

# Addressing employee burnout: Are you solving the right problem?

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## 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.<sup>1</sup> This has resulted in [reports of rapidly rising rates of burnout](#)<sup>2</sup> 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](#).<sup>3</sup> 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.<sup>4</sup>

As laudable as these efforts are, we have found that [many employers focus on individual-level interventions \(as opposed to real systemic, collective change\) that remediate symptoms](#), rather than resolve the **causes** of employee burnout.<sup>5</sup> Employing these types of interventions may lead employers to overestimate the impact of their wellness programs and benefits<sup>6</sup> and [to underestimate the critical role of the workplace in reducing burnout and supporting employee mental health and well-being](#).<sup>7</sup> [Confirmed by LifeWork Systems data!](#)

## What is burnout?

Research shows that, when asked about aspects of their jobs that undermine their mental health and well-being,<sup>8</sup> [employees frequently cite the feeling of always being on call, unfair treatment, unreasonable workload, low autonomy, and lack of social support](#).<sup>9</sup> Those are not challenges likely to be reversed with wellness programs. **No.** 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](#).<sup>10</sup> **Yes!**

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.

Organizations pay a high price for **failure to address workplace factors**<sup>11</sup> that strongly correlate with burnout,<sup>12</sup> such as **toxic behavior**. And... not feeling sufficiently empowered, lovable (seen and heard), connected and contributing, or supported to resolve issues or to build sufficient trust and caring with others (especially the ones with whom one most need to do so)<sup>13</sup> 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**.<sup>14</sup> Unprecedented levels of employee **turnover**—a global phenomenon we describe as the **Great Attrition** also called the *Great Resignation*, the *Great Reset*, *Quiet Quitting* and *Quiet Firing*—make these costs more visible. Hidden costs to employers also include **absenteeism, lower engagement, and decreased productivity**.<sup>15</sup> Yes, and each more subtle than turnover.

## The McKinsey Health Institute: Join us!

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 teasing 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 **Yes there is – LifeWork Systems’ CultureEX™**, 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.<sup>16</sup>

The workplace dimensions assessed in our survey included toxic workplace behavior, **inferiority complex, all struggles, isms, forms of misbehavior, actively disengaged sabotage sustainable work disengagement, inclusivity vs. cancel culture, estrangement, cliques, divisiveness, righteousness, etc.** and belonging indicating there is not healthy **belonging and significance**, supportive growth environment many don’t know what this is or how to measure it. LifeWork Systems Strategic Alignment Survey (SAS) measures trust, alignment, and engagement, freedom from stigma **requires psychological safety and trauma-informed principles**, organizational commitment retention, loyalty, accountability, leadership accountability, **so leaders distribute a responsibility-based culture to everyone from CEO to front-line staff so each manages their relationships, productivity, engagement, and progress and access to resources**.<sup>17</sup> Resources are needed for many things, including social and emotional intelligence

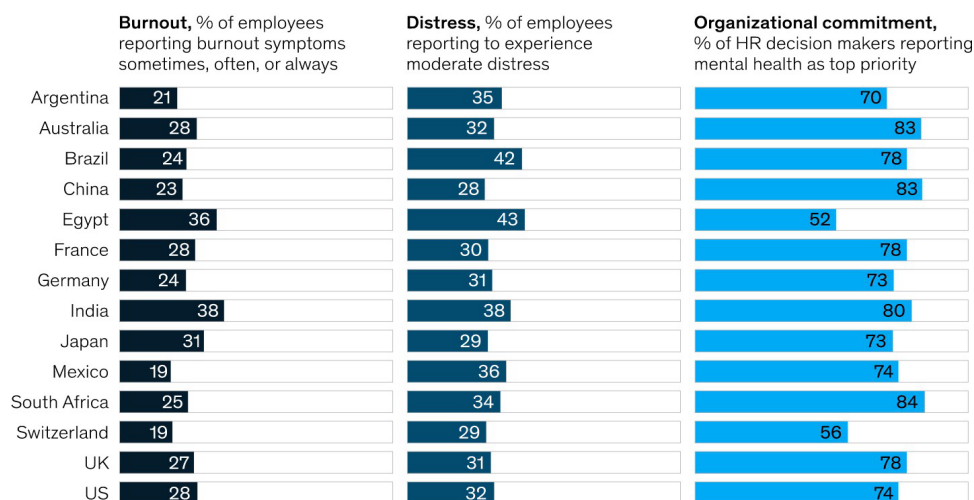
support in ongoing, monthly peer and reverse mentoring, systems integration, phone apps, new technologies, and processes for interviewing, hiring and onboarding new staff into the healthy culture to name some. Those dimensions were analyzed against four work-related outcomes—intent to leave **turnover**, work engagement **disengagement (mediocrity and minimal effort)** and active disengagement (**negative behavior, sabotage**), job satisfaction e.g. high net promoter scores, and organization advocacy **vs. complaining about conditions and conversations**—as well as four employee mental-health outcomes—symptoms of anxiety, burnout, depression, and distress. **Indicates need for trauma-informed principles, meaningful collaboration, and psychological safety.** Individual adaptability was also assessed **leader/follower agility, intrinsic motivation, including sense of choice, operating from task purpose and management of relationships, productivity, engagement, and progress plans in a blueprint tool (aligning people with purpose, values, visions, goals, procedures and roles, in this order).**<sup>19</sup> (see sidebar “What we measured”).

## What we measured

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.<sup>20</sup>

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.**<sup>21</sup> These high rates were observed around the world and among various demographics (Exhibit 1),<sup>22</sup> and are consistent with global trends. **Burnout is a symptom of general discouragement and a lack of feeling empowered, lovable (recognition; being seen and heard), connected and contributing.**<sup>23</sup>

Exhibit 1 Workplace outcomes by country



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

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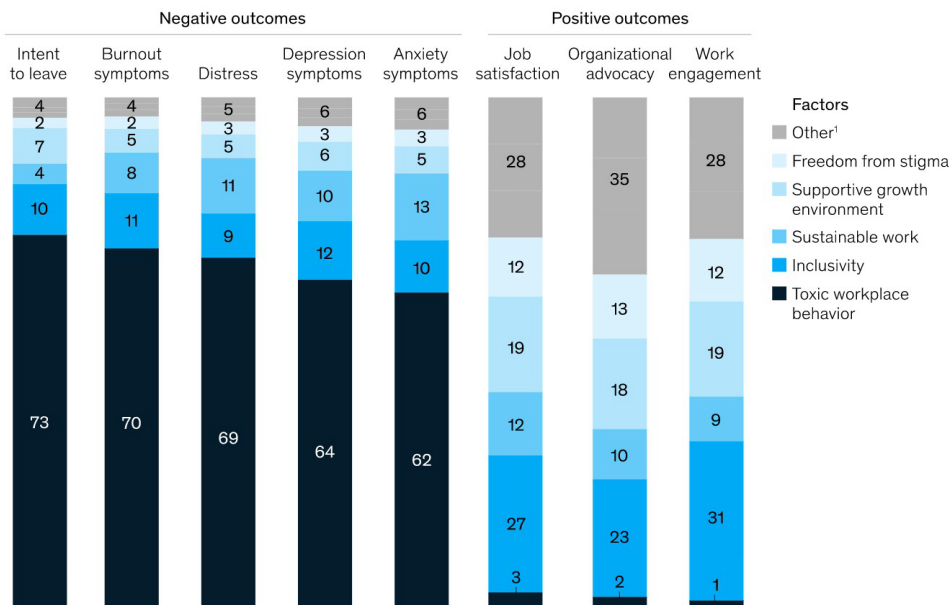
So, what is behind pervasive burnout challenges worldwide? Our research suggests that employers are overlooking the role of the workplace in burnout and underinvesting in systemic solutions. This is the passionate conviction of LifeWork Systems and drives our support to clients who recognize this.

## 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<sup>24</sup> — 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 requiring trust and cohesiveness and belonging and significance in which 4 core needs are met, supportive growth environment, emotional and social intelligence, psychological safety, mentoring, development of all people sustainable work requires sustainable engagement, innovation, creativity, collaboration, intrinsic motivation, leader/follower agility, and freedom from stigma psychological safety, resolved psychological contracts and trauma-informed care principles, etc. 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.

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**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. Toxic culture is root cause; burnout and turnover are symptoms.**

**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.<sup>25</sup>

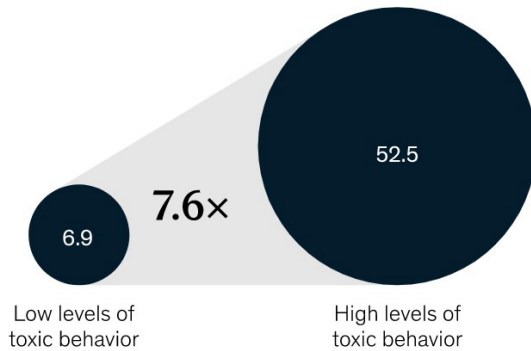
### **What is toxic workplace behavior?**

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<sup>26</sup> 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**<sup>27</sup> and **associated with meaningful organizational costs**<sup>28</sup>). The opportunity for employers is clear. Studies show that intent to leave may correlate with two-to three-times higher<sup>29</sup> rates of attrition; conservative estimates 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<sup>30</sup> and higher rates of sick leave and absenteeism<sup>31</sup>—the business case for addressing it is compelling. The alternative—not addressing it—can lead to a downward spiral in individual and organizational performance.<sup>32</sup> **The business case has always been there. For example, *Quiet Quitting* is a euphemism for *actively disengaged* and *disengaged* behaviors, which for years have been reported by Gallup to remain around 70% of employees combined.**

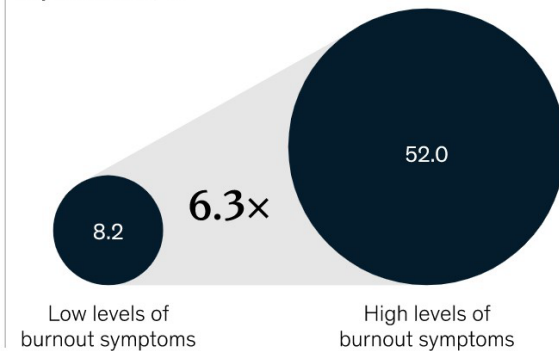
## Exhibit 3

### 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, %



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

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

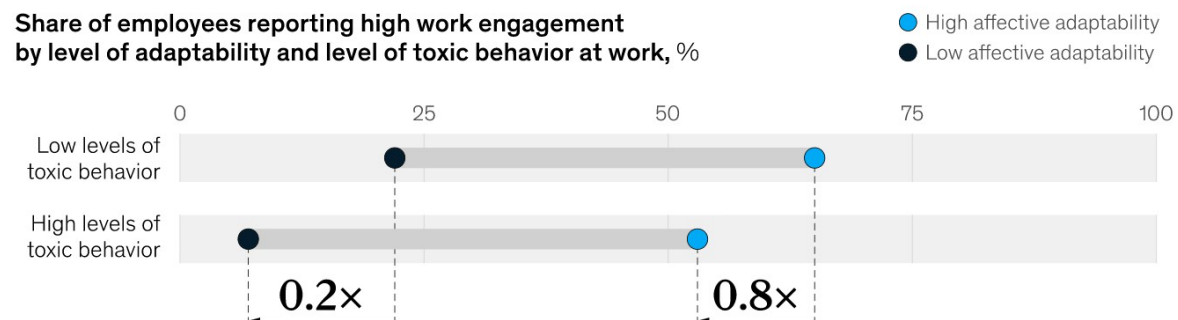
Toxic behavior is not an easy challenge to address. No. This is why LifeWork Systems uses an immersive process addressing mindset AND behavior change so understanding, relevance, application and retention of what's learned is achieved. Some employers may believe the solution is simply training people to become more resilient. No, they must become responsible, intentional, trustworthy, collaborative, accountable, agile in leading and following (as needs dictate), confident, intrinsically motivated, purpose and values-based, committed to the success of all, and much more.

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.<sup>33</sup> We see that edge reflected in our survey findings: **adaptability acts as a buffer<sup>34</sup> 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.<sup>35</sup> Typically adaptability training is only for some people (usually titled leaders) and is not the whole solution. Strengthening of individuals must evolve to strengthening a collective community. LifeWork Systems teaches redirecting negative behavior for example starting in month 7 because if you don't create the supportive growth environment, it's the tool of redirect is like taking cholesterol medicine in lieu of root cause lifestyle changes. With a supportive growth environment, there is less negative behavior to redirect.

Exhibit 4

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



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

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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.<sup>36</sup> YES! Leaders don't always recognize the importance of *full distribution* of leadership development skills in a change process so all members hold responsibility for operating within a healthy culture.

Also, while more adaptable employees are better equipped to work in poor environments, they are less likely to tolerate them. This is why LifeWork Systems sets the foundation for understanding *fully engaged* staff (typically around 30%) often LEAVE an organization and they are the ones responsible for bringing in the bulk of additional revenues. 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<sup>37</sup>). 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. LifeWork Systems has been presenting this since 2002.

**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.**

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.

**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.** LifeWork Systems asserts both!

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** from CEO to front-line staff adaptability skills. It means rethinking organizational systems, processes, and incentives to redesign work, purpose and values-based, collaborative job expectations to include support and trust as the highest priorities, and team environments. A healthy team (where everyone is committed to the wild success of all members) vs. a working group (only focusing on the goal, not the people).

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. Yes, everything gets better when toxic behavior is reduced! Recognition of differences with appreciation, commitment to everyone's success, then engagement increases, and organizations can respond to today's challenges.

The interactive graphic shows the estimated interplay between the drivers and outcomes, based on our survey data (Exhibit 5).

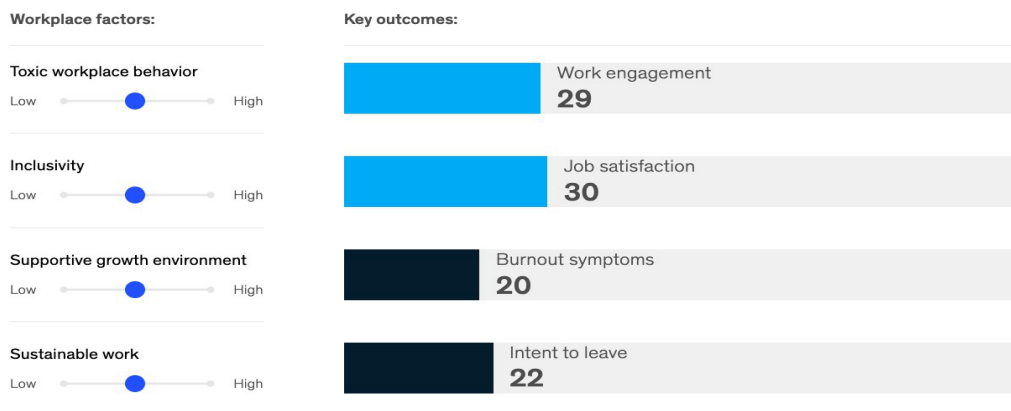
**When there are high levels of toxic behavior, addressing other organizational factors does not meaningfully improve burnout or intent to leave.**

Exhibit 5

### When there are high levels of toxic behavior, addressing other organizational factors does not meaningfully improve burnout or intent to leave.

Adjust workplace factors to see how it affects the below key outcomes.

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



Note: "Low" refers to bottom quartile on organizational factor; "high" refers to top quartile on workplace factor or outcome  
Potential impact on outcomes shown calculated based on regression analyses using survey data (predictor weight of each workplace factor calculated from multiple regression models; standardized regression coefficients were used to determine the dynamic relationship between workplace factors and outcomes.)

#### Definitions:

Toxic workplace behavior: Employees face negative interpersonal experiences such as unfair treatment, exclusion from leaders or co-workers, derogatory and undermining behaviors, and abusive management; Inclusivity: 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; Work engagement: An employee's positive motivational state of high energy combined with high levels of dedication and a strong focus on work; Job satisfaction: An employee's level of contentment or satisfaction with their current job; Intent to leave: An employee's desire to leave the organization in which they are currently employed in the next three-to-six months; Burnout symptoms: an employee's experience of extreme tiredness, reduced ability to regulate cognitive and emotional processes, and mental distancing ([Burnout Assessment Test](#)).

Source: McKinsey Health Institute Employee Mental Health and Well-being Survey (2022), n = 14,509

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. This is and has always been the primary LifeWork Systems business case. The good news: Although there are no silver bullets (except LifeWork Systems **CultureEX™**), 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.** People transformation. Those leading in AI and scaled Agile projects for example, recognize that those project fail without healthy culture practices.

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.** Unless you have been creating one for 24 years and have proven it and made it scalable for full distribution as in LifeWork Systems **CultureEX™**.

Despite the growing momentum toward better employee mental health and well-being (across business and academic communities), **we’re still early on the journey.** For over 30 years I have been aware of this need and out ahead of it until recently. This is still not yet mainstream.

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. LifeWork Systems has sufficient evidence and understanding and we have a proven, immersive, fully distributive, scalable system.

That said, efforts to mobilize the organization to rethink work—in **ways that are compatible with both employee and employer goals** *Conditions and conversations that expand potential, collaboration, creativity and innovation that lead to strategic solutions*—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 why LifeWork Systems uses trauma-informed principles and creates psychological safety to favorably impact mental health. Books like “The Body Keeps the Score” and “So What Happened to You?” describe the costs of *developmental* trauma (how we raise children in homes, schools and treat adults in workplaces that the value of LifeWork Systems **CultureEX™**).

**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.”<sup>38</sup> Senior executives recognized employee mental health and well-being as a strategic priority. An article from The Fast Company is saying the same thing in their article *4 Leadership Trends to Watch in 2023*. This is found on the LifeWork Systems website. 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). By involving the employees, employers gain the answers for how, when, why and to what ends. Neither fully know what they don’t know. 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.<sup>39</sup> This is why LifeWork Systems uses strategic alignment surveys with all staff (SAS) measuring levels of trust and trust gaps, alignment (with purpose, values, visions, goals, procedures and roles, in this order), and engagement levels. This is one assessment tool for determining well-being of an organizational culture. This example highlights how CEOs have the ability to create meaningful change through listening to employees and prioritizing strategies to reduce burnout. Listening helps but does not necessarily lead to viable or excellence in solutions. That requires an understanding of causal factors.

### 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 LifeWork Systems **CultureEX™** does! To confront the problem,<sup>40</sup> and see treatment of others as an integral part of assessing an employee’s performance. Everyone is in the same boat and how the boat is doing is impacting every person’s performance. Manifestations of toxic behavior<sup>41</sup> are flagged, repeat offenders either change or leave, and leaders take time to become aware of the impact their behavior has on others. None of these necessarily help an organization to *land upon* effective responses to root causes. 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.<sup>42</sup> Yes, but it’s a mistake to focus **only** on the leaders. **Everyone** is in the group dynamic. The Leaders need to understand the **causes** and the most **effective solutions** for real and lasting change and then make sure the **right integrated work practices** addressing **causes** and **developing everyone**, are put in place and in a way that they “stick.” This is why **CultureEX™** is an immersive process that is onboarded and overseen internally over time.

**Leaders with higher self-regulation may be better, less toxic leaders** True but most leaders either come to this because they are fairly healthy to begin with, have been

exposed to evolving human systems information, and/or have a positive, healthy ego that does not need to prove anything.

Another component of eliminating toxic behavior is cultivating supportive, psychologically safe work environments, where toxic behaviors are less likely to spread across the organization.<sup>43</sup> We agree! Effective leaders know that **emotional contagion**<sup>44</sup> may go both ways: displaying vulnerability and compassion fuels more compassionate teams; displaying toxic behavior fuels more toxic teams.<sup>45</sup> 100% This is why organizations must dismantle root cause practices and make sure purpose and values-based strategies replace them and fully STICK. There are two caveats: **toxic behavior may not be intentional** Our applied Adlerian psychology spells out that it's intentional (purposeful) but unconscious and based on faulty private logic. — 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.<sup>46</sup> That's why organizations must be EQUIPPED and properly and fully trained in mixed-level groups, across the workforce at every level (from CEO to front-line staff). To prevent unintentional dissemination of toxic behaviors, role modeling from adaptable, self-regulating, compassionate leaders may help Agreed AND this is NOT the job of leaders alone, or just some “challenging” staff. Role modeling in adaptable human behavior (leader/follower agility), self-regulating, compassionate behavior should be skills ALL employees are responsible to become and model. (see sidebar “Leaders with higher self-regulation may be better, less toxic leaders”). Yes, toxic leaders can do more harm than toxic staff because of their position but anyone can influence positive change. LifeWork Systems has proof from school reform projects of students positively influencing and building healthy relationships with teachers.

## 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**. This is why in LifeWork Systems CultureEX™ we have a fully distributive, immersive implementation that mixes the levels and works with individuals and the collective (enterprise wide when possible). We do not separate leaders, peers, direct reports, or front-line staff. We purposely mix people from all levels to break down artificial barriers.

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. LifeWork Systems is not necessarily focused on these specific policies but they organically come about when toxicity is dissolved and trust and healthy teamwork ensue. Then inclusion, encouragement and support bring about the necessary choices. Inclusion is a natural result of our healthy, responsibility-based culture that focuses heavily on purpose, values, intrinsic motivation and a teal model for evolving.

A truly inclusive workplace implements [systems that minimize conscious and unconscious bias](#), allowing employees to express themselves and connect with each other. Reducing unconscious bias causes people to get out of an activated inferiority complex, the root of all struggles: all isms, separation, cancelling, etc. 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](#). Yes, this is why I wrote the article [Do You Have A Powerful, Positive and Helpful Ego?](#) 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<sup>47</sup> ways to combat burnout and to retain and engage employees, and therefore are important for addressing growing talent and skills shortages within organizations. To LifeWork Systems, it is about developing ALL individuals and helping each to be a better team player, simultaneously. People must have healthy *individuation AND social interest*, in which they consider what they *cause* one another and are intentional in what they choose to *cause*. When our kind of model is used in prisons recidivism is drastically reduced from 50-60% to 4%. 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<sup>48</sup>—signaling an opportunity for leaders to support employee desires to learn, explore, and grow way beyond traditional career progression. LifeWork Systems cover this in shifting from extrinsic motivation to the 4 intrinsic motivators. This alone won’t create a healthy organization or culture but it is definitely a part of it.

[Investing in your employees’ capabilities](#) this usually means job skills AND also include emotional and social 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, a *Sense of Choice* is one of 4 intrinsic motivators flexibility, and sufficient time for daily recovery. It's also about leading with compassion and empathy.<sup>49</sup> Yes, a culture based in purpose, values, trust, personal responsibility and healthy support for all, supports the development of many skills, including those that build compassion and empathy. — 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. Isolation and loss of social cohesion has not occurred (even during Covid) where people have used the LifeWork Systems **CultureEX™**.

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.<sup>50</sup> Leaders initiate change and LifeWork Systems sees it as counterproductive to focus on leaders more than staff. Accountability is ultimately an inside job and one cannot hold another person accountable. LifeWork Systems supports leaders in understanding what best fosters performance excellence. Often, they don't know and therefore don't see a clear path or why it works when they first discover one.

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.<sup>51</sup> Some leaders are pre-disposed temperamentally to be concerned about the emotional and social well-being of people. Having said this, any leader can learn to appreciate the connection between mental health and well-being with performance and profitability. They offer training to help managers identify, proactively ask about, and listen to employees' mental-health and well-being needs. Regardless of whether employees even understand that these matter or that they are in danger, foundational understanding needs to be shared among all people regarding what expands human potential in individuals and groups. This knowledge may be lacking in all, even leaders, and therefore a big reason organizational change and evolution is not sought, valued, or recognized. People at all levels often *don't know what they don't know*. Most recognize it when it is explained well, with evidence, and concerning the *causal* level. They also

introduce mental-health “pulse” checks and incorporate relevant questions into the broader employee satisfaction surveys, to establish a baseline and track trends in how employees are feeling. Yes, and knowing symptoms does not necessarily translate into a cure, especially one that gets to root causes. Discussion on employee mental health and well-being can be incorporated into regular leadership meetings, including concerns, risks, and potential actions. Awareness must be combined with an understanding of the need for complex systems that lead to changed conversations and changed behaviors or they are simply exercises in awareness alone, not behavior change.

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. Many people do not associate mental health with healthy organizational culture. LifeWork Systems is only beginning to realize the incredible connections for this. We do not promote using incentives for motivating change. This goes against the LifeWork Systems **CultureEX™** model for operating from intrinsic motivation vs. extrinsic motivation because motivation from within is the only way to bring about meaningful, lasting change in people.

### **Are we effectively tackling stigma?**

As noted in a previous McKinsey [article](#), the majority of employers and employees acknowledge the presence of stigma<sup>52</sup> 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. LifeWork Systems has not focused heavily on mental health because of such stigma. We describe our experts as certified human systems engineers and not psychologists or counselors. However, our work is based in the psychology of Alfred Adler and we are clear about this in our training. We educate people at all levels in an organization about psychological safety and trauma-informed principles as a level of lay understanding needed and growing palatable. People often tell LifeWork Systems, “**CultureEX™** has done more for me than years of therapy.”

We see several actions that organizations are taking to eliminate stigma.<sup>53</sup> Leading by example can make a difference, with senior leaders stepping forward to describe personal struggles with mental health, using non-stigmatizing language.<sup>54</sup> Leaders showing vulnerability helps to remove shame and promote a psychologically safe culture.<sup>55</sup> Yes. At the same time, a lot of people do not self-identify as having mental health issues and yet everyone benefits greatly from an environment in which conditions and conversations begin with dissolving inferiority complex and building up healthy belonging and significance.

Stigma can also be reduced by companies prioritizing mental wellness as critical for peak performance instead of rewarding overwork and toxic relationships and reactivity

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. While a wellness officer can help a lot, the experience of LifeWork Systems is that wellness is part of a much larger systemic change than most wellness officers understand. Many still associate *wellness* initiative with physical health alone. Wellness includes a holistic approach to how to be as people and create conditions for expanding human potential and fulfilment.

### 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<sup>56</sup>; When these are divorced from collective changes needed, they become individual mental health counseling, etc. In **CultureEX™**, mental health challenges are mitigated by reflective group discussions amongst mixed levels of staff, monthly peer and reverse mentoring, and ongoing concepts, tools and practices that bring about psychological safety, effective communication, resolution of frustrations and redirection of toxic behavior, etc. 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.

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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. Judy Ryan, CEO of LifeWork Systems, was recently on a panel as the only one not a psychologist. She was favored afterwards because there are not enough counselors, psychologists or psychiatrists to meet the demands of many suffering from stress, burnout and more, even when they do come forward. The audience appreciated that the LifeWork Systems **CultureEX™** model helps everyone create the conditions and conversations that result in health and well-being and copious support. 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.

LifeWork Systems totally confirms this. Often people want a fast fix. When there is an immersive, self-sustaining, integrated long-term model, change is lasting and hugely helpful. More broadly, employers globally have an opportunity to play a pivotal role in helping people achieve material improvements in health. With collaboration and shared commitment, employers can make a meaningful difference in the lives of their employees and employees for their employers too and the communities they live in. 100%. LifeWork Systems consistently hears from people in companies who say, “*This is helping me at home.*” We hear from people in parenting and school reform projects say, “*This is helping me at my workplace.*” Good human systems provide value everywhere.

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

To stay updated about MHI’s initiative on employee mental health and well-being, sign up at [McKinsey.com/mhi/contact-us](https://McKinsey.com/mhi/contact-us).

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