UNHERALDED GLOBAL BUSINESS CRISIS

WORLDWIDE MENTAL HEALTH PROBLEMS
BURNING LIKE WILDFIRE IN GLOBAL ECONOMY

By
Marten deVries, Secretary-General, WFMH and
Honorary Co-Chair, Business and Economic Roundtable on Mental Health
and
Bill Wilkerson, Senior Advisor, WFMH, and Co-Founder & CEO
Global Business and Economic Roundtable on Addiction and Mental Health

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The 100-nation World Federation for Mental Health (WFMH) calls for global action by governments, business, labor and health leaders to turn back a worldwide pandemic of serious mental health disorders afflicting a population – and its labor force – the size of Europe.

Mental health problems are burning like wildfire around the world – leaving the new global economy scarred by unchecked massive productivity losses and immense human suffering.

In the North American economy alone, mental health problems cost $80 billion (US) a year – an estimated two-thirds of that in the form of lost and diminished industrial productivity. They are calculated to represent an estimated 13 per cent of the net annual operating profits of all business enterprises in Canada.

It is arguable that whatever productivity rates the global economy is experiencing, they are substantially lower than they should be due to invasive impact of mental health disorders in every walk of life in every society on this planet.

Research shows that the prevalence of mental disorders hovers at around 15 per cent of the world's population and rises to 40 per cent when stress-related disorders are included.

**Network of Opportunity**

The WFMH, founded in 1948, is the only worldwide non-governmental advocacy and education organization concerned with all aspects of mental health. Its members include health professionals of all disciplines and consumers in 100 countries on six continents.

The Federation represents a huge network – the only one of its kind – through which to work with governmental and non-governmental organizations worldwide in a global effort to contain the spreading prevalence of mental health problems.

In that context, the Federation is moving to initiate creation of the first Global Corporate and Labor Advisory Committee on Mental Health and is the first to target the international economic community as full partners in the promotion of mental health and fight against mental illness.

In this, the Federation aims to open a new front in an old war.

The Business and Economic Roundtable on Mental Health, founded in Canada in 1998, has been a driving force to put mental health issues on the business and economic agenda “for good business reasons.”
The Roundtable aims to promote the earlier detection and treatment of mental health disorders in the work setting. It is advising WFMH in its advances to the business community.

Recently documented trends have triggered the Federation's decision to reach out to business and to dedicate its annual flagship public education initiative – World Mental Health Day – to “mental health and work” over the next two years.

**Business Stakes in Mental Health**

These trends signal what Harvard University and the World Bank describe as an “unheralded global crisis in mental health” representing more than eight per cent of the known global burden of disease, exceeded only by respiratory disorders and perinatal conditions.

- First, in plain business terms, despair – which is what depression is – costs business on a yearly basis more than strikes and product defaults probably in the area of $120 billion (US) a year in the combined NAFTA and European community trading blocs.

- One person in five suffer a mental disorder in their lifetime but only six per cent – and as low as one per cent in some regions of the world – actually seek or receive treatment. This resounds as a disgraceful ratio of failure on the part of world health systems and society at large to understand and identify the symptoms of disease states which represent a public health crisis on par with any plague known to the world.

- The disability of workers not their mortality is the most significant health-related cost and performance issue facing business – and clinical depression is, by far, the leading cause of disability in the world – about 12 per cent of all disability, slightly higher in developed economies like North America. On this basis, business is urged to do its homework about mental health issues and take steps to remedy their invasive impact.

- In terms of one of the biggest health-related business costs facing competitive industry in the information economy – chronic downtime – heart disease and depression are emerging as a powerful one-two punch and the first and second leading causes of workdays lost through disability and premature death inside the next ten years.

- Further, this powerful combination of chronic conditions – representing, together, the main origins of sudden death as well as short and long-term disability in the developed world – have a mutual cause-and-effect. Landmark research shows depression hastens the death of heart attack victims.

**Wake-up Call for Business**

These trends represent for business a “wake-up call” as to the principal forces of disease attacking the productivity potential and years of disability-free life of the global labor force. And this pandemic of mental health disorders unfolds at precisely a point in history where business and economic growth are increasingly dependent...
on the mental capacity and faculties of skilled workers in a knowledge and information economy.

The new digital economy is, by definition, an economy of mental performance. And that economy of mental performance is being affected by other trends in mental health of real consequence to business.

- For instance, mental, neurological and behavioral disorders will, according to projections, outrank road traffic accidents, AIDS and violence by 2020 as a primary cause of work years lost due to early death and disability among all sources of disease and injury.

- At this time, alcohol-related disease affects an estimated five to ten per cent of the world’s population. And the risk of suicide among those who abuse alcohol is 50 to 100 times greater than the population at large. This pattern is especially destructive among breadwinners in single-parent or two-working-parent families.

- Worldwide, depressive and anxiety disorders account for one quarter to one third of all visits to primary care physicians and mental disorders are the leading North American cause for hospital admissions – 21 per cent of all beds.

- In the U.S., 80 million people are estimated to have psychiatric impairment and one in every five families is affected by severe mental illness.

- The societal and economic costs of mental illness and chemical dependencies are three times the actual cost of treatment. The positive cost-impact of not neglecting mental illness is dramatic. In addition, the mentally ill use healthcare service systems three to five times more frequently than others and reducing the prevalence of mental disorders could significantly reduce the cost of healthcare services.

- Business must note this trend. Depression is increasingly attacking the young and women suffer the disease on a 2 – 1 ratio over men.

**Stress Invasion Hurts Business**

Meanwhile, stress-related disorders are propelling disability insurance claims skyward and some corporations are reaching annual pay-outs by mid-year. The upward cost swings are that pronounced.

The three most frequently cited sources of distress in the workplace are so-called “soft” business issues – role conflict, role ambiguity and workload variance. These so-called soft issues are expressed hard cash costs triggered by escalating rates of short-term disability. For example, one-third of the STD costs of Canada's biggest bank is related to mental health and stress issues. The next highest cost, low back pain, is ten per cent of the total.
Business practices which promote pervasive uncertainty, bad communications, deadline-stacking and mistrust are predictors of higher than average rates of disability. At the same time, corporate climates that promote teamwork, open communications and profit-sharing with employees correlate with lower per employee disability costs including those derived from mental health problems.

**Profitability of Human Health**

Work climate factors such as employees’ understanding of company goals and objectives and management’s respect for employees coupled with employee job satisfaction militate in favor of lower rates of disability, workplace accidents and absenteeism.

In the information economy, more than ever, corporate success will depend on resilient, well-adjusted, and motivated employee mindsets merging with new economy, computer-based skillsets to sustain the competitive edge of businesses and the mental performance of their employees.

**Dollar Value of Mental Output**

The dollar value of mental performance among knowledge workers in the information economy is exhibited day-in and day-out:

- Through knowledge workers, the concept of mass customization has emerged as a staple of the new economy;
- Billions and billions of dollars are being poured into new company high-tech stocks whose sole assets are the creative thinking power of the people behind those stocks;
- Through knowledge workers, we see Boeing luxury aircraft being designed and assembled in cyberspace without blueprints. We see a ton of steel being manufactured in 45 minutes not several hours, the “thought content” of steel surpassing the value of the ore itself. Tomorrow’s steelworkers are more likely to be working at a computer keyboard than the mouth of a flaming furnace;
- Through knowledge workers, we see automobiles with more microchips than sparkplugs and the “thought content” of cars has more dollar value than the steel they are wrapped in.

In 1991, corporations, for the first time, spent more money on information technology than industrial production equipment. A bridge to the 21st century was crossed. Today, they spend more on telecommunications than oil.
Economy of Mental Performance

This is the face of the economy of mental performance. The economy of innovation. The economy of “thought content” as the principal source of comparative advantage. The economy of mental health as a business asset.

It will be the principal objective of the new Global Corporate and Labor Advisory Committee on Mental Health to raise the asset value of mental health in corporations, to advise the World Federation on Mental Health in an all-out effort to make the “business case” for corporate and labor investments in mental health that will produce a return like other investments in things such as buildings, equipment and technology.

The Committee will urge business to:

- De-stress today’s workplace;
- Modify the pressures which technological change and the speed of life places on people at work;
- Design health-based productivity models;
- Design human resource policies aimed squarely at enhancing mental health in the workplace.

The Committee will advocate the design of business practices which reduce the stockpiling of e-mail messages on colleagues’ systems. The volume of e-mails in the modern workplace is a source of tremendous stress described as “e-mail enslavement and e-mail hell.” Certainly it is the harbinger of an extended workday.

Business Practices and Mental Health

The WFMH and Business Roundtable find that companies researched as “a great place to work” were also financially profitable in addition to having formal “people/plans” integrated into their business plan. This is a mental health intervention whether labeled as such or not. This is the essence of organizational health – work climates will promote employee health as profitable alternatives to political, leaderless, tense work climates that can impair employee health and the productivity of business.

The mentally healthy organization embraces core values that are fundamental to effective working relationships, values such as mutual respect, confidence, reliability, fairness and justice. These are mental health issues.

Absenteeism and sick rates, excessive insurance premiums, low employee satisfaction levels and high turn-over rates are indicators of an unhealthy, stressful workplace.

Stress management strategies are becoming commonplace in business. Some are effective, including the U.K. Post Office which has realized a 60 per cent reductions in absenteeism and benefit costs in one year compared to the previous.

Meanwhile, some of the world’s largest corporations are investigating ways to optimize human health as a competitive advantage, aligning corporate self-interest
needed are new metrics to value company assets outside conventional methods – metrics which identify the book value of human capacity.

The globalization of markets has made it absolutely imperative for firms to gain access to skilled people who will drive product and service innovation in the global economy. A world war for talent is underway. As is a world war on talent in the assaulting form of depression and the maze of other mental health problems plaguing the world’s labor force.

**Emotional Work Hazards**

In all of this, we can note somewhat hopefully that while the mental capacity of working people to do productive work is under unprecedented attack from a complicated network of social, economic, biological and genetic forces – the world mental health crisis – the stage is nonetheless set for the forging of a global business agenda on mental health starting with this proposition:

- *Mental health is a vital business productivity weapon which business needs to succeed in an intensely-competitive data-based world market economy – the global economy of mental performance and industrial innovation.*

In this environment, organizations that promote employee wellbeing enhance their own competitive position by promoting the mental output of skilled workers. That being true, it is easy to see that management practices – by definition – can either promote or impair emotional stability and functioning in the modern workforce – thereby promoting or impairing mental performance output.

In the information or knowledge-based workplace, emotional work hazards – like loss of control over one’s job, haphazardly-altered priorities at work, office politics, uncertainty about former “givens” like planned retirement and home ownership – demand as much attention as physical plant and product safety.

Growing evidence tells us that psychosocial factors – especially in jobs where performance expectations are high but rewards low – have more impact on employee health than lifestyle considerations. In fact, job control – specifically the lack of it – is as much a threat to the health of one’s cardiovascular system than smoking.

**Weightiest Cost Is Economic**

The weightiest cost of mental illness is indirect and economic. The stress invasion is hurting business.

The global economy is awash in the quest for speed amidst a maelstrom of industrial consolidation and hyper competition, constantly shifting financial targets and unforgiving quarter-to-quarter shareholders expectations which have placed many corporations and their employees atop a bubble uniquely representative of globalization.
This relentless downfield pursuit for share value and market share is creating turmoil for the human condition at work. Employees have the sense there is no game clock and the goal line never gets closer but recedes further and further downfield.

We see, today, the evaporation of job security, too much to do at once (a bigger question than job volume itself), the birth of the ever-present, technology-driven 24-hour workday and the loneliness of unemployment for millions who have never been unemployed before.

Corporations are expecting and demanding too much work in too little time from their employees, whether they know it or not.

Paralleling this decade-long intensification of the workplace, society has become hurried, worried and rattled by change. Two great patterns have converged into one complex business issue:

- On the one hand, the escalation in psychiatric disorders worldwide;
- And on the other hand, the deepening dependence of global corporations on the mental faculties and not the backs, arms and legs of people working for those corporations.

**Global Action Plan**

It is the World Federation’s aim to work with corporations, universities and economic planners to prepare the business case for mental health as a means to stimulate research and reinvestment in business and in human resource strategies aimed at preventing mental disorders, economic dislocation and productivity loss.

Further, the Federation aims to create a science information coordination center to pool knowledge on mental disorders and pathways to their prevention, using this data to help corporations and public sector employers develop evidence based employee assistance and mental health management practices.

The Federation will move to advance the use of the Internet as an authentic source of critical, preventative and treatment information to the whole world concerning mental health and mental illness, and seek the participation of national governments to set achievable standards in the reduction of the worldwide prevalence of mental disorders as a basis for international cooperation in this area.

The urgency of the quest is profound in the face of a rising tide of destruction from a growing global burden of disease weighted by psychiatric disorders which have replaced infectious disease as public health enemy number one.

Assuming the global economy will continue to produce social change at a rate unparalleled in human history, corporate financial performance, in this context, will be driven primarily by skilled mental functions and a demand for human resiliency as underlying features of the “digital economy” workplace.

In response, the Federation is asserting its historical mandate to advocate a global action plan centered over the next two years on its World Mental Health Day theme of “mental health and work.”
The Plan has the following components:

1. The formation of the first-ever Global Corporate and Labor Advisory Committee on Mental Health led by Honourable Michael Wilson of Canada, that country and former Minister of Finance and a former governor of IMF and World Bank. Today, Mr. Wilson is a leading CEO in the financial services industry.

   - With business leaders, in a “Partnership For Action”, the Committee – to be drawn from several regions of the world – will guide the development of the business case for investment in the mental health and wellbeing of the global labor force.

   - This “business case” will include a 12-point “Business Plan For Depression At Work” formulated by the Business and Economic Roundtable on Mental Health.

   - *An Executive Summary of this 12-point plan is affixed to this report as an attachment.*

2. The design and launch of a two-year public education campaign focussed on “mental health and work” aiming specifically at the earlier detection, diagnosis and treatment of mental health disorders materializing in the work setting. The Advisory Committee will assist the Federation in resourcing this initiative and the Federation’s oversight of it.

   - Notably, low rates of detection and treatment are the dark side of a bright opportunity to bring about the earlier detection of mental health disorders, advance the likelihood of prevention and capitalize on the very high and increasingly promising success rates of treatment of most such disorders. Tens of billions of untapped dollars a year are to be saved by way of recovered business costs and savings in direct spending on healthcare delivery services.

3. A letter-writing, information campaign aimed at heads of government, heads of state and heads of worldwide corporations and labor unions to drive up the awareness of these important world figures of the need for concerted action to realize the spectacular human benefits and economic opportunities flowing from a proactive Global Action Plan designed to arrest the spread of mental illness worldwide.

4. The creation of business-to-business “partnerships-in-action” to define and refine models of business and management practice which promote healthy mental performance and foster concepts of health-based productivity which can be pioneered, evaluated, and shared business-to-business and country-to-country.

   - *This multinational business-to-business approach is facilitated by the landmark calculation of the Harvard School of Public Health which has produced the disability-adjusted life year (DALY) as a tool to compare the
experiences of different jurisdictions and institutions in measuring and managing the disability resulting from mental health problems.

- Notably the DALY instrument is reminiscent of the redesign of national financial accounts that were produced in the wake of the Great Depression in the early 30s producing an instrument of analysis, comparison and early warning to prevent that devastation from happening again. In that context, economic depression had profound human consequences. Today, the world is fighting human depression having profound economic consequences and the advent of a new tool to help accommodate international action is most welcome.

Marten deVries, MD
Secretary-General
World Federation for Mental Health

Bill Wilkerson
President
Business and Economic Roundtable on Mental Health
THE UNHERALDED GLOBAL BUSINESS CRISIS IN
Depression at Work

THE WORLD FEDERATION FOR MENTAL HEALTH
AND
WORLD MENTAL HEALTH DAY 2000

An Information Paper for Business, Incorporating
“12 Steps to A Business Plan to Defeat Depression”

Presented By

Bill Wilkerson, President
The Business and Economic Roundtable on Mental Health
Resident at GPC International, Toronto, Canada

October 10, 2000
Geneva, Switzerland
EXECUTIVE SUMMARY

THE UNHERALDED BUSINESS CRISIS
Depression at Work

and

12 Steps to A Business Plan to Defeat Depression

The Business and Economic Roundtable on Mental Health urges corporate leaders to consider a CEO-led business plan for depression and offers here 12 steps to arrive at a comprehensive “defeat depression” strategy.

Step One: CEO Briefing On Depression

- Comprehensive briefing for the Chief Executive Officer on the impact of depression at work.
- Galvanize the organization’s executives and managers to “get on top” of depression as a business issue.
- Empower the CEO and his/her leadership team with information to set detection and financial targets associated with reducing the effects of depression inside the organization.

Step Two: Target Depression Financially

- Annual targets to reduce the effects of depression at work through early detection, specifically: 35 to 50 per cent annual improvement in the combined rates of detection, diagnoses and proper treatment of current employees known to suffer this disease compared to the current rates of 6.25 per cent.
- Target per employee annual savings of $10,000 through prescription drug and wage replacement costs. Additional gains would be realized through productivity improvements, probably well in excess of the savings noted here.

Step Three: EAP And Group Health Plan Reforms

The Roundtable calls for:

- Management training for managers/executives at all levels to play a fundamental role in the early identification of a troubled employee.
- Written policies to support managers in this role to overcome the sensitivities of dealing with such matters, recognizing the very real concerns of privacy and personal deportment involved.
- The redesign of present day EAP (employee assistance plans) and group health plans to target and reduce the effects of depression (and its comorbid partners, i.e., heart disease) at work.
- Dramatic improvements on current low rates of employee utilization of EAPs (7 – 10 per cent) to 25-35 per cent, in order to help achieve the detection rate targets noted earlier.

- Arming EAP professionals and medical directors with state of the art information on depression at work. Remarkably, this does not exist in very meaningful ways at present.

- Employee education and screening modules to increase early access through the workplace to appropriate care for depression.

- Education and internal communication initiatives aimed specifically at awareness-building among managers to help them recognize and act on signs of depression in others. (We are not asking managers to diagnose medical conditions but to recognize the signs that something may be wrong.)

- Specific education initiatives customized to top management. Their leadership is essential.

- Establishing benchmarks for current depression rates in the company to found the detection improvement process. The findings can be stunning. For example:

- Depression recently accounted for 40 per cent of all EAP referrals at one company in one year.

- 30 per cent of employees on one company survey indicated symptoms of depression.

- And in a third case, a company found the running rate of depression at 17 per cent among women and nine per cent among men in one year.

**Step Four: Dollar Value Of Healthy Work Climates**

- Establish organizational and employee health as “twin priorities” among managers in business.

- Survey employees to identify stress which threatens individual health.

- Interrupt the treadmill effect plaguing employees with too many priorities and too much to do at once.

- Combat distrust, disrespect, autocratic management styles and too-repetitive tasks – all contribute to stress-related health problems.

**Step Five: E-Mail Enslavement**

- New protocols to reduce the “overload” frustration and aggravation associated with the exaggerated and random use of e-mails.
• Studies to nail down the efficiencies of both e-mails and voice-mails in their current use.

• Maximum use of e-mail filters.

• “Restricted delivery” rules for e-mail, limiting messages to business-only purposes and in certain hours no access at all in order to reduce the overload crisis.

• E-mail and voice mail culture training to reduce stress and overuse of this technology at the expense of human contact.

**Step Six: Depression And Return-To-Work Strategies**

• Create disability management and return to work strategies which address the recovery issues associated with depression.

• Introduce formal protocols into employee health programs setting out the specific rules for return-to-work planning around depression.

• Establish modified work programs to facilitate the re-entry of employees recovering depression-based disability absence.

**Step Seven: Knowing About The Physics Of Depression**

• Education of managers, HR executives and health professionals on connections between depression and heart disease, stroke, immune system problems and other chronic physical disorders.

**Step Eight: Inventory Of Emotional Work Hazards**

• Create inventory of emotional work hazards which put the employee and organizational health at risk. Develop an organizational action plan.

• Confront and eliminate the practice of office politics. This malignant behavior as a predictor of absenteeism and mental distress among those subjected to it.

• Train managers to stop wasting the time of their direct reports because of unclear expectations and confused priorities. It causes enormous stress.

**Step Nine: Work / Life Strategies**

• Work / life imbalances depress the productivity of more than a third of the employee population in the U.S. Similar proportions exist in Canada.

• Create policies to protect work/life balance among employees. The incentive: absences due to employee eldercare obligations run into the hundreds of millions of dollars a year.
- Enact specific policies, including flexible work hours, home care services, workplace daycare and eldercare services.

- Aim, via these policies to:
  - Reduce absenteeism
  - Attract / keep most talented people.

**Step Ten: “Rule Out Rule”**

- Deploy a process to be offered by the Business and Economic Roundtable on Mental Health to differentiate between employee performance problems stemming from depression and those attributable to plain work deterioration or failure. This is critical to “saving” good employees and protecting the employer's investment in them.

**Step Eleven: Health-Based Productivity**

- Create health index to monitor the status of organizational health in the company – which, invariably is an indicator of individual health and performance.

- Shift from pure volume/quantitative measures of productivity to “Quality of Life” measures and forge a blended standard of productivity which reflects both.

**Step Twelve: Transformation Policies – Defeating Stress and Depression**

- Aim to reduce disability rates by 15 – 25 per cent a year by targeting mental health issues.

- Aim to dramatically improve EAP usage by employees, reflecting current-need in stress and depression.

- Eliminate the top ten sources of stress.

- *Reduce burnout rates through specific job and work climate strategies.*