

**Deloitte.** 

Inspiring Insights:

# Well-being and resilience in senior leaders

A risk to post-pandemic recovery



We're in an unprecedented time. The COVID-19 pandemic has introduced threats to lives, livelihoods, health and relationships. Challenges for both individuals and organizations come from the resulting physical and mental-health risks, and the consequences of each. Since the declaration of the global crisis in early 2020, there has been a significant mental-health decline among the working population, as shown in the Mental Health Index by LifeWorks<sup>TM</sup>, a monthly report that evaluates the mental health of employed adults in Canada, the United States, the United Kingdom and Australia. Such a decline is consequential and the long-term effects may last well beyond vaccine roll out, as discussed in Deloitte's article Uncovering the Hidden Iceberg: Why the human impact of COVID-19 could be a third crisis. Various studies, including Deloitte's The ROI of workplace mental health programs, already highlighted the importance and financial implications of employee mental health to organizations pre-pandemic.

We have also seen an upending of long-standing patterns. For example, counter to the pre-pandemic trend, the mental health of managers has been more compromised than has that of employees who don't manage others, as shown in LifeWorks Mental health for people leaders during COVID-19: Leading on the edge.

For organizations to holistically address mental health, all employee groups should be considered, however, senior leaders had yet to be assessed in a meaningful way. We undertook the current study to fill that gap and help companies gauge their overall mental health.

LifeWorks Research Group and Deloitte Canada conducted the research for this study in the spring of 2021 in collaboration with the CHRO20.¹ Both quantitative and qualitative data was collected.²

Survey participants included 1,158 senior leaders<sup>3</sup> from 11 large organizations in the private and public sectors. Sixty-six per cent of respondents reside in Canada; 18 per cent in the United States; 10 per cent in Europe, the Middle East, and Africa (EMEA); four per cent in the Asia-Pacific region (APAC); one per cent in Latin America (LATAM); and one per cent in other regions.

## Organizations, among others, include:

- Bell Canada
- City of Toronto
- Deloitte
- Ontario Teachers' Pension Plan
- Thomson Reuters
- University of Toronto





## The findings demonstrate that senior leaders have been experiencing extraordinary strain

- More than eight in 10 leaders (82%) reported exhaustion indicative of burnout risk. Ninety-six per cent of those who report exhaustion indicate that their mental health has declined.
- Slightly more than half (51%) of participants had been contemplating exiting their roles; of this subset, strategies included resigning (23%), moving to a less demanding position (16%), retiring (15%), taking a leave of absence (13%), and working part-time (6%). Some considered more than one option.
- The top stressor (68%) was an **increase in work volume** compared with pre-pandemic levels.
- The second-highest reported stressor (62%) was related to the desire to provide adequate support for the well-being of staff.
- Number of extra hours worked (over and above leaders' typical long hours) and reports of mental-health decline were strongly correlated.
- More than four in 10 respondents (41%) indicated **self-stigma** around the idea of acknowledging or accepting any potential mental health challenge.

- More than half (55%) were concerned about workplace stigma having an impact on their careers if they had a mental health issue and anyone were to find out.
- Six in 10 (63%) said they don't make time for their personal well-being, either consistently or at all.
- Support from their own leaders is essential, but it's not a sufficient buffer against senior leaders' stress.
- Sixty-five per cent of those reporting worsened peer relationships also reported worsened mental health, and 59 per cent of those with improved peer relationships also enjoyed improved productivity; thus, peer relationships were strongly and directly associated with mental health and productivity.
- One third (32%) indicate that their **relationships with peers** worsened during the pandemic.

In almost all areas, the findings show that mental strain and its consequences affect senior leaders more strongly than they affect employees and mid-level managers.<sup>4</sup>

# Increased work demands and decreased control create undue strain

To understand these findings, consider that the pandemic has increased the work demands, risk, and complexity for senior leaders, while introducing many factors outside of their control.

In this situation, Karasek & Theorell's well-known demand-control-support theory of job strain — which has been used to explain depression, exhaustion, job dissatisfaction, and decline in physical health when there's a pronounced disparity between demand, control and support — would suggest a strong need for increased support for this group to balance the widened gap between workplace demands and sense of control.

# The current levels of well-being and resilience reported by senior leaders pose a significant business risk

A strong and sustainable culture of well-being and resilience needs to apply to everyone. When leaders experience well-being and resilience they are in a better position to provide support to their people. Our survey findings, however, suggest that leaders feel an unequal burden. As compared with non-leaders, more of them perceive that they will suffer negative career consequences if ever they were to face mental-health challenges. 5.6 Additionally, while they are concerned with supporting and caring for the well-being and resilience of their employees, they don't necessarily take time to focus on these matters when it applies to them personally.

These issues have significant implications for organizations and as such, the overall economic recovery. The potential for a loss of talent is evident, and the behaviours that emerge under extreme strain, such as irritability and extreme perfectionism, may unintentionally negatively affect the broader workforce and organizational culture.





# A call to action is urgent, as personal and business risks will likely increase

Among senior leaders, the focus is on their people, customers and business continuity, as well as complex and ongoing operational changes. The need for this focus has increased during the pandemic and is expected to continue to increase beyond the immediate crisis. Their resilience, adaptability, and leadership skills will be put to the test, as most organizations will continue to change operating models, adjust to evolving customer needs, and convert to increasingly distributed workforces. All of this is expected to require a reset of overall organizational culture, and will impact employee productivity and well-being. Leaders will thus need a surplus of energy, clarity and stamina to ensure workforces and businesses thrive in our next normal. Accordingly, the current research points to calls to action in at least four areas:

- Peer relationships. These are important for well-being and productivity, particularly in turbulent times. Strong peer relationships offer both social support and strategic business value. Peer alignment at the senior level is essential to leaders' self-permission to prioritize work, as well as to their ability to successfully manage the impact of that prioritization.
- 2. **Stigma concerning mental health**. Regardless of who may be experiencing a given challenge, stigma is harmful in the workplace. Unspoken expectations appear to imply that senior leaders should not have mental-health challenges, which is

likely why they reported fearing that any such issues would affect their careers. The specific drivers of stigma for this group need to be addressed.

- 3. Personal support. Leaders need support to help them manage the increased strain they have been facing during this time and are expected to continue to face post-pandemic. A continuum of support can help to shape thinking and behaviour in order to promote sustainable high performance and provide the type and level of assistance needed to address sometimes complex work, personal and family challenges.
- 4. Clear guidance and tools. Leaders have an impact on their organizations as a whole; they are also accountable for their teams and are concerned with supporting the well-being of their employees. Guidance, training and ongoing coaching can help them in their roles and, as a result, help their teams' well-being.

"All of the other members of my household have struggled, sometimes significantly, with mental-health challenges this year.... Balancing my support... while [continuing to appear] strong [at] work has been hard."



## **Findings**

The mental health and resilience of senior leaders is **significantly strained**, as evidenced by the prevalence of burnout indicators in this group.

Exhaustion was reported in 91 per cent of leaders in the public sector and 77 per cent in the private sector, and across 89 per cent of women and 75 per cent of men leaders.

**82%**Regularly finish work feeling mentally and/or physically exhausted

43% Report increased irritability



"There is an expectation that senior leaders will get the job done, no matter what."

49% Have difficulties sleeping

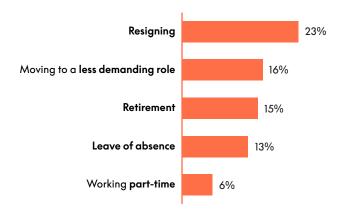
**59%**Are unable to relax or pause activity

**38%**Have reduced energy or emotional changes



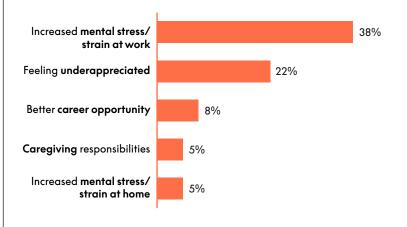
A significant risk for organizations is **the loss of senior talent**, with slightly over half considering leaving their positions or downshifting. Fifty-one per cent have been contemplating exiting their roles via various different means, with some considering more than one such option.

Women and those in the public sector were slightly more inclined to consider resigning.



The most prevalent reason (at 38%) for considering leaving or downshifting was **increased mental stress/strain at work**. Additionally, almost one-quarter (22%) indicated feeling underappreciated.

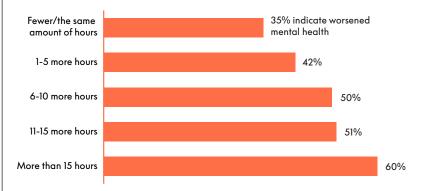
Women tended to report mental stress as an exiting factor; for men, it was being underappreciated.



"Work demands do not stop, they are staggering, therefore taking time off feels like a weight and detrimental, so I resist taking it when I know I need it to be effective, creative and role model sound leadership behaviours."

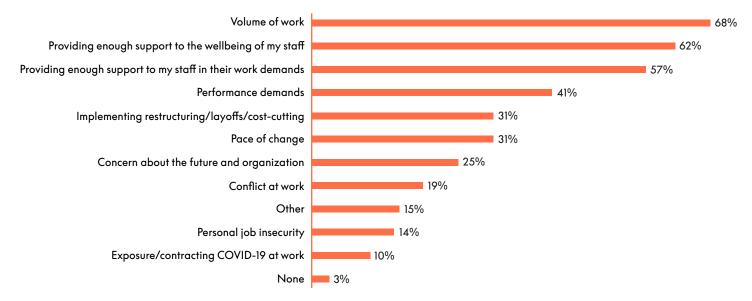
Seventy-nine per cent of respondents reported working more hours than typical since the start of the pandemic. The number of additional hours is strongly correlated to self-reported declines in mental health. However, due to factors including changes in the nature of work, dedicating either the same number of hours (19%) or fewer (2%) didn't preclude a negative impact, with 35 per cent of this combined subgroup indicating a decline in mental health.

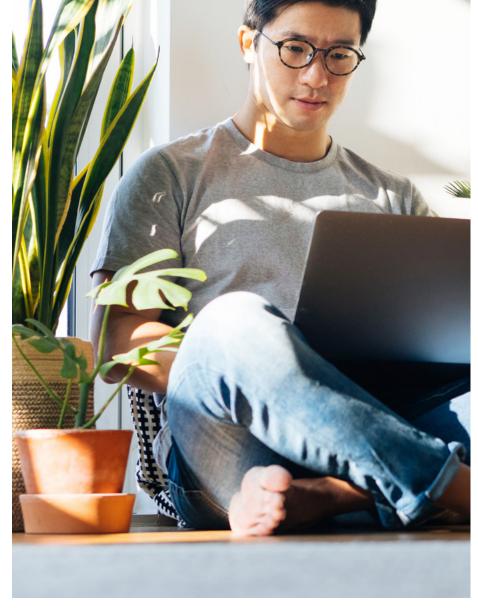
In general, women and those in the public sector worked longer additional hours.





In addition to sheer work volume, a top source of professional stress for leaders was concern about providing enough support for the well-being of staff.







**Self-stigma** is apparent with more than four in 10 survey subjects indicating that they would find it difficult to acknowledge or accept having a mental health issue.

41%

would find difficult to
acknowledge or accept
if they had a mental
health issue

There is also a strong perception of work-related stigma about mental-health issues, with the majority admitting concern about their career opportunities in the event that they faced such a challenge, and their employer was aware of this.

55%

would be concerned that their career opportunities would be limited if their employer was aware that they had a mental health issue "If I am being honest, I probably have too much pride to ask for help."

"[Regarding workplace stigma,] leaders feel that there are different rules for them."

"I would be concerned that if others knew I had a mental-health issue, it would be seen as a reflection on my capabilities and resilience as a senior leader."



Intentional and committed self-care is an issue for senior leaders, given that the majority are inconsistent about making time for their own well-being.



The support of peers is important for resilience, yet almost one-third (32%) of leaders indicated that their relationships with peers have worsened during the pandemic.

Overall, 37 per cent of those in the public sector and 29 per cent in the private sector reported that peer relationships have worsened.



"Sometimes my manager is in a worse place than I am, which is totally understandable, but [this] means I'd rather not bother her with my stuff." Additionally, worsened peer relationships correlated with worsened mental health, while **productivity improved in conjunction with improved peer relationships**.



**59**%

of leaders reporting improved peer relationships have improved productivity



<sup>1</sup> CHRO20 — a group of chief human-resources officers from leading private- and public-sector organizations — focused on building a skilled and resilient workforce, which is essential to organizations, their people, and inclusive prosperity.

<sup>2</sup> The survey was conducted online in April 2021.

<sup>3</sup> 1,660 were invited to participate.

<sup>4</sup> The mental health for people leaders during COVID-19: Leading on the edge, LifeWorks 2021

<sup>5</sup> Ibid: 55 per cent of senior leaders versus 39 per cent of non-leaders believe their careers would be negatively affected if they had mental-health issues and anyone in the workplace were to find out.

6 "Mental Health Index." LifeWorks, April 2021, lifeworks.com/en/mental-health-index.



This publication contains general information only and neither LifeWorks nor Deloitte are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Neither LifeWorks nor Deloitte shall be responsible for any loss sustained by any person who relies on this publication.

### **About Deloitte**

Deloitte provides audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and service to address clients' most complex business challenges. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see <a href="https://www.deloitte.com/about">www.deloitte.com/about</a> for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Our global Purpose is making an impact that matters. At Deloitte Canada, that translates into building a better future by accelerating and expanding access to knowledge. We believe we can achieve this Purpose by living our shared values to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact.

To learn more about Deloitte's approximately 330,000 professionals, over 11,000 of whom are part of the Canadian firm, please connect with us on <u>LinkedIn</u>, <u>Twitter</u>, <u>Instagram</u>, or Facebook.

### **About LifeWorks**

LifeWorks is a global leader in delivering technology-enabled solutions that help clients support the total well-being of their people and build organizational resiliency. By improving lives, we improve business. Our solutions span employee and family assistance, health and wellness, recognition, pension and benefits administration, retirement and financial consulting, actuarial and investment services. LifeWorks employs more than 7,000 employees who work with more than 24,000 client organizations that use our services in more than 160 countries. LifeWorks is a publicly traded company on the Toronto Stock Exchange (TSX: LWRK). For more information, visit lifeworks.com.

For more information, visit:

LifeWorks.com

twitter.com/LifeWorks

in linkedin.com/company/LifeWorks

