Addressing employee burnout: Are you solving the right problem?

Employers have invested unprecedented resources in employee mental health and well-being. With burnout at all-time highs, leaders wonder if they can make a difference. Our research suggests they can.

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The COVID-19 pandemic has accelerated and exacerbated long-standing corporate challenges to employee health and well-being, and in particular employee mental health.[1] This has resulted in reports of rapidly rising rates of burnout[2] around the world (see sidebar "What is burnout?").

Many employers have responded by investing more into mental health and well-being than ever before. Across the globe, four in five HR leaders report that mental health and well-being is a top priority for their organization.[3] Many companies offer a host of wellness benefits such as yoga, meditation app subscriptions, well-being days, and trainings on time management and productivity. In fact, it is estimated that nine in ten organizations around the world offer some form of wellness program.[4]

As laudable as these efforts are, we have found that many employers focus on individual-level interventions that remediate symptoms, rather than resolve the causes of employee burnout.[5] Employing these types of interventions may lead employers to overestimate the impact of their wellness programs and benefits[6] and to underestimate the critical role of the workplace in reducing burnout and supporting employee mental health and well-being.[7]

Research shows that, when asked about aspects of their jobs that undermine their mental health and well-being,[8] employees frequently cite the feeling of always being on call, unfair treatment, unreasonable workload, low autonomy, and lack of social support.[9] Those are not challenges likely to be reversed with wellness programs. In fact, decades of research suggest that interventions targeting only individuals are far less likely to have a sustainable impact on employee health than systemic solutions, including organizational-level interventions.[10]

Since many employers aren't employing a systemic approach, many have weaker improvements in burnout and employee mental health and well-being than they would expect, given their investments.

What is burnout?

According to the World Health Organization, burnout is an occupational phenomenon. It is driven by a chronic imbalance between job demands[1] (for example, workload pressure and poor working environment) and job resources (for example, job autonomy and supportive work relationships). It is characterized by extreme tiredness, reduced ability to regulate cognitive and emotional processes, and mental distancing. Burnout has been demonstrated to be correlated with anxiety and depression, a potential predictor of broader mental health challenges.[2] When used in this article, burnout does not imply a clinical condition.

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[1] Job demands are physical, social, or organizational aspects of the job that require sustained physical or mental effort and are therefore associated with certain physiological and psychological costs—for example, work overload and expectations, interpersonal conflict, and job insecurity. Job resources are those physical, social, or organizational aspects of the job that may do any of the following: (a) be functional in achieving work goals; (b) reduce job demands and the associated physiological and psychological costs; (c) stimulate personal growth and development such as feedback, job control, social support (Wilmar B. Schaufeli and Toon W. Taris, "A critical review of the job demands-resources model: Implications for improving work and health," from Georg F. Bauer and Oliver Hämmig's *Bridging Occupational, Organizational and Public Health: A Transdisciplinary Approach*, first edition, Dordrecht, Netherlands: Springer, 2014).

[2] Previous meta-analytic findings demonstrate moderate positive correlations of burnout with anxiety and depression—suggesting that anxiety and depression are related to burnout but represent different constructs (Katerina Georganta et al., "The relationship between burnout, depression, and anxiety: A systematic review and meta-analysis," *Frontiers in Psychology*, March 2019, Volume 10, Article 284).

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[1] When used in this article, "mental health" is a term inclusive of positive mental health and the full range of mental, substance use, and neurological conditions.

[2] When used in this article, "burnout" and "burnout symptoms" refer to work-driven burnout symptoms (per sidebar "What is burnout?").

[3] McKinsey Health Institute Employee Mental Health and Wellbeing Survey, 2022: n (employee) = 14,509; n (HR decision maker) = 1,389.

[4] Charlotte Lieberman, "What wellness programs don't do for workers," *Harvard Business Review*, August 14, 2019.

[5] Anna-Lisa Eilerts et al., "Evidence of workplace interventions—A systematic review of systematic reviews," *International Journal of Environmental Research and Public Health*, 2019, Volume 16, Number 19.

[6] Katherine Baicker et al., "Effect of a workplace wellness program on employee health and economic outcomes: A randomized clinical trial," *JAMA*, 2019, Volume 321, Number 15; erratum published in *JAMA*, April 17, 2019.

[7] Pascale M. Le Blanc, et al., "Burnout interventions: An overview and illustration," in Jonathan R. B. Halbesleben's *Handbook of Stress and Burnout in Health Care*, New York, NY: Nova Science Publishers, 2008; Peyman Adibi et al., "Interventions for physician burnout: A systematic review of systematic reviews," *International Journal of Preventive Medicine*, July 2018, Volume 9, Number 1.

[8] Paula Davis, *Beating Burnout at Work: Why Teams Hold the Secret to Well-Being and Resilience*, Philadelphia, PA: Wharton School Press, 2021.

[9] Jennifer Moss, *The Burnout Epidemic: The Rise of Chronic Stress and How We Can Fix It*, Boston, MA: Harvard Business Review Press, 2021.

[10] Hanno Hoven et al., "Effects of organisational-level interventions at work on employees' health: A systematic review," *BMC Public Health*, 2014, Volume 14, Number 135.

Organizations pay a high price for failure to address workplace factors[11] that strongly correlate with burnout,[12] such as toxic behavior.[13] A growing body of evidence, including our research in this report, sheds light on how burnout and its correlates may lead to costly organizational issues such as attrition.[14] Unprecedented levels of employee turnover—a global phenomenon we describe as the Great Attrition—make these costs more visible. Hidden costs to employers also include absenteeism, lower engagement, and decreased productivity.[15]

In this article, we discuss findings of a recent McKinsey Health Institute (MHI) (see sidebar "The McKinsey Health Institute: Join us!") global survey that sheds light on frequently overlooked workplace factors underlying employee mental health and well-being in organizations around the world. We conclude by teeing up eight questions for reflection along with recommendations on how organizations can address employee mental-health and well-being challenges by taking a systemic approach focused on changing the causes rather than the symptoms of poor outcomes. While there is no well-

established playbook, we suggest employers can and should respond through interventions focused on prevention rather than remediation.

We are seeing persistent burnout challenges around the world

To better understand the disconnection between employer efforts and rising employee mental-health and well-being challenges (something we have observed since the start of the pandemic), between February and April 2022 we conducted a global survey of nearly 15,000 employees and 1,000 HR decision makers in 15 countries.[16]

The workplace dimensions assessed in our survey included toxic workplace behavior, sustainable work, inclusivity and belonging, supportive growth environment, freedom from stigma, organizational commitment, leadership accountability, and access to resources.[17] Those dimensions were analyzed against four work-related outcomes—intent to leave, work engagement, job satisfaction, and organization

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[11] Gunnar Aronsson et al., "A systematic review including meta-analysis of work environment and burnout symptoms," *BMC Public Health*, 2017, Volume 17, Article 264.

[12] Sangeeta Agrawal and Ben Wigert, "Employee burnout, part 1: The 5 main causes," Gallup, July 12, 2018.

[13] *The high cost of a toxic workplace culture: How culture impacts the workforce — and the bottom line*, Society for Human Resource Management, September 2019.

[14] Caio Brighenti et al., "Why every leader needs to worry about toxic culture," MIT Sloan Management Review, March 16, 2022.

[15] Eric Garton, "Employee burnout is a problem with the company, not the person," *Harvard Business Review*, April 6, 2017.

[16] Argentina, Australia, Brazil, China, Egypt, France, Germany, India, Japan, Mexico, South Africa, Switzerland, Turkey, the United Kingdom, and the United States. The combined population of the selected countries correspond to approximately 70 percent of the global total.

[17] The associations of all these factors with employee health and well-being have been extensively explored in the academic literature. That literature heavily informed the development of our survey instrument. We have psychometrically validated this survey across 15 countries including its cross-cultural factorial equivalence. For certain outcome measures we collaborated with academic experts who kindly offered us their validated scales including the Burnout Assessment Tool (BAT), the Distress Screener, and the Adaptability Scale referenced below.

The McKinsey Health Institute: Join us!

The McKinsey Health Institute (MHI) is an enduring, non-profit-generating global entity within McKinsey. MHI strives to catalyze actions across continents, sectors, and communities to achieve material improvements in health, empowering people to lead their best possible lives. MHI is fostering a strong network of organizations committed to this aspiration, including employers globally who are committed to

supporting the health of their workforce and broader communities.

MHI has a near-term focus on the urgent priority of mental health, with launch of a flagship initiative around employee mental health and well-being. By convening leading employers, MHI aims to collect global data, synthesize insights, and drive innovation at scale. Through collaboration, we

can truly make a difference, learn together, and co-create solutions for workplaces to become enablers of health—in a way that is good for business, for employees, and for the communities in which they live.

To stay updated about MHI's initiative on employee mental health and well-being sign up at McKinsey.com/mhi/contact-us.

advocacy—as well as four employee mental-health outcomes—symptoms of anxiety, burnout, depression, and distress.[18] Individual adaptability was also assessed[19] (see sidebar "What we measured").

[18] Instruments used were the Burnout Assessment Tool (Steffie Desart et al., *User manual - Burnout assessment tool [BAT], - Version 2.0*, July 2020) (burnout symptoms); Distress Screener (4DSQ; JR Anema et al., "Validation study of a distress screener," *Journal of Occupational Rehabilitation*, 2009, Volume 19) (distress); GAD-2 assessment (Priyanka Bhandari et al., "Using Generalized Anxiety Disorder-2 [GAD-2] and GAD-7 in a primary care setting," *Cureus*, May 20, 2021, Volume 12, Number 5) (anxiety symptoms); and the PHQ-2 assessment (Patient Health Questionnaire [PHQ-9 & PHQ-2], American Psychological Association) (depression symptoms).

[19] In this article, "adaptability" refers to the "affective adaptability" which is one sub-dimension of The Adaptability Scale instrument (Michel Meulders and Karen van Dam, "The adaptability scale: Development, internal consistency, and initial validity evidence," *European Journal of Psychological Assessment*, 2020, Volume 37, Number 2).

What we measured

Workplace factors assessed in our survey included:

— *Toxic workplace behavior:* Employees experience interpersonal behavior that leads them to feel unvalued, belittled, or unsafe, such as unfair or demeaning treatment, noninclusive behavior, sabotaging, cutthroat competition, abusive management, and unethical behavior from leaders or coworkers.

— *Inclusivity and belonging:* Organization systems, leaders, and peers foster a welcoming and fair environment for all employees to be themselves, find connection, and meaningfully contribute.

— *Sustainable work:* Organization and leaders promote work that enables a healthy balance between work and personal life, including a manageable workload and work schedule.

— *Supportive growth environment:* Managers care about employee opinions, well-being, and satisfaction and provide support and enable opportunities for growth.

— *Freedom from stigma and discrimination:* Freedom from the level of shame, prejudice, or discrimination employees perceive toward people with mental-health or substance-use conditions.

— *Organizational accountability:* Organization gathers feedback, tracks KPIs, aligns incentives, and measures progress against employee health goals.

— *Leadership commitment:* Leaders consider employee mental health a top priority, publicly committing to a clear strategy to improve employee mental health.

— *Access to resources:* Organization offers easy-to-use and accessible resources that fit individual employee needs related to mental health.[1]

Health outcomes assessed in our survey included:

— *Burnout symptoms:* An employee's experience of extreme tiredness, reduced ability to regulate cognitive and emotional processes, and mental distancing (Burnout Assessment Tool).[2]

— *Distress:* An employee experiencing a negative stress response, often involving negative affect and physiological reactivity (4DSQ Distress Screener).[3]

— *Depression symptoms:* An employee having little interest or pleasure in doing things, and feeling down, depressed, or hopeless (PHQ-2 Screener).[4]

— *Anxiety symptoms:* An employee's feelings of nervousness, anxiousness, or being on edge, and not being able to stop or control worrying (GAD-2 Screener).[5]

Work-related outcomes assessed in our survey included:

— *Intent to leave:* An employee's desire to leave the organization in which they are currently employed in the next three to six months.

— *Work engagement:* An employee's positive motivational state of high energy combined with high levels of dedication and a strong focus on work.

— *Organizational advocacy:* An employee's willingness to recommend or endorse their organization as a place to work to friends and relatives.

— *Work satisfaction:* An employee's level of contentment or satisfaction with their current job.

[1] Including adaptability and resilience-related learning and development resources.
[2] Burnout Assessment Tool, Steffie Desart et al., "User manual - Burnout assessment tool (BAT), - Version 2.0," July 2020.
[3] Distress screener, 4DSQ; JR Anema et al., "Validation study of a distress screener," *Journal of Occupational Rehabilitation*, 2009, Volume 19.
[4] Kurt Kroenke et al., "The patient health questionnaire-2: Validity of a two-item depression screener," *Medical Care*, November 2003, Volume 41, Issue 11.
[5] Kurt Kroenke et al., "Anxiety disorders in primary care: Prevalence, impairment, comorbidity, and detection," *Annals of Internal Medicine*, March 6, 2007, Volume 146, Issue 5.
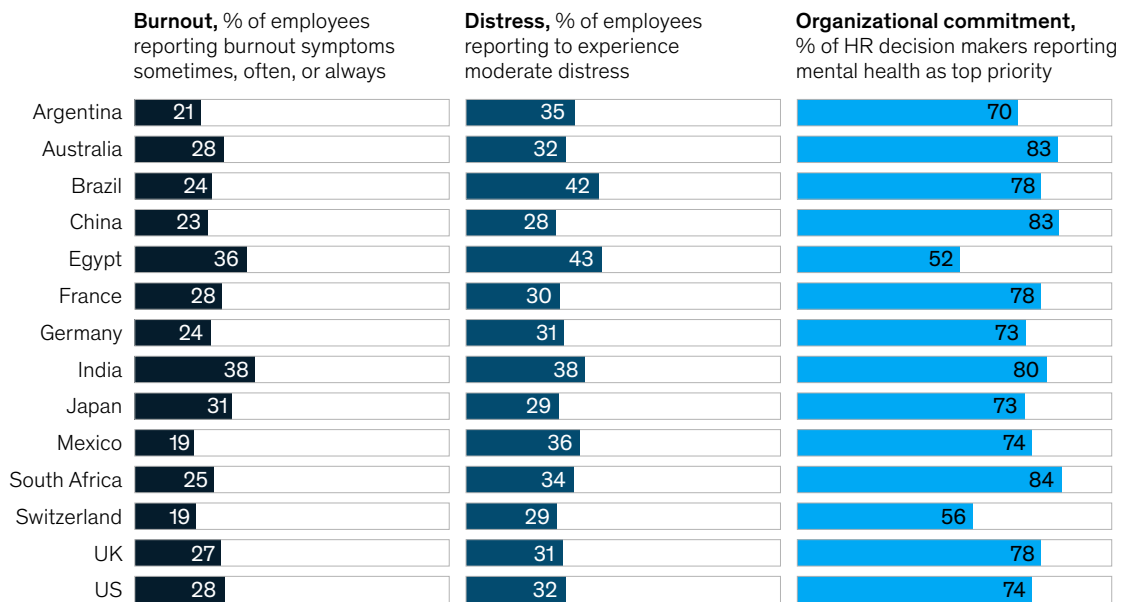
Our survey pointed to a persistent disconnection between how employees and employers perceive mental health and well-being in organizations. We see an average 22 percent gap between employer and employee perceptions—with employers consistently rating workplace dimensions associated with mental health and well-being more favorably than employees.[20]

In this report—the first of a broader series on employee mental health from the McKinsey Health Institute—we will focus on burnout, its workplace correlates, and implications for leaders. On average, one in four employees surveyed report experiencing burnout symptoms.[21] These high rates were observed around the world and among various demographics (Exhibit 1),[22] and are consistent with global trends.[23]

Exhibit 1

Employees report high rates of burnout and distress symptoms, despite organizational commitment to mental health and well-being as a priority.

Workplace outcomes by country

	Burnout, % of employees reporting burnout symptoms sometimes, often, or always	**Distress,** % of employees reporting to experience moderate distress	**Organizational commitment,** % of HR decision makers reporting mental health as top priority
Argentina	21	35	70
Australia	28	32	83
Brazil	24	42	78
China	23	28	83
Egypt	36	43	52
France	28	30	78
Germany	24	31	73
India	38	38	80
Japan	31	29	73
Mexico	19	36	74
South Africa	25	34	84
Switzerland	19	29	56
UK	27	31	78
US	28	32	74

Note: Employees and HR decision makers surveyed were not necessarily from the same organizations.
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022; employee, n = 14,509; HR decision maker, n = 1,389

[20] Our survey did not link employers and employees' responses. Therefore, these numbers are indicative of a potential gap that could be found within companies.
[21] Represents global average of respondents experiencing burnout symptoms (per items from Burnout Assessment Tool) sometimes, often, or always.
[22] Our survey findings demonstrate small but statistically significant differences between men and women, with women reporting higher rates of burnout symptoms (along with symptoms of distress, depression, and anxiety). Differences between demographic variables across countries will be discussed in our future publications.
[23] Ashley Abramson, "Burnout and stress are everywhere," *Monitor on Psychology*, January 1, 2022, Volume 53, Number 1.

So, what is behind pervasive burnout challenges worldwide? Our research suggests that employers are overlooking the role of the workplace in burnout and underinvesting in systemic solutions.

Employers tend to overlook the role of the workplace in driving employee mental health and well-being, engagement, and performance

In all 15 countries and across all dimensions assessed, toxic workplace behavior was the biggest predictor of burnout symptoms and intent to leave by a large margin[24] —predicting more than 60 percent of the total global variance. For positive outcomes (including work engagement, job satisfaction, and organization advocacy), the impact of factors assessed was more distributed—with inclusivity and belonging, supportive growth environment, sustainable work, and freedom from stigma predicting most outcomes (Exhibit 2).

Exhibit 2

Toxic workplace behavior is the biggest driver of negative workplace outcomes, such as burnout and intent to leave.

Contributing factors to workplace outcomes, % of variance in outcome measure driven by factor
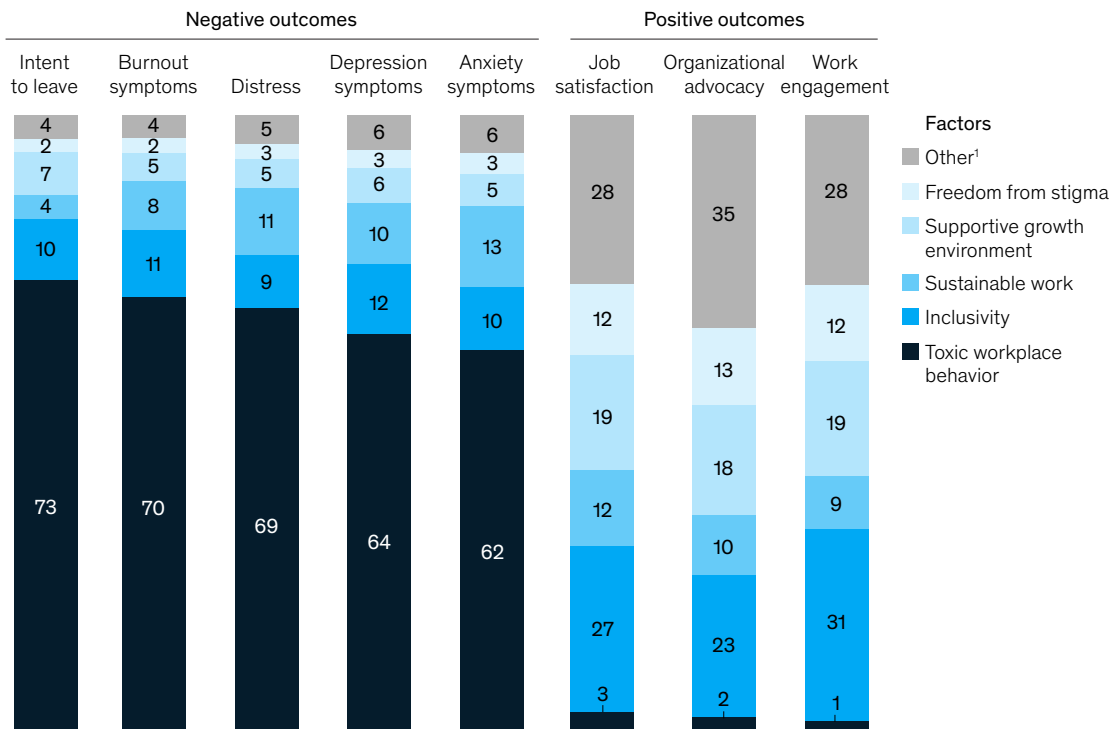
Note: % values indicate the relative contribution of each predictor to the proportion of variance explained for each outcome. These metrics were forced to sum to 100% (instead of R2 or no meaningful sum) to allow for direct comparisons of the proportion of total variance explained across outcomes. Total r-squared for each outcome: work engagement, 0.53; organizational advocacy, 0.51; work satisfaction, 0.51; burnout symptoms, 0.36; intent to leave, 0.34; distress, 0.22; depression symptoms, 0.21; anxiety symptoms, 0.19. Figures may not sum to 100%, because of rounding.
[1]Includes organizational accountability, employee health as a strategic priority, and access to resources.
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

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[24] Measured as a function of predictive power of the dimensions assessed; predictive power was estimated based on share of outcome variability associated with each dimension; based on regression models applied to cross-sectional data (that is, measured at one point in time), rather than longitudinal data (that is, measured over time); causal relationships have not been established.

In all 15 countries and across all dimensions assessed, toxic workplace behavior had the biggest impact predicting burnout symptoms and intent to leave by a large margin.

The danger of toxic workplace behavior—and its impact on burnout and attrition

Across the 15 countries in the survey, toxic workplace behavior is the single largest predictor of negative employee outcomes, including burnout symptoms (see sidebar "What is toxic workplace behavior?"). One in four employees report experiencing high rates of toxic behavior at work. At a global level, high rates were observed across countries, demographic groups—including gender, organizational tenure, age, virtual/in-person work, manager and nonmanager roles—and industries.[25]

Toxic workplace behaviors are a major cost for employers—they are heavily implicated in burnout, which correlates with intent to leave and ultimately drives attrition. In our survey, employees who report experiencing high levels of toxic behavior[26] at work are eight times more likely to experience burnout symptoms (Exhibit 3). In turn, respondents experiencing burnout symptoms were six times more likely to report they intend to leave their employers in the next three to six months (consistent with recent data pointing to toxic culture as the single largest predictor of resignation during the Great Attrition, ten times more predictive than compensation alone[27] and associated with meaningful organizational costs[28]). The opportunity for employers is clear. Studies show that intent to leave may correlate with two- to three-times higher[29] rates of attrition; conservative estimates

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[25] Differences between demographic variables across countries will be discussed in our future articles.
[26] "High" represents individuals in the top quartile of responses and "low" represents individuals in the bottom quartile of responses.
[27] Charles Sull et al., "Toxic culture is driving the Great Resignation," MIT Sloan Management Review, January 11, 2022.
[28] Rasmus Hougaard, "To stop the Great Resignation, we must fight dehumanization at work," Potential Project, 2022.
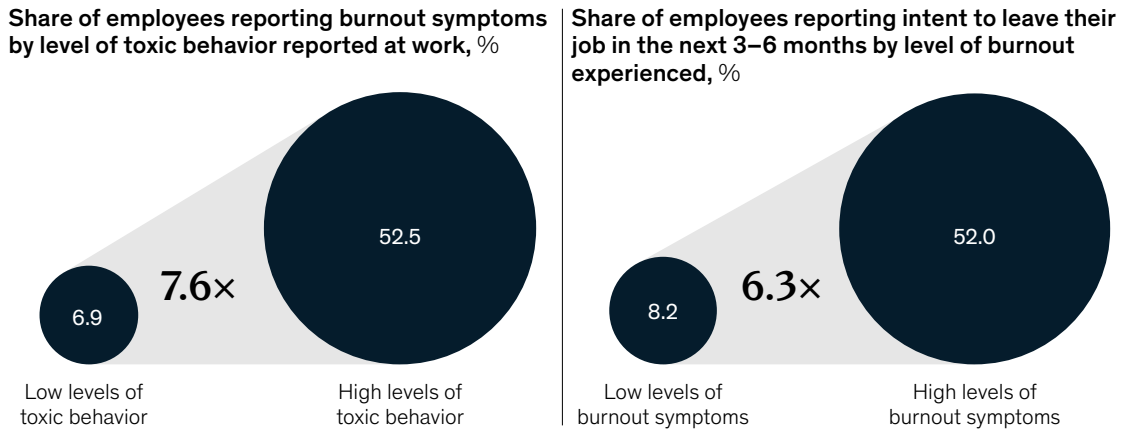[29] Bryan Bohman et al., "Estimating institutional physician turnover attributable to self-reported burnout and associated financial burden: A case study," *BMC Health Services Research*, November 27, 2018, Volume 18, Number 1.

What is toxic workplace behavior?

Toxic workplace behavior is interpersonal behavior that leads to employees feeling unvalued, belittled, or unsafe, such as unfair or demeaning treatment, non-inclusive behavior, sabotaging, cutthroat competition, abusive management, and unethical behavior from leaders or coworkers. Selected questions from this dimension include agreement with the statements "My manager ridicules me," "I work with people who belittle my ideas," and "My manager puts me down in front of others."

Exhibit 3

Employees reporting high levels of toxic behavior at work are more likely to experience burnout, leading to an increased intention to quit.

Share of employees reporting burnout symptoms by level of toxic behavior reported at work, %

Share of employees reporting intent to leave their job in the next 3–6 months by level of burnout experienced, %

6.9	7.6×	52.5
Low levels of toxic behavior		High levels of toxic behavior

8.2	6.3×	52.0
Low levels of burnout symptoms		High levels of burnout symptoms

Note: "Low" refers to bottom quartile of respondents; "high" refers to top quartile of respondents.
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

of the cost of replacing employees range from one-half to two times their annual salary. Even without accounting for costs associated with burnout—including organizational commitment[30] and higher rates of sick leave and absenteeism[31]—the business case for addressing it is compelling. The alternative—not addressing it—can lead to a downward spiral in individual and organizational performance.[32]

Individuals' resilience and adaptability skills may help but do not compensate for the impact of a toxic workplace

Toxic behavior is not an easy challenge to address. Some employers may believe the solution is simply training people to become more resilient.

There is merit in investing in adaptability and resiliency skill building. Research indicates that employees who are more adaptable tend to have an edge in managing change and adversity.[33] We see that edge reflected in our survey findings: adaptability acts as a buffer[34] to the impact of damaging workplace factors (such as toxic behaviors), while magnifying the benefit of supportive workplace factors (such as a supportive growth environment) (Exhibit 4). In a recent study, employees engaging in adaptability training experienced three times more improvement in leadership dimensions and seven times more improvement in self-reported well-being than those in the control group.[35]

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[30] Michael Leiter and Christina Maslach, "The impact of interpersonal environment on burnout and organizational commitment," *Journal of Organizational Behavior*, October 1988, Volume 9, Number 4.

[31] Arnold B. Bakker et al., "Present but sick: A three-wave study on job demands, presenteeism and burnout," *Career Development International*, 2009, Volume 14, Number 1.

[32] Ibid.

[33] Karen van Dam, "Employee adaptability to change at work: A multidimensional, resource-based framework," from *The Psychology of Organizational Change: Viewing Change from the Employee's Perspective*, Cambridge, England: Cambridge University Press, 2013; Jacqueline Brassey et al., *Advancing Authentic Confidence Through Emotional Flexibility: An Evidence-Based Playbook of Insights, Practices and Tools to Shape Your Future*, second edition, Morrisville, NC: Lulu Press, 2019; B+B Vakmedianet B.V. Zeist, Netherlands (to be published Q3 2022).

[34] Estimated buffering effect illustrated in Exhibit 4.

[35] McKinsey's People and Organization Performance - Adaptability Learning Program; multirater surveys showed improvements in adaptability outcomes, including performance in role, sustainment of well-being, successfully adapting to unplanned circumstances and change, optimism, development of new knowledge and skills; well-being results were based on self-reported progress as a result of the program.

Exhibit 4

Although affective adaptability buffers the effect of toxic workplace behavior, it is not sufficient to overcome a bad environment.

Share of employees reporting high work engagement by level of adaptability and level of toxic behavior at work, %
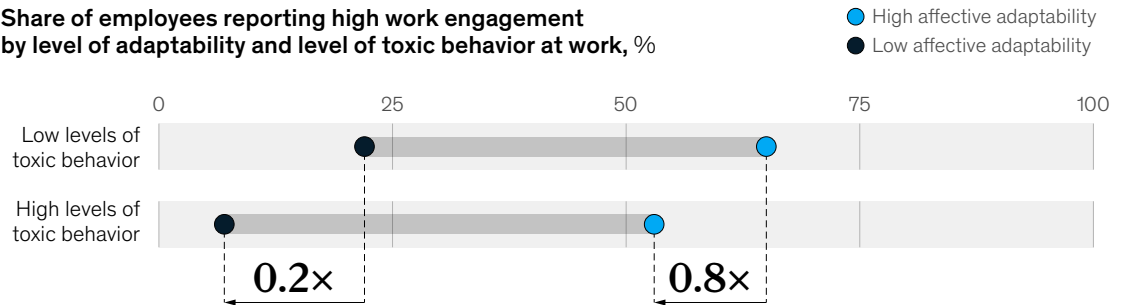
● High affective adaptability
● Low affective adaptability

Note: "Low" refers to bottom quartile of respondents; "high" refers to top quartile of respondents.
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

However, employers who see building resilience and adaptability skills in individuals as the sole solution to toxic behavior and burnout challenges are misguided. Here is why.

Individual skills cannot compensate for unsupportive workplace factors. When it comes to the effect of individual skills, leaders should be particularly cautious not to misinterpret "favorable" outcomes (for example, buffered impact of toxic behaviors across more adaptable employees) as absence of underlying workplace issues that should be addressed.[36]

Also, while more adaptable employees are better equipped to work in poor environments, they are less likely to tolerate them. In our survey, employees with high adaptability were 60 percent more likely to report intent to leave their organization if they experienced high levels of toxic behavior at work than those with low adaptability (which may possibly relate to a higher level of self-confidence[37]). Therefore, relying on improving employee adaptability without addressing

broader workplace factors puts employers at an even higher risk of losing some of its most resilient, adaptable employees.

What this means for employers: Why organizations should take a systemic approach to improving employee mental health and well-being

We often think of employee mental health, well-being, and burnout as a personal problem. That's why most companies have responded to symptoms by offering resources focused on individuals such as wellness programs.

However, the findings in our global survey and research are clear. Burnout is experienced by individuals, but the most powerful drivers of burnout are systemic organizational imbalances across job demands and job resources. So, employers can and should view high rates of burnout as a powerful warning sign that the organization—not the individuals in the workforce—needs to undergo meaningful systematic change.

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[36] Tomas Chamorro-Premuzic, "To prevent burnout, hire better bosses," *Harvard Business Review*, August 23, 2019.
[37] Brassey et al. found that as a result of a learning program, employees who developed emotional flexibility skills, a concept related to affective adaptability but also strongly linked to connecting with purpose, developed a higher self-confidence over time; Jacqueline Brassey et al., "Emotional flexibility and general self-efficacy: A pilot training intervention study with knowledge workers," *PLOS ONE*, October 14, 2020, Volume 15, Number 10.

Employees with high adaptability were 60 percent more likely to report intent to leave their organization if they experienced high levels of toxic behavior at work than those with low adaptability.

Taking a systemic approach means addressing both toxic workplace behavior and redesigning work to be inclusive, sustainable, and supportive of individual learning and growth, including leader and employee adaptability skills. It means rethinking organizational systems, processes, and incentives to redesign work, job expectations, and team environments.

As an employer, you can't "yoga" your way out of these challenges. Employers who try to improve burnout without addressing toxic behavior are likely to fail. Our survey shows that improving all other organization factors assessed (without addressing toxic behavior) does not meaningfully improve reported levels of burnout symptoms. Yet, when toxic behavior levels are low, each additional intervention contributes to reducing negative outcomes and increasing positive ones.
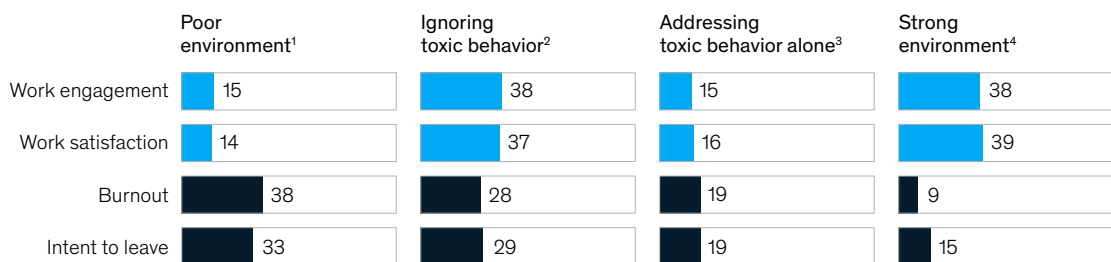
Exhibit 5 shows the estimated interplay between the drivers and outcomes, based on our survey data.

Taking a preventative, systemic approach—focused on addressing the roots of the problem (as opposed to remediating symptoms)—is hard. But the upside for employers is a far greater ability to attract and retain valuable talent over time.

Exhibit 5

When there are high levels of toxic behavior in a workplace, addressing other organizational factors doesn't meaningfully improve burnout or intent to leave.

Employee health and business outcomes by work environment type,
% of respondents with high level of outcome

	Poor environment[1]	Ignoring toxic behavior[2]	Addressing toxic behavior alone[3]	Strong environment[4]
Work engagement	15	38	15	38
Work satisfaction	14	37	16	39
Burnout	38	28	19	9
Intent to leave	33	29	19	15

Note: "Low" refers to bottom quartile of respondents; "high" refers to top quartile of respondents.
[1] High levels of toxic behavior; low levels of sustainable work, supportive growth environment, and inclusivity.
[2] High levels of toxic behavior, sustainable work, supportive growth environment, and inclusivity.
[3] Low levels of toxic behavior, sustainable work, supportive growth environment, and inclusivity.
[4] Low levels of toxic behavior; high levels of sustainable work, supportive growth environment, and inclusivity.
Source: McKinsey Health Institute Employee Mental Health and Wellbeing Survey 2022, n = 14,509

Employers can and should view high rates of burnout as a powerful warning sign that the organization—not the individuals in the workforce—needs to undergo meaningful systematic change.

The good news: Although there are no silver bullets, there are opportunities for leaders to drive material change

We see a parallel between the evolution of global supply chains and talent. Many companies optimized supply chains for "just in time" delivery, and talent was optimized to drive operational efficiency and effectiveness. As supply chains come under increasing pressure, many companies recognize the need to redesign and optimize supply chains for resilience and sustainability, and the need to take an end-to-end approach to the solutions. The same principles apply to talent.

We acknowledge that the factors associated with improving employee mental health and well-being (including organizational-, team-, and individual-level factors) are numerous and complex. And taking a whole-systems approach is not easy.

Despite the growing momentum toward better employee mental health and well-being (across business and academic communities), we're still early on the journey. We don't yet have sufficient evidence to conclude which interventions work most effectively—or a complete understanding of why they work and how they affect return on investment.

That said, efforts to mobilize the organization to rethink work—in ways that are compatible with both employee and employer goals—are likely to pay off in the long term. To help spark that conversation in your organization, we offer eight targeted questions and example strategies with the potential to address some of the burnout-related challenges discussed in this article.

Do we treat employee mental health and well-being as a strategic priority?

This is fundamental to success. When a large organization achieved a 7 percent reduction in employee burnout rates (compared with an 11 percent increase in the national average within the industry over the same period), the CEO believed that leadership and sustained attention from the highest level of the organization were the "key to making progress."[38] Senior executives recognized employee mental health and well-being as a strategic priority. Executives publicly acknowledged the issues and listened to employee needs through a wide range of formats—including town halls, workshops, and employee interviews (our research suggests that leaders are not listening to their people nearly enough). They prioritized issues and defined clear, time-bound measurable goals around them—with a standardized measure of burnout being given equal importance to other key performance metrics (financial metrics, safety/quality, employee turnover, and customer satisfaction). Although anonymous at the level of the individual, results were aggregated at division/department level to allow executive leadership to focus attention and resources where they were most needed.[39] This example highlights how CEOs have the ability to create meaningful change through listening to employees and prioritizing strategies to reduce burnout.

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[38] John H. Noseworthy and Tait D Shanafelt, "Executive leadership and physician well-being: Nine organizational strategies to promote engagement and reduce burnout," *Mayo Clinic Proceedings*, January 2017, Volume 92, Number 1.

[39] Liselotte Dyrbye et al., "Physician burnout: Contributors, consequences and solutions," *Journal of Internal Medicine*, 2018, Volume 283, Number 6.

Do we effectively address toxic behaviors?

Eliminating toxic workplace behavior is not an easy task. Organizations that tackle toxic behavior effectively deploy a set of integrated work practices to confront the problem,[40] and see treatment of others as an integral part of assessing an employee's performance. Manifestations of toxic behavior[41] are flagged, repeat offenders either change or leave, and leaders take time to become aware of the impact their behavior has on others. If you lead part of an organization, looking at your own behaviors, and what you tolerate in your own organization, is a good place to start.[42]

Another component of eliminating toxic behavior is cultivating supportive, psychologically safe work environments, where toxic behaviors are less likely to spread across the organization.[43] Effective leaders know that emotional contagion[44] may go both ways: displaying vulnerability and compassion fuels more compassionate teams; displaying toxic behavior fuels more toxic teams.[45] There are two caveats: toxic behavior may not be intentional—particularly if individuals are not equipped to respond with calm and compassion under pressure—

and regardless of intent, toxic behavior spreads faster and wider than good behavior.[46] To prevent unintentional dissemination of toxic behaviors, role modeling from adaptable, self-regulating, compassionate leaders may help (see sidebar "Leaders with higher self-regulation may be better, less toxic leaders").

Do we create inclusive work environments?

Most leaders recognize the established associations between performance and inclusion, but inclusion does not happen by accident. Inclusion is a multifaceted construct that must be addressed comprehensively and proactively. Most companies define inclusion too narrowly and thus address it too narrowly as well. Over the past three years, we've broadened our perspective on how to create truly inclusive workplaces and developed a modern inclusion model. The model includes 17 practices (based on frequency of desired behaviors) and six outcomes (based on perceptions of effectiveness). Each practice falls into one of three relationships that shape workplace inclusion: organizational systems, leaders, and peers/teammates.

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[40] Robert I. Sutton, *The No Asshole Rule: Building a Civilized Workplace and Surviving One That Isn't*, first edition, New York, NY: Business Plus, 2010.
[41] "Why every leader," 2022.
[42] "Author Talks: How to handle your work jerk," March 29, 2022.
[43] Annie McKee, "Neutralize your toxic boss," *Harvard Business Review*, September 24, 2008.
[44] John T. Cacioppo et al., *Emotional Contagion*, Cambridge, England: Cambridge University Press, 1994.
[45] Michael Housman and Dylan Minor, *Toxic workers*, Harvard Business School working paper, No. 16-057, October 2015 (revised November 2015).
[46] "To prevent burnout," 2019.

Leaders with higher self-regulation may be better, less toxic leaders

Research shows that leaders' development of self-regulation increases followers' ratings of their effectiveness and is associated with higher team financial performance as well as a higher final team grade compared with a control group. The benefits of self-regulation also improved leaders' development of task-relevant competencies.[1] Furthermore, building employees' resilience and adaptability skills leads to a higher sense of agency and self-efficacy,[2] which is related to reduced burnout and improved performance.[3]

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[1] Robin Martin and JooBee Yeow, "The role of self-regulation in developing leaders: A longitudinal field experiment," *Leadership Quarterly*, October 2013, Volume 24, Number 5.
[2] Jacqueline Brassey et al., "Emotional flexibility and general self-efficacy: A pilot training intervention study with knowledge workers," *PLOS ONE*, October 14, 2020, Volume 15, Number 10; and Jacqueline Brassey et al., *Advancing Authentic Confidence Through Emotional Flexibility: An Evidence-Based Playbook of Insights, Practices and Tools to Shape Your Future*, second edition, Morrisville, NC: Lulu Press, 2019; B+B Vakmedianet B.V. Zeist, Netherlands (to be published Q3 2022).
[3] Charles Benight et al., "Associations between job burnout and self-efficacy: A meta-analysis," *Anxiety, Stress, & Coping*, 2016, Volume 29, Issue 4; and Alex Stajkovic, "Self-efficacy and work-related performance: A meta-analysis," *Psychological Bulletin*, 1998, Volume 124, Number 2.

The 17 inclusive-workplace practices, when done consistently well, drive workplace inclusion and equity for all employees by providing clarity into actions that matter. For example, among employees working in hybrid models, work–life support was the top practice employees desired improvements on—with nearly half of employees recommending prioritizing policies that support flexibility—including extended parental leave, flexible hours, and work-from-home policies.

A truly inclusive workplace implements systems that minimize conscious and unconscious bias, allowing employees to express themselves and connect with each other. It also features leaders who not only advocate for team members and treat them impartially but also uphold and support all organizational systems and practices. For example, one employer defined data-driven targets for the representation and advancement of diverse talent across dimensions (beyond gender and ethnicity) and role types (executive, management, technical, board)—leveraging powerful analytics to track progress and foster transparency along the way.

Do we enable individual growth?

Evidence suggests that individual growth, learning, and development programs are effective[47] ways to combat burnout and to retain and engage employees, and therefore are important for addressing growing talent and skills shortages within organizations. Employers who "double down" on talent redeployment, mobility, reskilling, and upskilling tend to see improvement across a range of financial, organizational, and employee experience metrics. In a recent study of extensive employee data, offering lateral career opportunities was two-and-half times more predictive of employee retention than compensation, and 12 times more predictive than promotions[48] — signaling an opportunity for leaders to support employee desires to learn, explore, and grow way beyond traditional career progression.

Investing in your employees' capabilities can drive financial returns, is often cheaper than hiring, and signals to employees that they are valued and have an important role in the organization.

Do we promote sustainable work?

Promoting sustainable work goes beyond managing workload. It's about enabling employees to have a sense of control and predictability, flexibility, and sufficient time for daily recovery. It's also about leading with compassion and empathy[49]—tailoring interventions based on where, when, and how work can be done, and how different groups are more likely to (re)establish socio-emotional ties after a long period of isolation and loss of social cohesion.

One technology company is using real-time data on employee preferences to rapidly test and iterate solutions that work for specific groups around return-to-office options. To find solutions that work for your employees, consider adopting a test-and-learn mindset. This approach can help the organization make progress while adapting as context evolves (a hallmark of more productive organizations).

Are we holding leaders accountable?

Many organizations consider people leadership criteria in their performance management. Yet, there is substantial room to grow when it comes to employers providing transparency around employee mental-health and well-being objectives and metrics.[50]

Organizations that are doing this well have set clear expectations for managers to lead in a way that is supportive of employee mental health and well-being.[51] They offer training to help managers identify, proactively ask about, and listen to employees' mental-health and well-being needs. They also introduce mental-health "pulse" checks and incorporate relevant questions into the broader employee satisfaction surveys, to establish a

[47] Arnold B. Bakker and Evangelia Demerouti, "Towards a model of work engagement," *Career Development International*, 2008, Volume 13, Issue 3.
[48] "Why every leader," 2022.
[49] "It's time to eliminate bad bosses. They are harmful and expensive," Potential Project, The Human Leader, April 2022.
[50] *Workplace Mental Health Blogs*, One Mind, "Fix performance management by aligning it with employee mental health," blog entry by Daryl Tol, March 2, 2022; Garett Slettebak, "Measuring progress on workplace mental health", One Mind at Work, March 24, 2022.
[51] Taylor Adams et al., *Mind the workplace: Work health survey 2021*, Mental Health America, 2021.

baseline and track trends in how employees are feeling. Discussion on employee mental health and well-being can be incorporated into regular leadership meetings, including concerns, risks, and potential actions.

To encourage leaders to lead by example and increase their accountability, some employers embed employee mental-health support into leaders' reviews based on anonymous upward feedback from their teams. Finally, some companies are exploring if they can go even further and tie incentives to short- and long-term employee mental-health and well-being objectives.

Are we effectively tackling stigma?

As noted in a previous McKinsey article, the majority of employers and employees acknowledge the presence of stigma[52] in their workplaces. Stigma has been shown to have real costs to workforce productivity, often exacerbating underlying conditions because of people being afraid to seek help for mental-health needs and driving down an employee's self-worth and engagement.

We see several actions that organizations are taking to eliminate stigma.[53] Leading by example can make a difference, with senior leaders stepping forward to describe personal struggles with mental health, using nonstigmatizing language.[54] Leaders showing vulnerability helps to remove shame and promote a psychologically safe culture.[55]

Stigma can also be reduced by companies prioritizing mental wellness as critical for peak performance instead of rewarding overwork at the expense of rest and renewal—rewarding an "athlete" mindset instead of overemphasizing a "hero." This can begin to shift perception of signs of burnout or other mental-health needs as being indicative of a moral failing. Finally, creating a dedicated role to support employee mental health and well-being and appointing a senior leader, such as chief wellness officer, will increase awareness and show commitment.

Do our resources serve employee needs?

Leaders should evaluate whether mental-health and well-being resources are at parity with physical-health benefits and how frequently they are being used by employees. An increasing number of employers have expanded access to mental-health services[56]; however, research shows that almost 70 percent of employees find it challenging to access those services.

In a previous survey, 45 percent of respondents who had left their jobs cited the need to take care of family as an influential factor in their decision (with a similar proportion of respondents who are considering quitting also citing the demands of family care). Expanding childcare, nursing services, or other home- and family-focused benefits could help keep such employees from leaving and show that you value them. Patagonia, long the standard-bearer for progressive workplace policies, retains nearly 100 percent of its new mothers with on-site childcare and other benefits for parents.

Never in history have organizations around the world devoted so much attention and capital to improving employee mental health and well-being. It is lamentable that these investments are not always providing a good return regarding improved outcomes. Employers that take the time to understand the problem at hand—and pursue a preventative, systemic approach focused on causes instead of symptoms—should see material improvements in outcomes and succeed in attracting and retaining valuable talent. More broadly, employers globally have an opportunity to play a pivotal role in helping people achieve

[52] In the context of employee mental health, stigma is defined as a level of shame, prejudice, or discrimination toward people with mental-health or substance-use conditions.

[53] Erica Coe, Jenny Cordina, Kana Enomoto, and Nikhil Seshan, "Overcoming stigma: Three strategies toward better mental health in the workplace," July 23, 2021.

[54] Evelien Brouwers et al., "To disclose or not to disclose: A multi-stakeholder focus group study on mental health issues in the work environment. *Journal of Occupational Rehabilitation*, 2020, Volume 30, Number 1.

[55] *Global thriving at work framework*, MindForward Alliance, 2020.

[56] Charles Ingoglia, "Now more than ever, employers must provide mental health support for employees," National Council for Mental Wellbeing, May 4, 2022.

material improvements in health. With collaboration and shared commitment, employers can make a meaningful difference in the lives of their employees and the communities they live in.

years to life and life to years. As part of that, MHI is focused on improving employee mental health and well-being at scale—in a way that is good for business, for employees, and for the communities they live in.

The McKinsey Health Institute (MHI) is collaborating with leading organizations around the world to achieve material improvements in health—adding

To stay updated about MHI's initiative on employee mental health and well-being, sign up at Mckinsey.com/mhi/contact-us.

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