



March 2026

Workplace mental health is a leadership and management issue — and the data shows what works

Executive summary of our annual report based on staff survey composites, workforce patterns and repeat-wave findings.

Core Message

Workplace mental health is a leadership and management systems issue.

It is shaped by workload, alignment, leadership, team functioning and the quality of organisational conditions. The best and worst employers are far apart, which means better outcomes are both possible and measurable.





One Page Overview

Across **4,375 staff survey completions**, **132 survey waves** and **77 organisations**, the data shows that workplace mental health is being shaped less by individual resilience than by the quality of work itself: workload, leadership, alignment, team functioning and the conditions people experience every day.

Central message

The central message of this report is simple: workplace mental health is a management systems issue.

It is shaped by workload, alignment, leadership, team functioning and the quality of organisational conditions. The best and worst employers are far apart, which means better outcomes are both possible and measurable.

Why this matters

This matters because the report challenges a common assumption. Workplace mental health is often framed as an issue of personal coping or access to support. Our analysis suggests something different: the quality of work itself plays a decisive role.

The data shows that some employers are creating far healthier and more

sustainable conditions than others. That means poor outcomes are not inevitable. They are influenced by how work is organised, led and experienced.

Three reasons this is a story

1. The employer gap is huge

The difference between top- and bottom-quartile employers is around **48–60 percentage points** on the key headline outcomes.

2. The strongest signals are structural, not superficial

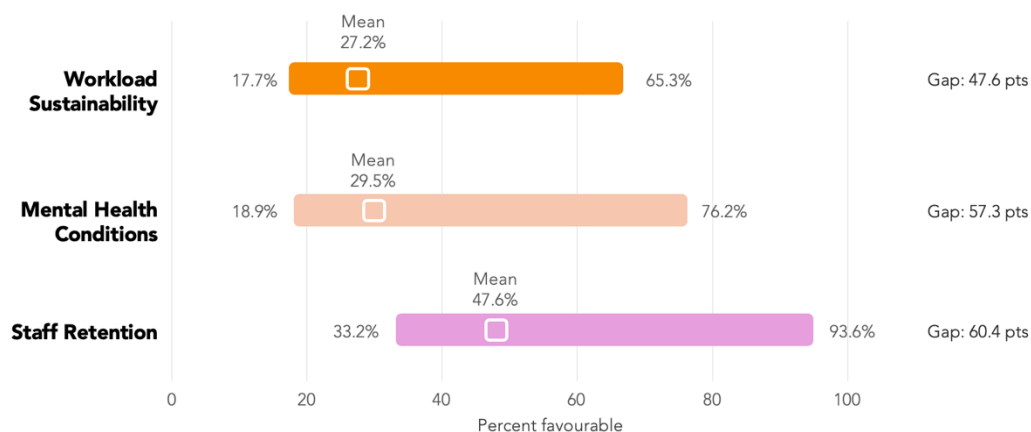
The factors most closely associated with better outcomes are things like **alignment, employee health, team working, connection and leadership**.

3. The biggest risk point may not be where employers expect

Across the composites, the **1–3 year tenure group** is consistently less positive than other groups.

One-line takeaway

If we want better mental health at work, we need to improve the quality of work itself – not just the support offered around it.



The gap between the best and worst employers is striking. Across workload sustainability, retention and workplace mental health conditions, top-quartile employers outperform bottom-quartile employers by **48–60 percentage points** - showing that much better conditions are achievable.



Executive Summary

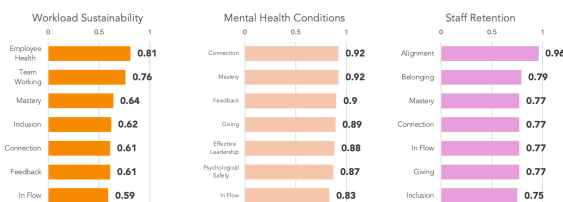
This report draws on **4,375 respondent survey completions across 132 survey waves and 77 organisations**, covering the period from **June 2022 to March 2026**. Using this staff survey data, we analysed three headline measures:

- **Workload Sustainability Composite (WSC)**
- **Retention Composite (RRC)**
- **Workplace Mental Health Conditions Index (WMHCI)**

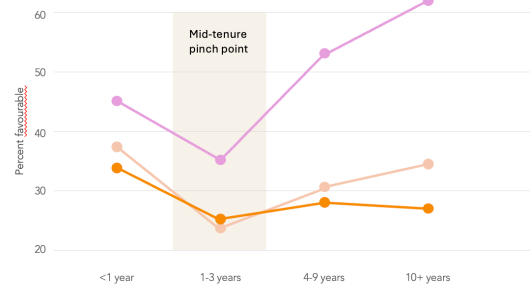
Together, these measures tell a clear story: workplace mental health is strongly shaped by the everyday conditions of work.

The first headline finding is that **workload sustainability is weak overall**. Only **27.2%** of responses are favourable on WSC. The second is that **retention is highly uneven between employers**: **47.6%** of responses are favourable on RRC overall, but the gap between top- and bottom-quartile employers is **60.4 percentage points**. The third is that the wider **conditions for good mental health are also inconsistent**: only **29.5%** of responses are favourable on WMHCI, with a **57.3-point** gap between top- and bottom-quartile employers.

These are very large differences. They show that the workplace experience is not fixed, and that some employers are creating much stronger conditions than others.



Alignment. For workload sustainability, the strongest correlates are **Employee Health** and **Team Working**. This suggests that the most powerful levers are not cosmetic wellbeing initiatives, but the fundamentals of how work is designed, prioritised, led and supported.



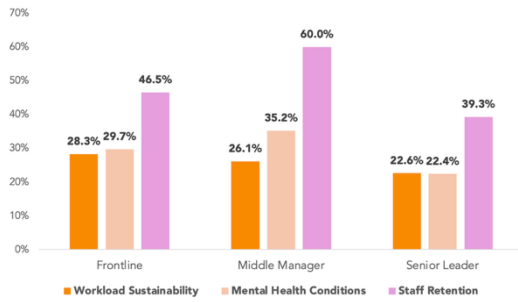
A particularly important finding is the pattern by tenure. Across the composites, the **1–3 year** group emerges as a consistent pressure point. On the Retention Composite, this group is only **36.7% favourable**, compared with **61.7%** among those with **10+ years' service**. On workload sustainability, the same group is again the least positive, at **24.1% favourable**. On the workplace conditions index, they are also lowest, at **23.0%**. This suggests that workforce risk often intensifies after onboarding rather than at entry.

“This report shows what many instinctively know: joining an organisation and actually finding your place in it are two different things. The 1–3 year dip highlights the point where people can feel most exposed - the honeymoon period has passed, expectations and reality have collided, networks are still forming and the early support of onboarding has quietly melted away.”



Tameron Chappell
Chartered Occupational Psychologist | EDIB Specialist |
Leadership Development & Assessment Consultant

The analysis also shows that the strongest correlates of better outcomes are **organisational and managerial**. For retention, the strongest correlate is



The seniority story is also revealing. **Middle managers** are the most positive group across the headline measures, while **senior leaders** are often the least positive, especially on retention and workplace mental health conditions. This suggests that pressure is not confined to the frontline; leadership strain is part of the picture too.

"I deeply appreciate this research on the critical importance of mental health in the workplace. Intuitively, we know how important workplace cultures are. Now, with this report from CoEfficient, we can quantify the impact of mental health on businesses and raise its importance in the C-suite."



Bill Carmody

Speaker | Bestselling Author | Executive Coach

We also looked at repeat organisations that measured and re-measured over time. This evidence is more mixed, but still important. On the Retention Composite, **45%** of repeat organisations improved, while **27%** declined. That is not evidence of universal progress, but it does show that improvement is possible. It supports a practical conclusion: a structured **measure** → **act** → **re-measure** approach can help, but change does not happen automatically.

The repeat data also suggests that inequalities between groups do not simply resolve on their own. In the usable repeat sample, the gap between **frontline staff and middle managers** did **not** narrow over time; in most cases it either stayed the same or widened.

What this means

The main implication is straightforward: **workplace mental health should be treated as a management and work design issue, not just an individual support issue.**

If employers and policymakers want to improve mental health at work, the evidence points towards a small set of high-value levers:

- workload sustainability
- alignment and clarity
- healthy team functioning
- effective leadership
- the employee experience in the **1–3 year** tenure window

Recommended action

Employers should be encouraged and supported to:

1. **measure** the quality of work, not just wellbeing outcomes
2. **act** on workload, leadership, alignment and team conditions
3. **re-measure** to see whether changes are working

That is the strongest practical lesson from the analysis.



Frequently asked questions

What is the main takeaway?

That workplace mental health is being shaped by the quality of work itself — especially workload, alignment, team functioning and leadership — rather than by individual resilience alone.

What makes this newsworthy?

The size of the employer gap. The difference between the best and worst employers is around **48–60 percentage points** on the key headline measures. That suggests some workplaces are creating much healthier conditions than others.

What outcomes did the report look at?

Three headline measures:

- **Workload Sustainability Composite (WSC)**
- **Retention Composite (RRC)**
- **Workplace Mental Health Conditions Index (WMHCI)**

What is most strongly linked to better outcomes?

For retention, the strongest correlate is **Alignment**.

For workload sustainability, the strongest correlates are **Employee Health** and **Team Working**.

Which group appears most at risk?

Across the composites, employees in the **1–3 year tenure group** are consistently less positive than other groups.

Does the report show that things can improve?

Yes — but unevenly. In repeat organisations, improvement is possible, especially on retention, but it is not automatic or universal.

Does this prove causation?

No. The report shows strong patterns and associations, not proof of cause and effect. But the consistency and scale of the findings make the practical implications hard to ignore.

What should employers do differently?

Focus less on surface-level wellbeing activity alone and more on the underlying conditions of work: workload, clarity, team functioning, leadership and support at key career stages.



Definitions

Workload Sustainability

Workload Sustainability refers to whether employees can maintain their workload over time without strain or burnout. It reflects having manageable demands, fair distribution of work, the right resources, and enough time to recover. Rather than measuring stress directly, it focuses on the practical conditions leaders can shape to ensure people can perform consistently and sustainably.

Mental Health Conditions

Mental Health Conditions refers to the quality of the workplace environment that supports people to stay well and perform effectively. It captures whether employees feel safe to speak up, supported by colleagues and leaders, and able to manage a sustainable workload. Rather than measuring mental health itself, it focuses on the conditions leaders can shape to prevent issues and enable people to thrive.

Staff Retention

Staff Retention refers to the strength of employees' intention to stay with the organisation over time. It reflects whether people feel a sense of belonging, alignment with values, and a genuine commitment to contribute. Rather than relying on a single question, it captures the deeper reasons people choose to stay, giving leaders clear insight into retention risk and what drives loyalty.

Alignment

How closely an individual feels their purpose aligns with the organisations'. This category asks about future commitment as well as contribution and corporate responsibility and provides insight into how engaged and motivated people feel.

Employee Health

This is the most comprehensive category asking a wide range of questions about physical and mental health as well as asking about the perceptions of physical and emotional safety and the quality of the support available if people experience mental ill-health.

Team Working

A measure of how well informed team members are about each other's work, how effectively they work together and whether the workload is shared fairly.



Construction and Rationale

Construction and Rationale

This report is based on composite measures and an index designed to capture workplace conditions and outcomes in a consistent and interpretable way across organisations and over time. The approach reflects a deliberate focus on **work design and organisational practice**, rather than individual characteristics or clinical measures.

Composite measures

The report uses composite metrics to represent complex constructs more reliably than any single survey item. Composite measures reduce the influence of individual question variance and provide a more stable representation of underlying workplace conditions and outcomes. Each composite is constructed using a consistent 5-point response scale, where higher scores indicate more positive outcomes. For reporting purposes, a “favourable” result is defined as a score of **4 or above**, allowing for clear interpretation and comparison across groups.

Workload Sustainability Composite (WSC)

The Workload Sustainability Composite measures whether employees experience their workload as sustainable over time. It captures a combination of:

- perceived ability to cope with workload
- fairness and distribution of work within teams
- adequacy of resources
- work–life balance
- recovery and rest

These dimensions were selected to reflect **practical aspects of work that organisations can influence**, rather than subjective stress alone. The composite is calculated as the mean of five items at the respondent level, providing a single, interpretable measure of workload sustainability.

Retention Composite (RRC)

The Retention Composite measures employees' intention to remain with their organisation and their level of attachment to it. It combines indicators of:

- future intent to stay
- motivation to contribute
- sense of responsibility toward the organisation
- alignment with organisational values
- sense of belonging

This multi-item approach captures retention as a **broader construct of commitment and identification**, rather than relying on a single intention question. The composite is calculated as

the mean of five items and provides a robust indicator of retention risk.

Workplace Mental Health Conditions Index (WMHCI)

The Workplace Mental Health Conditions Index is designed to summarise the **quality of workplace conditions that support mental health and sustainable performance**.

It is not a clinical measure and does not assess mental health symptoms. Instead, it captures whether the environment contains conditions known to support wellbeing and reduce risk. The index is constructed from a set of organisational and relational components, including:

- psychological safety
- connection and support
- feedback
- leadership effectiveness
- workload sustainability

Each component is measured on a consistent scale and combined to produce a single index score at the respondent level.

This approach reflects a deliberate focus on **conditions that leaders can shape**, making the index directly relevant to organisational decision-making.

Scoring and aggregation

All measures are calculated at the respondent level and then aggregated to produce organisational and group-level results. Where survey versions differ, coverage rules are applied to ensure comparability. Measures are included in reporting only where sufficient data is available, typically requiring a minimum proportion of component items to be present. The use of composite measures and consistent scoring thresholds allows for:

- comparison across organisations
- segmentation by workforce group
- analysis of variation between employers
- tracking of change over time
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Interpretation

The measures used in this report are designed to capture **workplace conditions and outcomes**, not clinical states.

They should be interpreted as indicators of how work is experienced, and where organisational practices may be strengthening or weakening those experiences.

Higher scores indicate stronger conditions and more sustainable outcomes. Lower scores indicate areas where the balance between demand, support and structure may be misaligned.



Analytical approach

The analysis focuses on identifying patterns of variation and association across:

- organisations
- workforce groups
- tenure and seniority

- repeat measurement over time

The findings presented are based on **observed relationships within the data**, rather than causal inference. However, the consistency of these relationships across measures and contexts provides a strong basis for practical interpretation.

About CoEfficient

CoEfficient measures organisational performance from the human perspective.

We believe that business performance cannot be understood fully through financial or operational data alone. Organisations are groups of people, and the way those people experience work shapes retention, performance, leadership effectiveness and the long-term health of the business. Our role is to surface the most meaningful data we can, to see more clearly what is happening inside organisations.

At the heart of CoEfficient is a simple belief: better work creates better outcomes far beyond the workplace. Happier workers help build better businesses. Better businesses support happier families. Happier families help create stronger communities. That is the wider purpose behind our work. We measure organisational life from the human perspective because we believe the quality of work matters, not only for business performance, but for the ripple effects it creates in the world beyond work.

We appreciate you taking the time to read this report.

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