem to carry a greater fear of judgment and stigma, leading individuals to keep it private, especially in high performing teams. Unfortunately, those who speak up about their mental health still face a level of scepticism. The intertwined nature of burnout, anxiety, and mental health, coupled with discussions about whether it's the culture or organisation that is causing the burnout, adds complexity to the situation.

"In the realm of mental health, individuals often keep their struggles private due to fear of judgment and stigma. They worry that disclosing issues with mental health, anxiety, or simply their ability to cope, will subject them to scrutiny and prejudice. When speaking to my leadership team, I posed a hypothetical scenario: if an individual comes to you with a cancer diagnosis, would there be any doubt in your mind about their support needs?"

Would their diagnosis, intentions, or integrity be questioned? The answer is likely not; instead, there would be an outpouring of support and a focus on how to assist them. This scenario prompted a discussion around how we can effectively educate and empower our people leaders to provide the same robust support structure for team members presenting with mental health concerns."

Angela Fox

Managing Director, Dell Technologies, Australia and New Zealand

Beyond the workplace

Companies can only go so far in supporting employee mental health and minimising or eliminating the workplace's contribution to poor mental health. While leaders acknowledge that work factors like periods of intense workload or interpersonal conflicts at work can negatively affect employee mental health, external factors such as uncertainty about the future, financial pressures and carer responsibilities can also add to the toll. Some leaders are seeing a rise in Employee Assistance Program (EAP) utilisation, which they see as a positive trend as it demonstrates people are reaching out for support.

"Many people are facing challenges and we have seen an increase in people accessing our employee assistance programme with financial concerns. So I think when people are feeling pressure with employment and their financial position, that can certainly manifest itself into mental health challenges"

Andrew Yates

Chief Executive Officer, KPMG Australia

Encouragingly, many companies are moving beyond 'yoga, fruit bowls and resilience training' and investing in robust initiatives that look at 'good work', manager training and capability, workload management and ways to reduce stigma and increase education around mental health. There is ongoing normalisation of mental health as no different to physical health.



Leading a new era

The increasingly complex business landscape is posing multifaceted challenges for leaders. Managing people in an era of disruption, diversity, hybrid work and evolving expectations requires adept leadership skills.

Effective leadership, however, extends beyond strategic skills and acumen. It involves cultivating a culture of understanding, connection, and resilience that acts as a foundation during turbulent times. Leaders not only guide their teams through crises but also lay the groundwork for sustained success and growth.

The ability to navigate ambiguity and uncertainty with calm is seen as essential, particularly in the face of crises like a pandemic. A resilient culture that is deeply embedded in an organisation's DNA and intricately woven with strong leadership principles can act as a guiding force through both prosperous and challenging times.

Changing times

Most leaders acknowledge the inevitability of change and are embracing the lack of absolute control. Being able to deliberately 'sit with it' in the face of uncertainty is seen as a key leadership skill that allows for more thoughtful and effective decision-making.

"Creating an environment where people are okay with ambiguity, and understand that none of us are able to control everything, is critical. As CEO, my role is to make sure all our people, including over 260 partners, are rowing in the same direction, working together. To help achieve this you need many touchpoints with your people. A distributed leadership model helps you do this. We live in a world of fast-paced change, where we won't get to everything. And that's ok. It's about supporting your leaders and others to be comfortable with that."

Virginia Briggs
Chief Executive Officer & Managing Partner, MinterEllison

Perhaps unintentionally, the leadership style that leaders adopt can significantly impact the mental health of employees, especially during times of profound change. Human connection is a pivotal factor in fostering a supportive and mentally healthy work environment.

"Leaders who created a culture that prioritised human conversation and connection, who demonstrated calm, and paused and reflected on what their people are saying and connecting the dots have higher engagement scores. As leaders you need to maintain, preserve and invest in a culture that sets the bar at the highest level."

Steven Worrall
Managing Director, Microsoft Australia & New Zealand

When leaders prioritise a human-centric approach, it contributes not only to the mental health, wellbeing and engagement of team members but also to the overall productivity, adaptability and strength of the organisation.

"But I think for me, the key is, do you think we genuinely care? Hopefully, yes. And are you seeing that through our actions and our words, and our investments? Can I achieve meaningful change through a mental health officer? If so, that's a clear investment, to recognise the importance of mental health and our workforce."

Paul Graham
Chief Executive Officer, Australia Post

However, this approach is often easier said than done. Leaders are often grappling with the challenge of integrating strategic, technical and people skills. The imperative of integrating diversity, equity, and inclusion into all aspects of operations, for example, can create an additional layer of thinking, intensifying the workload.

"Businesses must be all about making sure that diversity, equity and inclusion underpins everything they do. For people managers, it's another lens for them to be thinking about when recruiting, engaging and supporting their teams. Are they thinking about gender equity and cultural diversity? Are they thinking about First Nations and LGBTQ inclusion? How can we support people tasked with integrating DE&I into their operations so it's not viewed as 'additional workload'?"

Dale Connor
Chief Executive Officer, Lendlease Australia

The conversations leaders now have with their teams are unlike any they have had before, as COVID-19 and the changing ways of working shine a light on all aspects of employees' lives beyond the workplace.

"We now have so much more insight into the lives of our team members, and we need to equip leaders to have conversations they've never had to have before. The interactions have become multi-dimensional: people are more likely to share the detail of how their mental health is impacted by what they're facing at home."

Before the pandemic, you might have been a little bit aware of what's going on in someone's life, but the main focus would have been how they're showing up Monday to Friday, 9 to 5. Now it's a more integrated, deeper level of understanding – and that changes the level of EQ, listening skills and support tools a leader needs to have in their toolbox. The pandemic might have given us a crash course in mental health in the workplace, but in my view, business leaders across the board are under-equipped for those conversations."

Mike Schneider
Managing Director, Bunnings

This awareness of an employee's 'whole self' requires new skills of leaders – at all levels.

"We've got such a diverse workforce, we still have managers who we need to train more on how to deal with that (mental health). If you've been managing someone in a depot, for a long time, and one day, they come up to me and say, I'm not okay, that can be quite confronting for the manager as well. So, we need to support them and provide them with the right training, so they can help them, but it is a complex environment."

Paul Graham
Chief Executive Officer, Australia Post

Organisations and leaders have however become more sophisticated in terms of understanding how to better support positive mental health and wellbeing in the workplace than in the past.

"We've now got a better understanding of the range of issues we must consider from a mental health perspective, and from a productivity perspective. There is D&I, and creating a workplace where people feel safe coming to work and feel safe speaking up. We've become a lot more sophisticated as individuals in identifying where resilience might be down. And we've got more sophisticated as a firm, too - we've got a psychologist on our staff who is an amazing resource for us. From a leader's perspective, you've got to lead with empathy, support, assurance, while ensuring everyone's got access to wellbeing programmes during those more uncertain times."

Emma Covacevich
Chief Executive Partner, Clayton Utz

How can organisations best support and educate people leaders? For a start, by providing appropriate coaching, mentoring and training to help them navigate and cope with the human demands of their roles in this dynamic environment.

Organisations also need to help people leaders develop skills in empathy, inclusivity and communication that normalise mental health, reduce stigma and empower them to take appropriate actions to support their teams.



Measuring productivity

The global landscape has changed significantly since the pandemic. Organisations need to re-evaluate their productivity metrics and work designs, which, in some instances, were established 20 or 30 years ago.

Leaders are clear-eyed about the challenges these outdated systems and processes pose to productivity, employee performance and mental health. All the leaders we spoke to are actively engaging with their employees to create an agile organisation, ensuring business operations remain effective and responsive to change while also prioritising the mental health and wellbeing of its workforce.

Striking the right balance between these two objectives is a key challenge.

“The world has changed. How we measure productivity and how we do a job needs to change as well. And we’re open to ideas and suggestions around that, and that ensures that we create the best environment for mental health and wellbeing. At the same time, we have a business to run and a job to do. So how do we strike the right balance? ... A part of that for us is to actually look at how we create an environment and rewrite the rules of what engagement is and what productivity is. We don’t want delivery people to feel under any undue pressure that they can’t meet the work that is being given to them. But we can’t lose sight of the fact we also have service expectations from our customers that need to be met.”

Paul Graham
Chief Executive Officer, Australia Post

Some leaders are shifting their focus towards achieving more with the same or fewer resources by enhancing people capabilities and technological investment to realise dividends beyond surface-level growth. For example, they are enhancing leadership skills in setting high-quality targets, fostering consistent communication, and emphasising output-focused discussions rather than mere input considerations, particularly in managing individuals engaged in both physical and virtual environments.

“I think one of the challenges lies in posing the question to our team leaders or managers - how do you know you’re getting consistently good outcomes or deliverables? There’s probably a couple of things at play here: what’s the skill of our leaders in setting really good quality targets and outputs, in addition to ensuring the quality of their engagement with individuals on a regular, consistent basis? How do you manage an individual where your engagement will be both physical and virtual, when this represents a significant change from a traditional 100% face-to-face interaction model? And how do you use those opportunities in a disciplined way to ensure you build ongoing connections and relationships while maintaining clarity on the desired outcomes?”

Ian Whitehead
Chief Executive Officer, Latrobe Health Services

Leadership styles

Most leaders we spoke to are adapting their leadership styles to suit a post-pandemic world. Previously, there was ‘a recipe’ for a leader and what skills were required. This has changed significantly since COVID-19.

“I think being able to push back as a leader and know that there is that important linkage between productivity and wellbeing. So, if you push one too hard, if you push that productivity too hard, what impact that’s going to have? That’s a core leadership skill, I would say. And I think it’s one that has risen in priority in terms of being able to understand it.”

Laura Malcolm
Chief Executive Officer, Avana Australia

While pre-COVID-19 leadership predominantly occurred in-person, it’s now a blend of online and in-person interactions. Leaders have had to adapt and enhance their skills for both virtual and face-to-face leadership. Leading virtually is more manageable once strong relationships and a high-performing team culture are established. What’s more challenging is the hybrid situation of having people in the room and online and making sure everyone has a voice and is heard. On the other hand, hybrid has also brought more flexibility. For example, one CEO spoke about how their executive leadership team (ELT) now conducts three in-person meetings annually, with the remainder being virtual. Engaging with clients has also transformed, with relationships being built virtually.

Post-COVID-19 leadership is also about self-care and modelling mentally healthy behaviours to help other leaders and their teams.

“Our obligation is to help leaders find time to manage their people differently. There isn’t an off-the-shelf programme for this. It needs to be permissible, they’ve got to see leaders investing in themselves, they’ve actually got to see it to appreciate it. That’s what I enjoy demonstrating, and I often reveal my diary, I show it to my teams and their teams to say - here’s what I’m doing, to manage and protect time for myself. I intentionally preserve time for me and I do it months in advance.

High stakes for me is when I don’t have time to think and reset. So I religiously get ahead of the inevitable diary congestion by spending time every week looking months ahead to ring-fence personal time. It makes a huge difference and allows you to be consistently in the moment for your people.”

René Dedoncker
Managing Director, Fonterra Australia

Leadership is also about showing vulnerability and creating a culture of speaking up.

“And we’ve seen some amazing examples of very senior leaders stand up on stage in front of 1000s of people and tell stories about their own vulnerabilities and how they felt in a situation and show emotion. And that be really embraced and celebrated by the team. So that is a cultural piece for me. You need to have the right programmes in place, you need to have the right policies in place, you need to give leaders the right training, but actually the cultural piece around making it acceptable to talk about mental health issues and celebrating when this is done, that is the thing that actually, I think, fully opens the door to change.”

Leah Weckert
Chief Executive Officer and Managing Director, Coles Group

Another challenge for leaders post-COVID-19 is managing the media. Business decisions such as redundancies and employee grievances are no longer an internal matter, even for private companies. Private issues are increasingly being played out in public forums. This creates another layer of work for companies to manage – media statements and social media posts to be produced and curated across multiple channels.



Changing up thinking

While employees have embraced flexibility, especially with the rise of hybrid work, it is becoming increasingly evident that leaders must adopt a deliberate approach to sustain it effectively.

Designing intentionally

Making a permanent shift to hybrid work is not straightforward - it involves setting up a structured plan for each office, considering various job types, roles, and individuals. The focus needs to be on defining the purpose of team gatherings, fostering connections within the team, and upholding client relationships. In essence, it's about intentionally designing and planning for the ongoing success of hybrid work.

"We designed a plan for each office which considered - How are you going to come together? What's the purpose of coming into the office? How do you intentionally collaborate? What are the different things from both a working practice but also social? How do we ensure that we keep that human connection... both within our teams, but also with our clients whilst maintaining that flexibility? And how do we do all of that, whilst ensuring that we're there and we're productive.... So, it's more about making sure that we have those frameworks and moments to enable people to connect effectively, but also be very clear on outcomes. It's a privilege, flexibility and being able to choose how and when and where you work. And that privilege has to come with outcomes from a productivity perspective as well."

Laura Malcolm
Chief Executive Officer, Avande Australia

Avande Australia: Alternative Work Week and Team Charter

Why did we introduce this?

To get the right balance for employee flexibility we needed a framework that helped employees work best, service our clients and meet our business objectives post-pandemic.

What is it?

The framework gives employees the opportunity to consider when, where and how they work the best. For some, it might be five days a week doing their hours. For others, and this was a lesson after the pandemic, their time needed to be more flexible to meet family or personal commitment. So, we tried to support that by providing an alternative workweek.

We also developed a Team Charter, which provides a way of bringing the team together to discuss flexibility in a whole-of-business context. It clarifies about how to balance the needs of individuals, the needs of the team and the needs of our clients.



Enabling productive ways of working

Many of the areas explored with leaders on enabling productive ways of working are both factors that the new psychosocial hazards legislation recognises as impacting mental health and are also foundational drivers of good organisational mental health.

Realignment of Focus and Workload

For many leaders, their attention post-COVID-19 has returned to core business values. How can they optimise workplace productivity and address the creeping imposition of low-value, meaningless or mundane work that saps productivity, increases costs and frustrates staff?

The Workload Conundrum

What do you do when your staff tell you I've got too much on my plate?

In the months following the pandemic, Woolworths' survey showed that workload was an issue for their teams. So, the leadership group experimented with an approach that asked teams to only plan for 75% capacity. The leaders articulated the outcomes they were looking for and asked teams to tell them which of the things on their list they wanted to stop. The teams had the power to reduce their workload by a quarter.

The problem was no one wanted to stop anything. The next Woolworths' survey again showed people saying they have too much on their plate.

The leaders had come up against the problem of autonomy versus direction. They realised that it's not the job of operational teams to decide on prioritisation - that's something that sits with leaders. They also came up against a strong work ethic. No one wants to genuinely put their hand up and say, "I don't want to do that thing, even though I know it's important because I just want to plan to a lesser workload".

This is a conundrum for many leaders: What's the right balance of autonomy and direction? How do you leverage a great work ethic while ensuring people don't burn themselves out?

"We had an initiative called the red tape busters – exploring how to bust some of these red tape and bureaucracy that's crept into our organisation. Clearly, as a large healthcare company, we're highly regulated, highly compliant. And so there are some non-negotiables and steps we have to take as an organisation that are not up for discussion. But it's amazing how things creep in incrementally over time, which become the norm. And so, it's really taking stock."

Susan Martin
Managing Director, Johnson & Johnson MedTech

But leaders also recognise that improving productivity is about giving employees a voice. Employees want to be productive and efficient. They want to be heard, have their pain points addressed and get on with the job. Responding to these concerns can have enormous benefits for an organisation.

"Our teams often tell us, they want the tools to do their jobs well. And it's not that hard to solve if we focus on it, equipment that is available, clean and works every time, access to the right data for analytics, a laptop that is fast... in every role I have been in, this is overwhelmingly the first thing in any voice of team survey. I think it's our teams' way of saying "Get out of my way and let me do my job well". So, when you remove these seemingly simple barriers and the teams' personal experience in the workplace is free from constraints, the results in both productivity and team advocacy are extraordinary."

Annette Karantoni
Managing Director, Primary Connect & Chief Supply Chain Officer,
Woolworths Group

Empowering employees requires a culture where team members feel comfortable suggesting improvements and leadership is responsive in a fair and sensible way. The goal, then, is to create an environment where individuals can contribute ideas freely, leading to positive changes in workload and work processes.

"Ideally, an organisation will have a management and leadership team that openly encourages, receives and acts on advice around making changes to reduce workload and improve process and productivity. You want an environment in the workplace where everybody feels comfortable in raising issues and contributing ideas because they know they'll be heard and acted on. If you've got that happening, you've got a better chance of acting quickly to eliminate low-value work that is putting unnecessary pressure on teams."

Dale Connor
Chief Executive Officer, Lendlease Australia

Some leaders are increasingly empowering employees to manage their own workload. The challenge comes when employees struggle to let go of tasks and activities because of their strong work ethic, or a desire to take on additional projects they feel give a sense of purpose. It's a problem that Woolworths is leaning into (see the Workload Conundrum).

The balance of workload, productivity, operational efficiency and team wellbeing is nuanced. It requires a deliberate consideration of workload and clear messaging by leaders about the organisation's core values. By scrutinising and mitigating the impact of excessive workload, even when employees want to step up and contribute, leaders have a substantial opportunity to enhance employee engagement and satisfaction and reduce burnout, stress and fatigue.

Job design

Some leaders we spoke to recognise the importance of job design in tackling employee stress and burnout. Research shows that job design plays a pivotal role in influencing the mental health and wellbeing of employees in the workplace.

Thoughtful job design ensures alignment of organisational goals and tailors roles to the specific skills and interests of employees, fostering job satisfaction and producing higher motivation and productivity. It also empowers employees with a fundamental level of control over their work and a sense of ownership and responsibility. This takes work.

"And there are a few things that we think we can do to improve the quality of interaction. So that lack of control that was perceived last time around won't be quite so pronounced going forward. Good job design, you know, we've changed so many things. And it's very clear that we've got a lot more to do in terms of ensuring that we help people, we set them up for success. Do we think we've got that right? Not 100%. So, a lot of work around - do we have for each job and every team, the right balance between the size of the challenge and the amount of time and effort that we think any team member might need to expend to achieve that objective."

Steven Worrall

Managing Director, Microsoft Australia & New Zealand

Rethinking Ways of Working

Organisations are having to confront 'old school' ways of working to adapt to the evolving dynamics of the modern workplace. One challenge is the redeployment of personnel into areas that align with current business needs, which often requires restructuring of roles and responsibilities. While doing so can foster a more agile and responsive organisational structure, it isn't always easy with awards that date back decades and embedded structural practices.

"We try to be better with how we utilise our workforce, using data to understand where there are pockets of the firm that are heavily utilised and areas of the firm that are not heavily utilised, trying to be more agile with where our people are working. It's a work in progress. That's sort of the holy grail that we can be moving people around the firm to balance out the workload."

Andrew Yates

Chief Executive Officer, KPMG Australia

Effectively managing workloads through peaks and troughs is a strategic imperative for organisational resilience that requires flexible strategies to handle fluctuations in demand. Whether through resource allocation, cross-functional collaboration, or leveraging technology, organisations will need to navigate periods of high demand and downtime with agility and efficiency.

Enabling Leaders and Employees to Work in Optimal Ways

Empowering leaders and employees with the flexibility to work in ways that suit them is crucial for fostering a productive and engaged workforce. Working with employees and providing permission for tailored work arrangements and discussion on workload enables individuals to optimise their performance, considering personal preferences, work styles, and other factors that contribute to overall job satisfaction and effectiveness.

"We have had some real challenges in recent years, our teams telling us "we have too much on, not enough time to think". We sit down, share the outcomes we are looking for and ask the teams to come back with the things they will stop, but nothing ever really comes back. In some ways it's really admirable, the teams love the work, are passionate about our customers and business but we need to make change. We have started to co-create, challenge each other on the priorities and capacity of our teams and build joint plans knowing that the plans are aspirational and something most likely won't get finished in that quarter and we all have to be okay with that. We certainly have not cracked it yet, but we are on the right path!"

Annette Karantoni

Managing Director, Primary Connect & Chief Supply Chain Officer, Woolworths Group

Employee empowerment and motivation are intricately linked to meaningful work and positive working relationships. Leaders know that recognising and acknowledging good work, fostering a culture of appreciation and care, and cultivating strong working relationships contribute to a motivated and mentally healthy workforce. It is clear that this approach not only enhances job satisfaction but also creates a positive feedback loop that fuels continuous improvement and sustained productivity.

Creating a Productive DNA

Building a culture that encourages and sustains productive ways of working is akin to creating the DNA of an organisation. Leaders acknowledge that this involves instilling values, norms, and practices that prioritise efficiency, collaboration, and innovation but also people. A well-defined and nurtured culture becomes the driving force that encourages employees towards their optimal performance, fosters resilience, and positions the organisation for long-term success in an ever-changing business landscape.

Resilience also plays a pivotal role in navigating challenges successfully and emerging stronger. Leaders highlighted a shift from solely focusing on addressing mental health to prioritising the development of resilience within teams, leaders and the organisation. The challenges faced by, for example, post office workers and retail workers during the pandemic, included adapting to new COVID-19 protocols almost daily and the associated increased workload. Many young workers entered the workforce for the first time during the pandemic without the usual sense of workplace community and culture to embed them.

At the leader level, resilience encompassed strategies for dealing with ambiguity, adapting to changing circumstances, and managing challenges like supply chain disruptions and the demands on themselves, their teams and the workforce during times of crisis like the pandemic.

But I do think some of the dialogue our leaders are starting to have now, is moving from mental health to how do we skill our leaders and teams to have resilience? And I have to say that has changed some of the dialogue internally about how we how we're looking at developing capability to better equip our leaders."

Ian Whitehead

Chief Executive Officer, Latrobe Health Services

Organisationally, emphasis is on psychological safety, employee wellbeing, and adaptive policies which contribute to building organisational resilience over time.

Experimentation and innovation

The CEOs we spoke to are all experimenting, adapting and innovating around work in a measured and cautious way. The lag effects of COVID-19, the new hybrid workplace and changing expectations of employees around the workplace – what it delivers, what it fulfils, and its role and responsibility to the employee – have upturned the status quo. Technology is an enabler but is not the entire solution to the work-life-productivity balance. Artificial intelligence, generative AI and remote enabling technologies are here. The question leaders are grappling with is how to integrate and use them to make life and work better for employees and organisations, enabling them to practice their craft to the top of their game.

Traditional metrics and 'sacred cows' like billing hours, margins and utilisations metrics are being rethought.

An experimentation mindset is encouraged, such as the experiments recommended by Elizabeth Broderick in the review for Ernst & Young (EY). These experiments are just that, not solutions necessarily, but a way forward in thinking differently about some of the factors associated with work that drive certain (and often unintended) behaviours that may harm to employee mental health and wellbeing. One example EY is exploring is piloting the removal of margin tracking on projects.

"We're going to run a pilot removing tracking profit on an engagement. We track profit in so many other measurable ways. We've found it creates undesirable behaviours of people not charging their time, which impacts people's wellbeing.... This makes you feel like you're working for free, and not valued. And, at the end of the year, when we're doing your review the utilisation stats don't reflect what you've actually done. So that's one of the experiments, as well as delivering supportive messaging to challenge your own time reporting."

David Larocca

Oceania CEO & Regional Managing Partner, Ernst & Young

Work hours and days are being rethought in the context of giving people back time for their wellbeing to recharge and pursue what brings them meaning and value. For example, Bunnings recently announced an enterprise agreement that includes a four-day roster that allows employees to accrue a day off and have a four-day weekend every month. While not mandatory, the roster gives people an option to balance work and other commitments

“The new level of flexibility in our enterprise agreement solves a productivity challenge for our business: making it easier for our most experienced people to work at our busiest times, Saturdays and Sundays. Building some flex into the model makes it more appealing for our team members to be supporting customers when they need it most and has an inherent productivity boost - I think employers need to be conscious of how we create environments where flexibility and productivity work hand-in-hand.”

Mike Schneider
Managing Director, Bunnings

Other companies are enforcing simple things such as the ability to take time off and have a proper supporting fill-in doing their job when they are away. This enables people to take time off properly to recharge and separate from work.

“I believe the ability to completely switch off and take a breather is crucial. As leaders it’s our responsibility to make this possible. We need to assure our team members that we’ll collectively shoulder their duties, ensuring their tasks are taken care of while they have a rest. In return, they’d do the same for us when needed.”

Virginia Briggs
Chief Executive Officer & Managing Partner, MinterEllison

There is, however, no silver bullet. Managing the intersection between mental health, wellbeing and productivity is challenging because it’s multi-faceted and messy. It requires a broader, ecosystem approach. Organisations and their leaders are dealing with clients, government, regulators, stakeholders and external factors beyond their control. Critically, leaders agree that they must keep experimenting and collaborating on what is a shared problem.

“We seem to be much more complex beings as a society than we were a few years ago, that means we have many more challenges and much more complexity to solve for. We are working towards some really good outcomes but this is a community issue needing industry and government to lean in and solve it together. There is no simple solution but we all need to make an effort and ensure we are investing well to get the balance right for our teams and in doing so, our communities.”

Annette Karantoni
Managing Director, Primary Connect & Chief Supply Chain Officer,
Woolworths Group



Technology for good

Most employees and leaders acknowledge that during the pandemic, technology enabled them to be flexible in where they worked and more productive. It also offered a better client experience for some. On the downside, it blurred the boundaries between work and home and encroached into people's home lives. Equally, this new wave of technology will have its pluses and minuses. AI has the potential for significant disruption, and there are legitimate concerns about its implications for job losses and job creation. The question for most leaders is how to use this moment in time to use technology to do things that matter.

"I think this is one of the levers, probably the primary lever that is going to help us to improve national productivity. At the same time, as a caring, thoughtful, responsible democracy we need to be very focused on ensuring that we don't leave anyone behind, and that there aren't cohorts in our community who are disenfranchised, or who are disproportionately impacted by this new wave of technology."

Steven Worrall
Managing Director, Microsoft Australia & New Zealand

Many organisations have initiated technology transformation programs to foster widespread utilisation and adoption. One of the challenges is keeping up with the speed of innovation, as the constant change and getting used to new ways of doing things creates its own pressures. However, most leaders see technology as a 'force for good'.

"The technology allows us to operate from our offices or homes, or indeed anywhere in the world. It eliminates the commute time and helps increase efficiency. However, and I do genuinely say this, how do we cultivate the positive aspects of community that are essential to our work and creating an inclusive culture, without physically being together?"

Virginia Briggs
Chief Executive Officer & Managing Partner, MinterEllison

Law firm King & Wood Malleons (KWM) considered two main approaches to adopting and integrating technology: establishing a dedicated innovation department with alternative legal products or empowering all team members to adeptly use technology in their roles. They opted for the latter, focusing on educating all their staff to seamlessly incorporate technology into their daily practices. Like the integration of email and the internet in the past, their goal is to make technology an integral part of their legal practice. While they have a specialised group for technology-intensive tasks, they also implemented a program with various nudges to encourage increased technology adoption among team members.

"We know that meeting billable targets can be a possible barrier to people adopting legal tech to drive efficiency and productivity, so we introduced an initiative called the 'multiplier'. When a lawyer uses legal technology on their work, they get a multiplier of the hours they spend toward their target hours. Of course, clients don't get charged that, but it was a way of encouraging people not to avoid using legal tech for efficiency reasons because they're worried about targets. We still want to encourage people to use the technology and not be disadvantaged from a billable hour model."

Renaë Lattey
Chief Executive Partner, King & Wood Malleons



A role for Government

Fostering better collaboration between business and government is essential to understanding the intersection of productivity and mental health, which can lead to better outcomes and positively impact all Australians.

The leaders we spoke to have mixed views about the role of government in addressing workplace productivity and mental health. The consensus position is that creating a positive working environment that supported good mental health was the responsibility of employers to solve collectively and individually.

“Government plays an important role, but equally, I take responsibility and ownership for the parts of community that we touch and for the people that we employ and their experience in the workplace. We’re doing everything that we can to move that forward. That’s my accountability.”

Richard Feledy
Managing Director, Allianz Australia

A collaborative approach

Fostering better collaboration between business and government, however, is seen as essential to enabling a better understanding of the intersection and interconnectedness of productivity and mental health. Many business leaders believe that when stakeholders actively engage with both these critical issues in combination, it can deliver better outcomes and undoubtedly stand as a positive development for all Australians.

“We’re at a 60-year low in terms of our productivity levels. With COVID-19, we’ve been through probably one of the most mentally stressful periods that we’ve seen in maybe 100 years. And you put those two things together, and you’ve got to kind of ask the question about what does it take to move forward from this point and get a different outcome on both those points. Do you think that takes an all-stakeholder perspective? And I actually think that government has a significant role to play in supporting productivity going forward. And businesses have a very big role to play in setting the right culture where team members can be at their best.”

Leah Weckert
Chief Executive Officer and Managing Director, Coles Group

Investment in community mental health

Given the impacts of the pandemic on mental health, and the time people spend in the workplace, employers to some extent have become the frontline of dealing with the emerging mental health crisis. Many support increased government investment in mental health in the community, particularly with respect to tackling stigma, timeliness of access to health professionals and building the mental health workforce capacity.

“We don’t need an incentive to look after our people. It’s good business to have healthy people. So I think that it is the responsibility of business. But as I said before, we do feel sometimes like we’re at the frontline of mental health management because we can be the only people that have the capacity to give time to our people. I think there needs to be a bigger investment in the infrastructure outside the workplace, so people can get help in the general community, which I understand is very hard to get.”

Andrew Yates
Chief Executive Officer, KPMG Australia

Reducing the load

There was a strong reluctance to increase the government’s involvement in the day-to-day running of business as it might create more challenges than solutions. For example, some leaders note that ESG (Environmental, Social, and Governance) regulations are causing a significant rise in complexity and workload. These leaders argue that the added obligations don’t contribute to profitability, value creation, or productivity but instead are an additional burden, especially for publicly listed companies. Ideally, the preference of some is for government to focus on fostering innovation and investment rather than regulation.

Government reform might be beneficial to lift both productivity and better enable employers to support the mental health of their employees. For example, achieving uniformity in regulations nationwide would help minimise red tape and cultivate a consistent and predictable business environment – particularly for companies operating in multiple jurisdictions.

“There’s a lot of responsibility on corporate Australia to tackle this. Let’s start there. And depending on the company, some are going to be more skilled and more willing to do so accordingly. And so, I am supportive of government putting out some sort of minimum standards, I would say guardrails...I think we’re starting to see those changes. I can tell you running a national organisation, uniformity really would be key. And we saw that during COVID-19, the fact that this was done State by State, the variance across policies and so on.

When you have a national workforce, that is really, really difficult. And so, if I did have an ask for government it would be to at least standardise that across the States.”

Susan Martin
Managing Director, Johnson & Johnson MedTech

Several leaders in the professional services sector have concerns about the multiple roles that governments play – as clients, regulators, and policy architects – and the impacts on workforce mental health. For example, as clients, government agencies often release Requests for Proposals (RFPs) right before the holiday season, expecting companies to work during a period traditionally marked by breaks in both the private and government sectors. This seemingly minor aspect, viewed from a customer standpoint, could be improved.

From a regulatory standpoint, government bodies like ASIC, for example, impose specific deadlines for companies to submit their financial accounts. While the nature of audits has evolved, incorporating complexities like cybersecurity and technological advancements, the established timeframes for compliance have remained largely unchanged for years. This situation prompts the question of whether government regulators should assess the impact of such fixed timelines on the overall wellbeing of businesses and individuals.

Formalising a framework

Several leaders argue that Australian businesses – and their workforces – would benefit from a National Mental Health Workplace Strategy. This strategy would include a common narrative and approach for government and industry (small and large businesses) to work together to address mental health challenges facing workplaces, including the public sector. It would cover issues like leadership, culture, employee mental health and wellbeing, and the impact of rapid change and economic uncertainty on productivity. It would bring together best practice thinking from government and business leaders to tackle a national-level problem.

“What if we were to make that the common narrative just as much as we might talk about commercialising our research and development assets, or the adoption of new technology in our economy. What if we were able to create a framework or provide access to resources that could make it a common conversation for every person, every one of those 30 million Aussies. Think about it - presenteeism and other negative impacts of poor mental health, what does that do to our productivity as a nation? There is a very direct connection between having a great job and having great mental health, or at least being in a positive state of mind.”

Steven Worrall
Managing Director, Microsoft Australia & New Zealand



Where to now?

This research provides a snapshot of the concerns, challenges and opportunities many of the leaders of corporate Australia are facing when balancing the mental health and wellbeing of employees against the reality of conducting business in a changing and uncertain economic environment, where difficult decisions often must be made.

The role of leaders in creating mentally healthy workplaces is now well recognised by Australian workplace laws and leaders themselves understand that workplace environments in which people thrive underpin organisational success and sustainability. Leaders clearly recognise that beyond the metrics and KPIs lie real people, each with their unique strengths, challenges, and aspirations. A focus on the mental health and wellbeing of employees has become front of mind for Boards and Leaders more than ever with the introduction of Regulations and Codes addressing psychological health and safety and the rise in psychological claims.

That said the challenges have never been greater with recent surveys demonstrating an epidemic of loneliness²⁴ among 18 -24 year old Australians, unprecedented levels of suicide for young Australian males²⁵ and for the first time data suggesting that young Australians²⁶ are the least happy Australians.

The commitment to creating an environment conducive to employee wellbeing is thus more than a legal and strategic imperative. It is a social and moral duty, reflecting a business leader's profound interest in cultivating an ecosystem where every team member can thrive and contribute at their best. Organisations that will flourish amidst change prioritise the human experience alongside operational efficiency.

By recognising the 'human' impact at the end of every organisational change and decision, leaders not only enhance employee satisfaction and retention but also lay the foundation for sustained success by aligning performance improvements with the wellbeing of their most valuable asset—their workforce.

Based on the insights from the leaders who participated in this research, areas for further exploration could include:

- Is the current view of productivity fit for the future?
- Are the investments in the mental health and wellbeing of your employees embedded in your company DNA or just a series of events and initiatives?
- How are you redefining employee engagement and productivity rules, whilst at the same time recognising the need to strike a balance between maintaining workforce satisfaction, mental health and wellbeing and meeting business and profitability expectations?
- How well are you equipping people leaders at all levels to deal with workplace mental health and wellbeing in this new age of complexity?
- How are you measuring and reporting on the mental health and wellbeing of your employees?
- How much time is being taken to manage a hybrid environment? Are you creating this environment with intentionality? Is this efficient and what could you do differently?

Our workplaces have the opportunity to create meaningful connections for individuals and create communities of learning where emerging technology is a benefit to improve productivity and workplace satisfaction – this is a challenge for all leaders and one that the CMHAA is committed to supporting.

Conclusion

Navigating this era of unparalleled challenges and opportunities requires adaptive leadership. The workplace is being reinvented at pace by technological advances and 'digital native' generations entering the workforce. Shifting social values are also seeing a reshaping of individual and organisational priorities.

The CMHAA membership includes some of Australia's most prominent and well-established brands. These companies acknowledge the significance of uniting under the belief that we are 'stronger together.' The decision of these CEOs to engage in interviews underscores the understanding that mental health transcends individual businesses or persons.

As an organisation, we urge all workplaces, regardless of their size, to invest in and prioritise the mental health of their employees. We strongly advocate for every leader to see mental health as a fundamental element of their business strategy, and core to their processes and systems to support a healthy work environment.

As a starting point, our website cmhaa.org.au contains a range of information, case studies, guides and toolkits that can be freely accessed to support your work to become a mentally healthy workplace.



Acknowledgements

This research was made possible with the generous time, candour and insights shared by 18 amazing C-Suite leaders that CMHAA was fortunate to speak to.

CEO's Participating

Virginia Briggs, Chief Executive Officer & Managing Partner, MinterEllison

Dale Connor, Chief Executive Officer, Lendlease Australia

Emma Covacevich, Chief Executive Partner, Clayton Utz

René Dedoncker, Managing Director, Fonterra Australia

Richard Feledy, Managing Director, Allianz Australia

Angela Fox, Managing Director, Dell Technologies Australia and New Zealand

Paul Graham, Chief Executive Officer, Australia Post

Annette Karantoni, Managing Director Primary Connect and Chief Supply Chain Officer, Woolworths Group

David Larocca, Oceania Chief Executive Officer & Regional Managing Partner, Ernst & Young

Renaë Lattey, Chief Executive Partner, King & Wood Mallesons

Laura Malcolm, Chief Executive Officer, Avantade Australia

Susan Martin, Managing Director, Johnson & Johnson MedTech

Amber Matthews, Managing Partner, DLA Piper Australia

Michael Schneider, Managing Director, Bunnings

Leah Weckert, Chief Executive Officer and Managing Director, Coles Group

Ian Whitehead, Chief Executive Officer, Latrobe Health Services

Steven Worrall, Managing Director, Microsoft Australia and New Zealand

Andrew Yates, Chief Executive Officer, KPMG Australia

Research Team

Dr Kim Hamrosi, Corporate Mental Health Alliance Australia

Andrew Sedger, Sedger & Co

Endnotes

- 1 Bower M, Smout S, Donohoe-Bales A, O'Dean S, Teesson L, Boyle J, Lim D, Nguyen A, Calear AL, Batterham PJ, Gournay K and Teesson M (2023) A hidden pandemic? An umbrella review of global evidence on mental health in the time of COVID-19. *Front. Psychiatry*. 14:1107560. doi: 10.3389/fpsy.2023.1107560
- 2 Hosking, P. (2020). The impact of the COVID-19 pandemic on mental health in Australia. *Australian & New Zealand Journal of Psychiatry*, 54(5), 448-449.
- 3 Bomberry, L., Whiteford, H. A., & Thurlow, J. (2017). The role of mental health in labor force participation and productivity in Australia. *Australian and New Zealand Journal of Psychiatry*, 51(4), 411-412.
- 4 LaMontagne, A.D., Martin, A., Page, K.M. et al. Workplace mental health: developing an integrated intervention approach. *BMC Psychiatry* 14, 131 (2014). <https://doi.org/10.1186/1471-244X-14-131>
- 5 Productivity Commission. (2019). *Shifting the Dial: 5-Year Productivity Review*. Australian Government Productivity Commission.
- 6 Litchfield P, Cooper C, Hancock C, Watt P. Work and Wellbeing in the 21st Century †. *Int J Environ Res Public Health*. 2016 Oct 31;13(11):1065. doi: 10.3390/ijerph13111065. PMID: 27809265; PMCID: PMC5129275.
- 7 Pfeffer, J. (2018). *Dying for a Paycheck: How Modern Management Harms Employee Health and Company Performance—and What We Can Do About It*. HarperBusiness.
- 8 Lowe, G., Horne, M., & Klaas, B. S. (2018). Wellbeing and mental health in the gig economy: A comparative study of Australia and the Netherlands. *Journal of Management & Organization*, 24(3), 396-412.
- 9 Corporate Mental Health Alliance Australia (2023). *The Leading Mentally Healthy Workplaces Survey Report*. https://cmhaa.org.au/wp-content/uploads/CMHAA_Mentally-Healthy-Workplaces-Report_August2023.pdf
- 10 Productivity Commission. (2023). *5-year Productivity Inquiry: Advancing Prosperity*. Inquiry report – volume 1 <https://www.pc.gov.au/inquiries/completed/productivity/report/productivity-advancing-prosperity-all-volumes.pdf>
- 11 Reserve Bank of Australia (2023). *Productivity*. <https://www.rba.gov.au/education/resources/explainers/productivity.html>
- 12 Australian Bureau of Statistics. (2023). *National Study of Mental Health and Wellbeing* <https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/latest-release>
- 13 Allianz Australia (2023). *The Workplace Realignment: Reset needed as cost of living, fatigue and burnout, put pressure on workplace mental health*. <https://www.allianz.com.au/about-us/media-hub/the-workplace-realignment.html#%3A-%3Atext%3DNew%20claims%20data%20from%20Allianz%2Ccent%20in%20the%20same%20period>
- 14 Allianz Australia (2023). *The Workplace Realignment: Reset needed as cost of living, fatigue and burnout, put pressure on workplace mental health*. <https://www.allianz.com.au/about-us/media-hub/the-workplace-realignment.html#%3A-%3Atext%3DNew%20claims%20data%20from%20Allianz%2Ccent%20in%20the%20same%20period>
- 15 Australian Bureau of Statistics. (2023). *National Study of Mental Health and Wellbeing* <https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/latest-release>
- 16 Productivity Commission. (2021). *Mental health and suicide prevention stocktake*. <https://www.pc.gov.au/research/completed/mental-health-stocktake/mental-health-stocktake.pdf>
- 17 Productivity Commission. (2020). *Mental Health*. Productivity Commission Inquiry report Volume 1. No 95. <https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume1.pdf>
- 18 Productivity Commission. (2020). *Mental Health*. Productivity Commission Inquiry report Volume 1. No 95. <https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume1.pdf>
- 19 Productivity Commission (2023). *5-year Productivity Inquiry: Advancing Prosperity Inquiry report – volume 1*. <https://www.pc.gov.au/inquiries/completed/productivity/report/productivity-advancing-prosperity-all-volumes.pdf>
- 20 Productivity Commission. (2020). *Mental Health*. <https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health.pdf>
- 21 CEDA (2022). *Mental Health and the Workplace. How can employers improve productivity through wellbeing?* <https://cedakenticomedia.blob.core.windows.net/cedamediacontainer/kentico/media/attachments/mental-health-report-13.pdf>
- 22 World Health Organisation. *Mental Health*. <https://www.who.int/news-room/fact-sheets/detail/mental-health-strengthening-our-response>
- 23 Allianz Australia (2023). *Allianz Workers Compensation claims data comparing primary psychological active claims for FY19 compared to FY23, across all Allianz portfolios*. <https://www.allianz.com.au/about-us/media-hub/the-workplace-realignment.html>
- 24 Australian Institute of Health And Welfare (2023) *Social Isolation and Loneliness*. [Social isolation and loneliness - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/social-isolation-and-loneliness)
- 25 Australian Institute of Health And Welfare (2023) *Suicide & self-harm monitoring*. [Deaths by suicide over time - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/deaths-by-suicide-over-time)
- 26 Helliwell, J. F., Layard, R., Sachs, J. D., De Neve, J.-E., Aknin, L. B., & Wang, S. (Eds.). (2024). *World Happiness Report 2024*. University of Oxford: Wellbeing Research Centre. [World Happiness Report 2024 | The World Happiness Report](https://www.oxfordwellbeing.com/reports/world-happiness-report-2024)

cmhaa.org.au

© 2024 Corporate Mental Health Alliance Australia

D0425289



Commonwealth Bank

This report was produced with the support of Commonwealth Bank