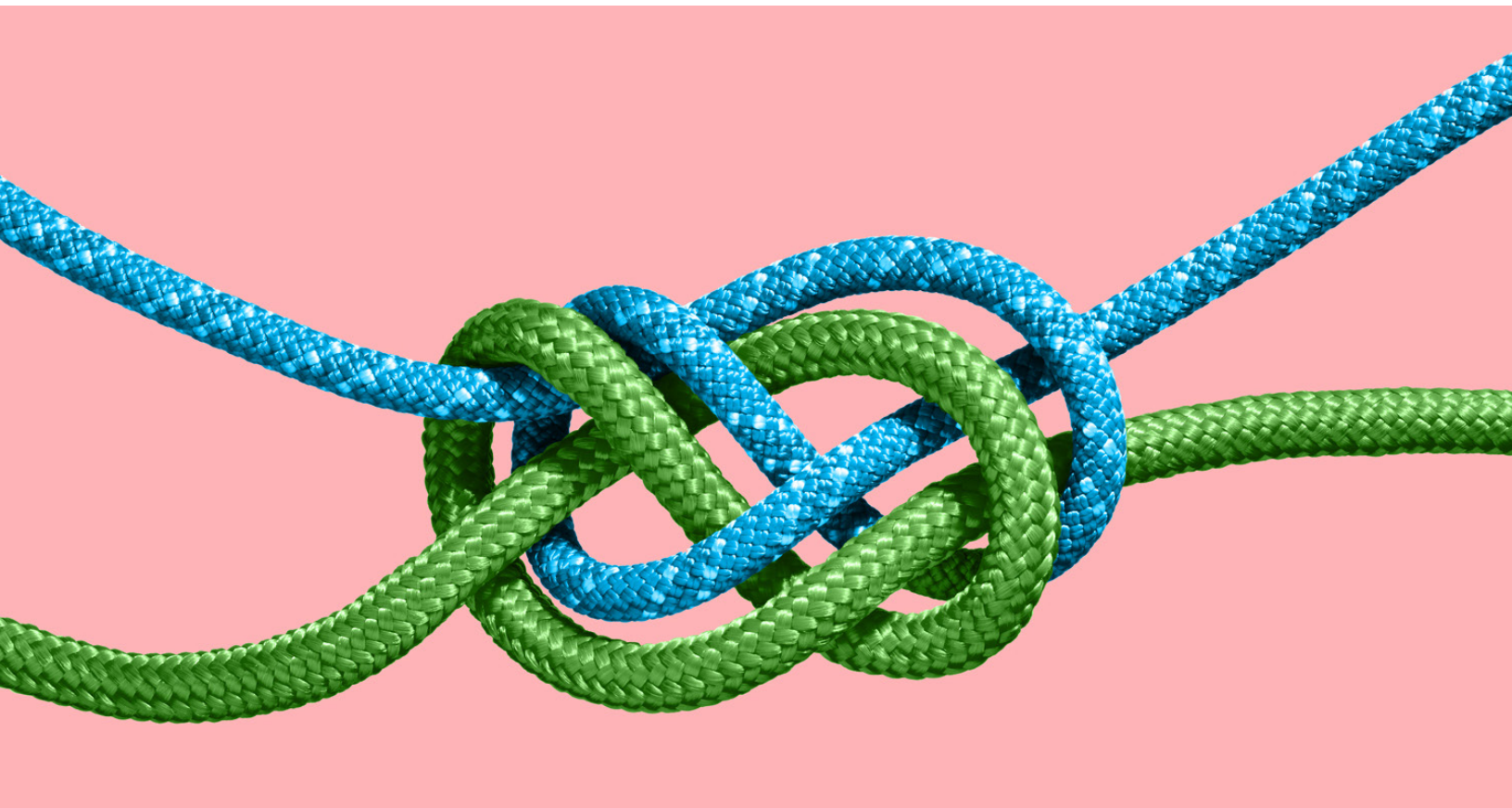


Reframing employee health: Moving beyond burnout to holistic health

A new McKinsey Health Institute survey across 30 countries offers insights into how organizations can help create a workplace that prioritizes physical, mental, social, and spiritual health.

by Jacqueline Brassey, Brad Herbig, Barbara Jeffery, and Drew Ungerman



At a glance

- *Holistic health encompasses physical, mental, social, and spiritual health.* The McKinsey Health Institute's 2023 survey of more than 30,000 employees across 30 countries found that employees who had positive work experiences reported better holistic health, are more innovative at work, and have improved job performance.
- *For employees, good holistic health is most strongly predicted by workplace enablers, while burnout is strongly predicted by workplace demands.* Providing enablers alone will not mitigate burnout, and addressing demands alone will not improve holistic health. A complementary approach is needed.
- *Organizational, team, job, and individual interventions that address demands and enablers can boost employee holistic health.* These may include flexible working policies, leadership trainings, job crafting and redesign, and digital programs on workplace health.

For most adults, the majority of waking daily life is spent at work. That offers employers an opportunity to influence their employees' physical, mental, social, and spiritual health.

To support the move to better health, the McKinsey Health Institute (MHI), along with other organizations such as the World Health Organization (WHO), are highlighting a more modern way to view health beyond illness and its absence.¹

Embracing the concept of holistic health—an integrated view of an individual's mental, physical, spiritual, and social functioning²—is a vital step toward “adding years to life and life to years” across continents, sectors, and communities.

Previous research from MHI has focused on how modifiable drivers of health can lead to healthier, longer lives. The majority of these—ranging from quality of sleep to time spent in nature—sit outside of the traditional healthcare system, and many of these drivers could benefit from employer support. MHI's new survey of 30,000 employees across 30 countries explores how employees perceive their health and how workplace factors may act as demands upon or enablers to mental, physical, spiritual, and social health.

The reasons to act go beyond improving health. Recent McKinsey research finds that employee disengagement and attrition—more common among workers with lower well-being—could cost a median-size S&P company between \$228 million and \$355 million a year in lost productivity.³ Research by MHI and Business in the Community showed that the UK economic value of improved employee well-being could be between £130 billion to £370 billion per year or from 6 to 17 percent of the United Kingdom's GDP. That's the equivalent of £4,000 to £12,000 per UK employee.⁴

In the MHI Holistic Health framework and research model,⁵ we demonstrate the additional value of measuring holistic health over and above other popular health-related outcomes such as burnout or other well-being-related outcomes such as engagement or happiness. The insights presented in this article are vital for organizations determining where to start when aiming to improve employee health and how to enable them to start considering, measuring, and improving holistic health.

¹ *Adding years to life and life to years*, McKinsey, March 29, 2022; A 2022 MHI survey on global health perspectives found that more than 40 percent of respondents who reported having a disease still perceived their health as good or very good, while more than 20 percent of those who reported no disease said they were in fair, poor, or very poor health.

² Previous work from MHI has defined each dimension of health in detail. For more details, see *Adding years to life and life to years*. Using this definition means that we emphasize “functioning.” For example: well-functioning from a mental health perspective means that respondents agree or fully agree with the statement, “I feel in a positive cognitive, behavioral, and emotional state of being” or for spiritual health, “I feel a connection to something larger than myself (for example a community, a calling, or a faith/God”).

³ Aaron De Smet, Marino Mugayar-Baldocchi, Angelika Reich, and Bill Schaninger, “Some employees are destroying value. Others are building it. Do you know the difference?,” *McKinsey Quarterly*, September 11, 2023.

⁴ “Prioritise people: Unlock the value of a thriving workforce,” *Business in the Community*, April 24, 2023.

⁵ Grounded in contemporary academic research, expanded with new concepts and psychometrically validated.

Providing enablers alone will not mitigate burnout, and addressing demands alone will not improve holistic health. A complementary approach is needed.

The majority of employees report positive overall holistic health

We found that more than half of employees across 30 countries reported positive overall holistic health⁶—but there are substantial variations between countries, with the lowest overall percentage of positive scores in Japan (25 percent)⁷ and the highest percentage of positive scores in Türkiye (78 percent). Among respondents, the largest proportion of positive scores was for physical health at 70 percent, and approximately two-thirds of global employees reported positive scores on mental and social health. The lowest proportion of positive scores were on spiritual health, at 58 percent.

When looking at demographic differences and nuances, those aged 18 to 24 had the lowest holistic-health scores. This complements previous MHI work on the challenges facing Gen Z. For companies, size matters: respondents in larger companies (more than 250 employees) had higher holistic-health scores than those in smaller companies. Within role, managers had the highest holistic-health scores, while all other workers reported lower holistic health. Further, there are similar levels of good holistic health across the industries surveyed (Exhibit 1).

At a country-specific level, factors such as burnout symptoms, emotional impairment, or cognitive impairment vary. However, one common finding is a lack of energy: more than a third of respondents in 29 of the surveyed countries reported exhaustion. Comparatively, only three countries had a third or more respondents reporting mental distance or reluctance to work (Exhibit 2).

Understanding demands and enablers for employees

In this survey, MHI explored a wide set of *demands*, which are workplace factors that require sustained cognitive, physical and/or emotional effort, and *enablers*, which can offset job demands.⁸ Demands can be thought of as challenges in the workplace, and enablers help to effectively offset challenges, allowing employees to move forward and experience positive growth and development.

Our research model explores how these demands and enablers influence several work-related and health-related outcomes (see sidebar “What we measured”). Building on previous research, we now consider a vital new aspect: the relationship between demands, enablers, and an employee’s holistic health.

⁶ With positive holistic health we report the percentage of respondents that rated a 4 or higher, on average, for each subdimension (mental, physical, social, and spiritual health) and for the overall holistic health percentage, this average of 4 or higher was consistent across all subdimensions for the respondents reported. Hence the overall number can be lower than the averages of all other dimensions separately. We used a 5-point Likert scale, where 1 = fully disagree, 3 = neither disagree nor agree, and 5 = fully agree.

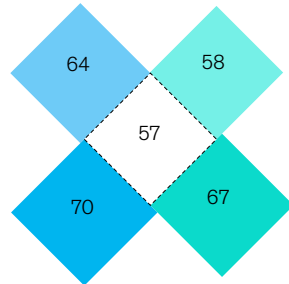
⁷ As with all cross-cultural research, differences in scores across countries can be driven by: 1) true differences between countries on variables of interest along with 2) differences between countries due to artifacts such as within-country response styles or context-driven stigma. As an example, in our current survey, we observed lower scores across *many* variables of interest in Japan compared with other countries. When reviewing cross-cultural findings, we recommend the reader considers the cultural context of the country and region.

⁸ Arnold B. Bakker, Evangelia Demerouti, and Ana Sanz-Vergel, “Job demands–resources theory: Ten years later,” *Annual Review of Organizational Psychology & Organizational Behavior*, February 2023, Volume 10, Issue 1; In this article, we are building on the job demands–resources theory, but we have used more reader-friendly terms that better resonate with the audience. Where we describe “demands” we are referring to the term “demands,” and for “enablers” we refer to “resources” as used in academic literature.

Although the global level of good holistic health is around 60 percent, levels of good mental, physical, social, and spiritual health vary by country.

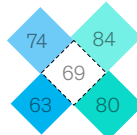
Reported good health, by health dimension,¹ % of respondents

Global

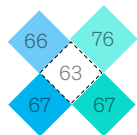


- Holistic health:** integrated view of individual's mental, physical, spiritual, and social functioning
- Social health:** individual's ability to build healthy, nurturing, genuine, and supportive relationships
- Physical health:** extent to which individual can competently perform physical tasks and activities without significant discomfort
- Spiritual health:** extent to which individual integrates meaning into their life
- Mental health:** individual's behavioral, cognitive, and emotional state of being

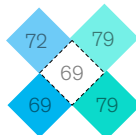
Africa and Middle East



Cameroon



Egypt



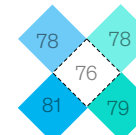
Nigeria



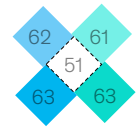
Australia



China



India



Saudi Arabia



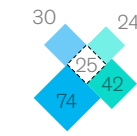
South Africa



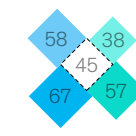
United Arab Emirates



Indonesia



Japan



New Zealand

Europe



France



Germany



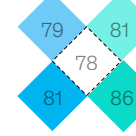
Italy



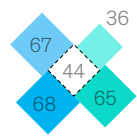
Singapore



South Korea



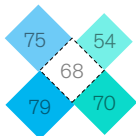
Türkiye



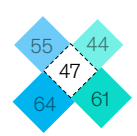
Netherlands



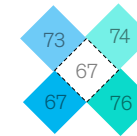
Poland



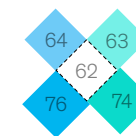
Sweden



Canada

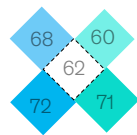


Mexico



US

South America



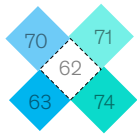
Switzerland



UK



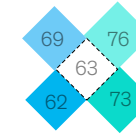
Argentina



Brazil



Chile

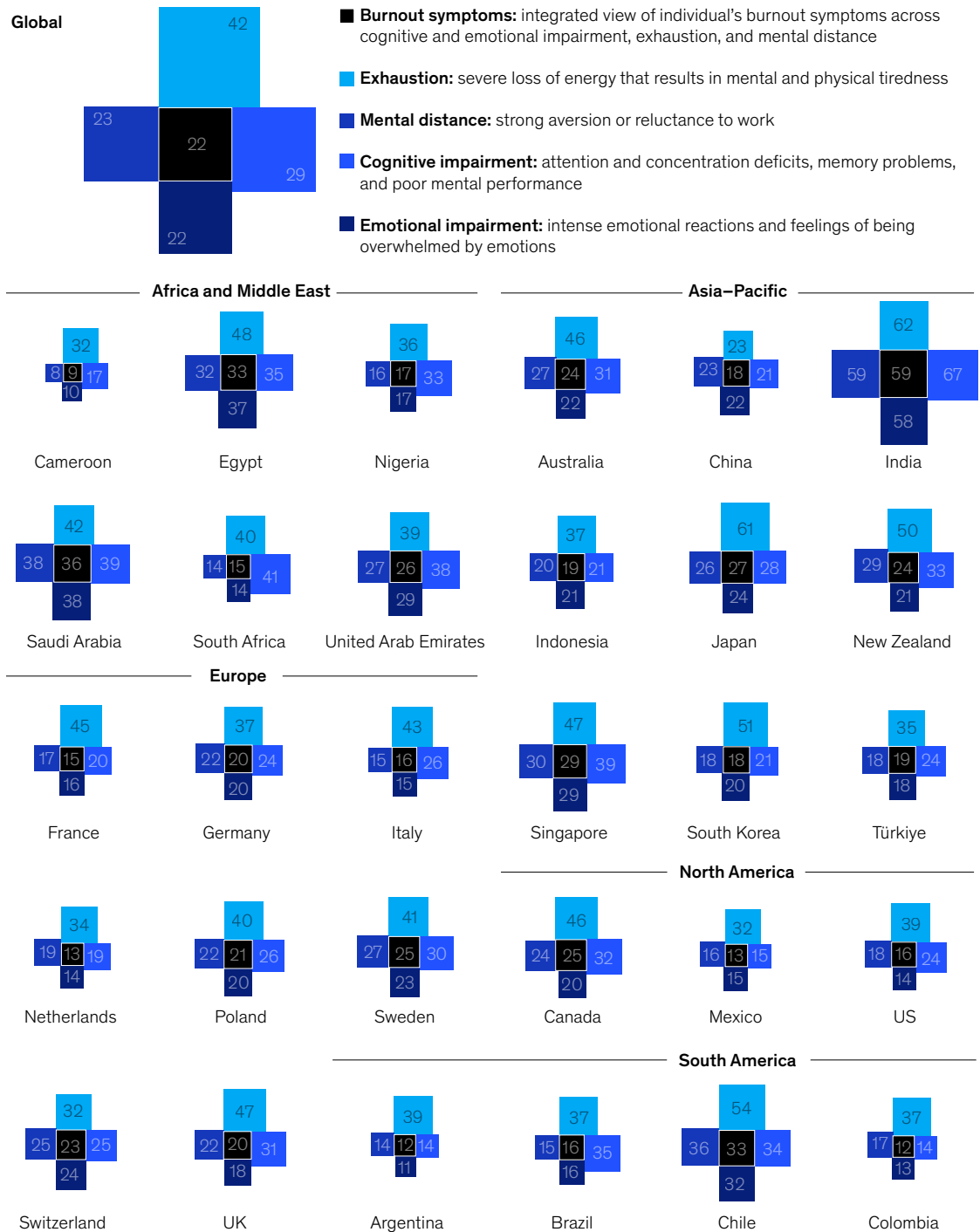


Colombia

¹Data on mental, physical, social, and spiritual health represent percentage of respondents scoring average of ≥4 (scale of 1–5) on items for each dimension. Data on holistic health represent percentage of respondents scoring average of ≥4 across all 4 dimensions.
Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

Although the global level of burnout is around 20 percent, cognitive and emotional impairment, exhaustion, and mental distance vary by country.

Reported experience of burnout symptoms, by symptom dimension,¹ % of respondents



¹Data on cognitive impairment, emotional impairment, exhaustion, and mental distance represent percentage of respondents scoring average of ≥3 (scale of 1–5) on items for each dimension. Data on burnout symptoms represent percentage of respondents scoring average of ≥3 across all 4 dimensions. Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

What we measured

From April to June 2023, the McKinsey Health Institute conducted a global survey of more than 30,000 employees in 30 countries (Argentina, Australia, Brazil, Cameroon, Canada, Chile, China, Colombia, Egypt, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, New Zealand, Nigeria, Poland, Saudi Arabia, Singapore, South Africa, South Korea, Sweden, Switzerland, Türkiye, United Arab Emirates, United Kingdom, and United States). The dimensions assessed in our survey

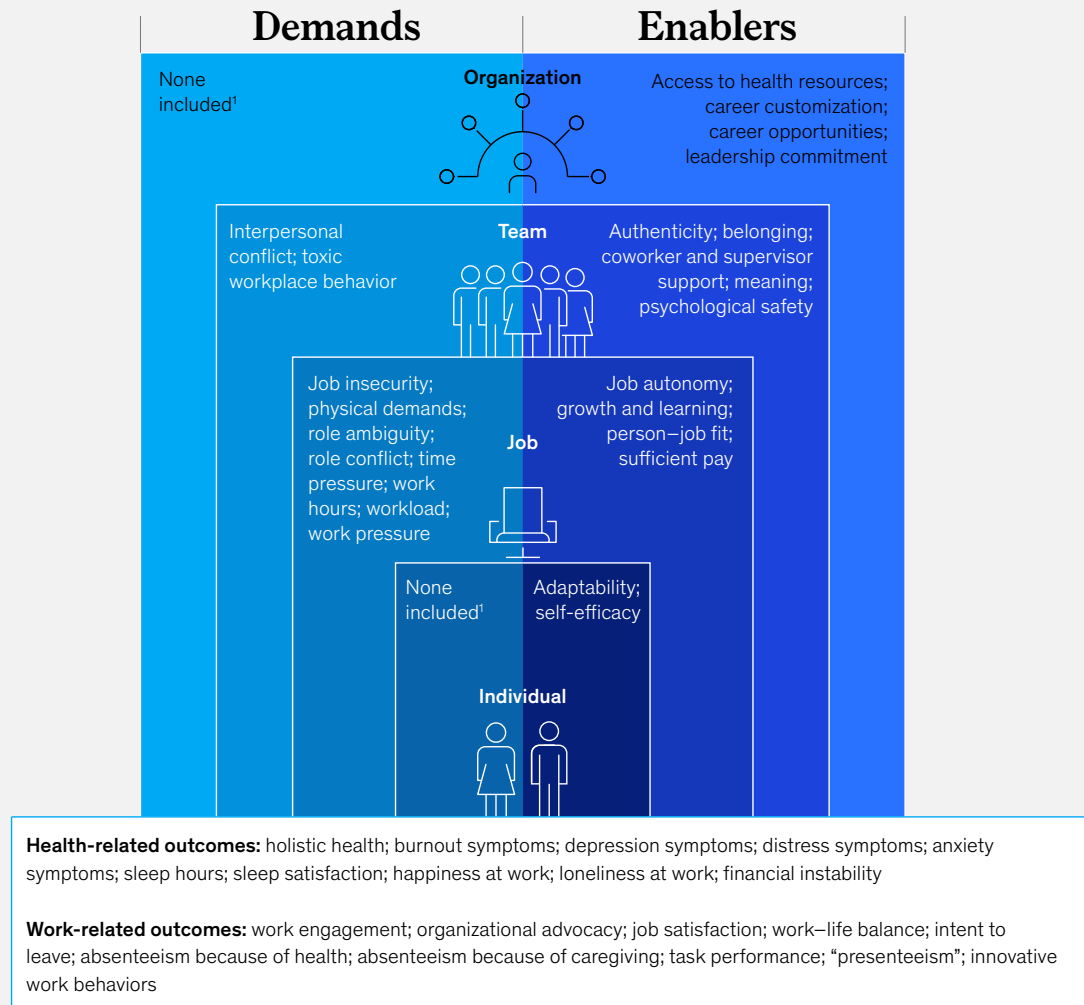
included toxic workplace behavior, interpersonal conflict, workload, work hours, time pressure, work pressure, physical demands, role conflict, role ambiguity, job insecurity, access to health resources, leadership commitment, career opportunities, career customization, psychological safety, supervisor support, coworker support, authenticity, belonging, meaning, job autonomy, remuneration, person–job fit, learning, and growth. Individual self-efficacy and adaptability were also assessed (exhibit).

The role of these dimensions were tested to determine whether they were associated with several health-related outcomes (holistic health, burnout symptoms, depression symptoms, distress symptoms, anxiety symptoms, sleep hours, sleep satisfaction, happiness at work, loneliness at work, financial instability) and several work-related outcomes (work engagement, organizational advocacy, job satisfaction, work–life balance, intent to leave, absenteeism health, absenteeism caregiving, task performance, presenteeism, and innovative work behaviors).

Exhibit

Workplace factors can affect health- and work-related outcomes.

What we measured



¹While demands at this level can be measured, McKinsey Health Institute research model prioritized what employers have the most ability to change. Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

The MHI model predicted a large proportion of the variance in holistic health, at 49 percent, well exceeding traditional research models' predictions regarding variance in outcomes.⁹ The higher the explained variance, the better positioned the model is to be able to reliably predict differences between employees' outcomes. Interestingly, we find that as scores on one subdimension of health increase, scores on *all* subdimensions of health rise.

Enablers—aspects of work that provide positive energy such as meaningful work and psychological safety—explain the most variance in holistic health. Those who find meaning in their work and feel they can raise new ideas or objections with their coworkers are more likely to feel they are in better health across all four dimensions (Exhibit 3).

Holistic health also offers insight into workforce performance. For example, employees with good holistic health are more likely to indicate that they are innovative at work, have better work performance, and experience better work–life balance.

When examining burnout symptoms, demands—such as toxic workplace behavior, role ambiguity, or role conflict—are seven times more predictive than enablers are.

Team-, job-, and individual-level drivers affect holistic health (Exhibit 4). This means that workers who have confidence in their ability to do good work, are adaptable during changing working conditions, and feel as though they belong to a community at work have improved holistic health.

Team- and job-level drivers affect burnout symptoms. This means that workers who are excluded, bullied, or receive demeaning remarks from colleagues or who are unclear on what is expected of them at work have higher burnout symptoms.

The relationship between holistic health and outcomes

Holistic health uniquely contributes to the prediction of several work-related outcomes, over and above related concepts such as burnout symptoms, engagement, and happiness at work. This highlights that the underlying components of health, while correlated with other workplace measures, are not equivalent to engagement or happiness at work.¹⁰

Holistic health is a strong measure of how an employee can sustain growth over time, which contributes to positive workplace performance. Having employees with strong holistic health has implications beyond short-term business performance. Community engagement beyond work is one example: when employees are suffering from poor holistic health, they are likely unable to help their communities. Relatedly, they may create a strain on health services through delaying care. This also could have implications for the role employers play in their communities—and for cities that are trying to foster good physical health and grow societal participation and purpose-driven initiatives among residents. Furthermore, employees who have strong holistic health may want to—and are better able to—work longer, which will be important for how employers approach an aging workforce.

⁹ Peterson K. Ozili, "The acceptable R-square in empirical modelling for social science research," *Social Research Methodology and Publishing Results*, January 2023. We are aware, however, that common method variance (using the same survey instrument to measure drivers and predictors) inflates results as well. Our research clarifies associations and correlations but does not confirm causality.

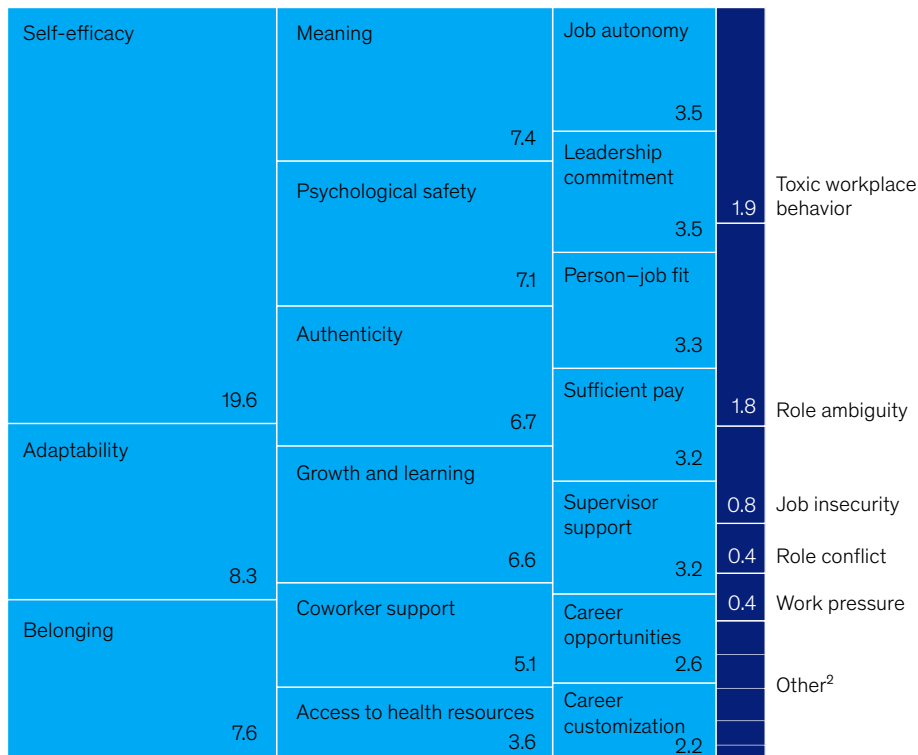
¹⁰ This was also confirmed in our psychometrical tests, factor analysis, and model confirmation. For completeness' sake: Pearson's correlation between holistic health and employee engagement in our study was 0.46, and with happiness at work it was 0.50. In our predictive models with work-related outcomes such as innovative behavior and work–life balance, we found that holistic health predicted unique variance over and above employee engagement and happiness.

Enablers and demands predicting holistic health,¹ % share

Holistic health

In a model of holistic health, enablers are 14 times more predictive than demands are.

■ Enabler ■ Demand
93.5 **6.5**

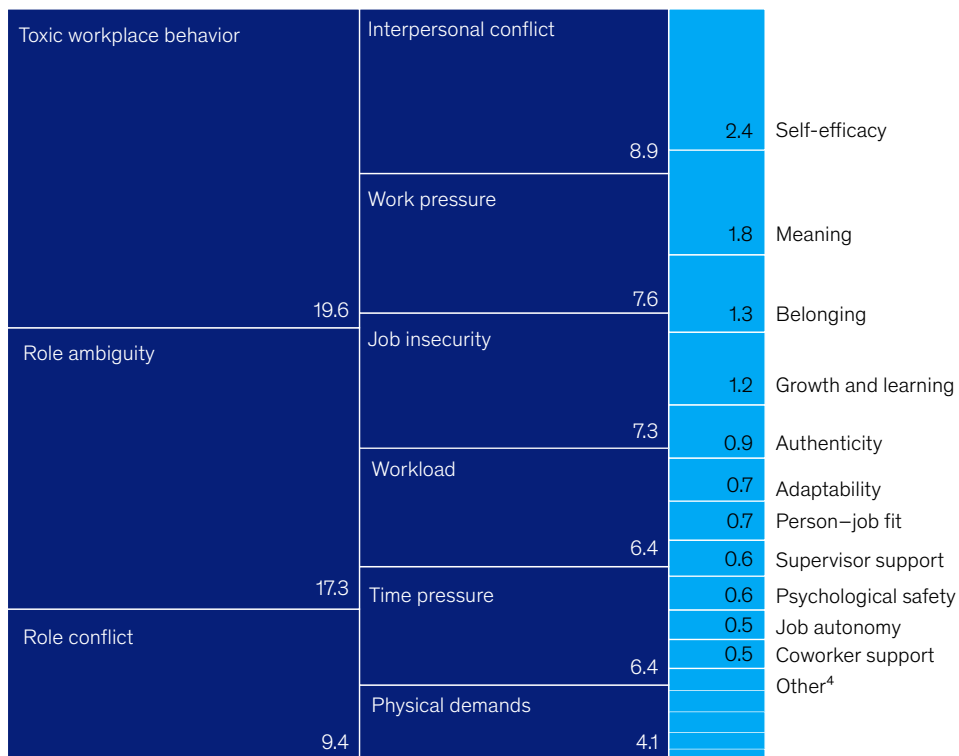


Demands and enablers predicting burnout symptoms,³ % share

Burnout symptoms

In a model of burnout symptoms, demands are seven times more predictive than enablers are.

■ Enabler ■ Demand
13.0 **87.0**



Note: Shares based on McKinsey Health Institute research model. Figures may not sum to listed totals, because of rounding.

¹Explained variance in holistic health is 49%.

²Interpersonal conflict (0.3%), physical demands (0.3%), time pressure (0.3%), workload (0.2%), and work hours (0.1%).

³Explained variance in burnout symptoms is 69%. Work hours are not a significant demand (0.2%).

⁴Access to health resources (0.4%), career opportunities (0.4%), leadership commitment (0.4%), sufficient pay (0.3%), and career customization (0.2%).

Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

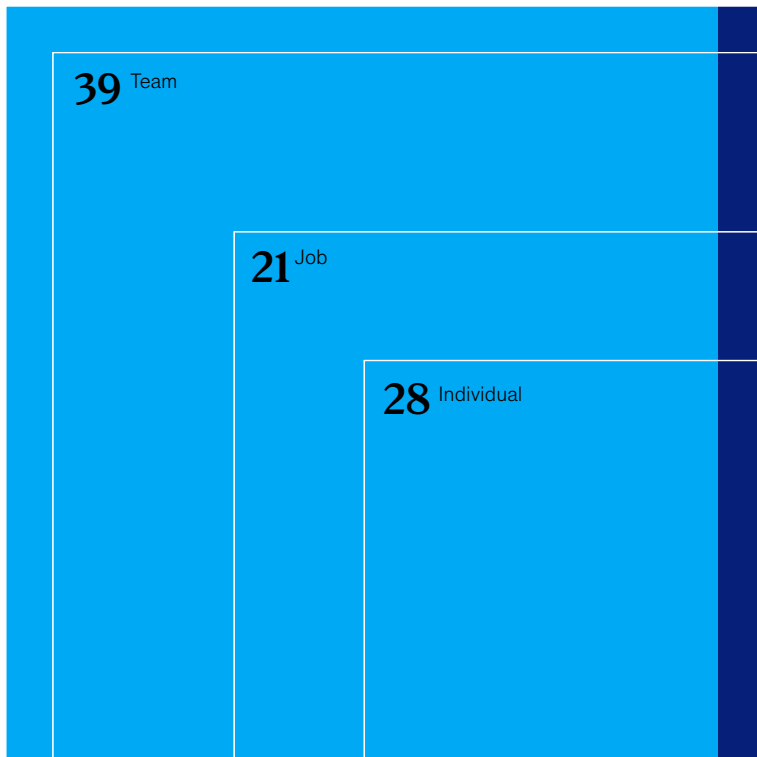
Enablers and demands of holistic health,¹ by level, % share

Holistic health

Holistic health is mostly driven by individual, job, and team enablers.

■ Enabler ■ Demand

12 Organization



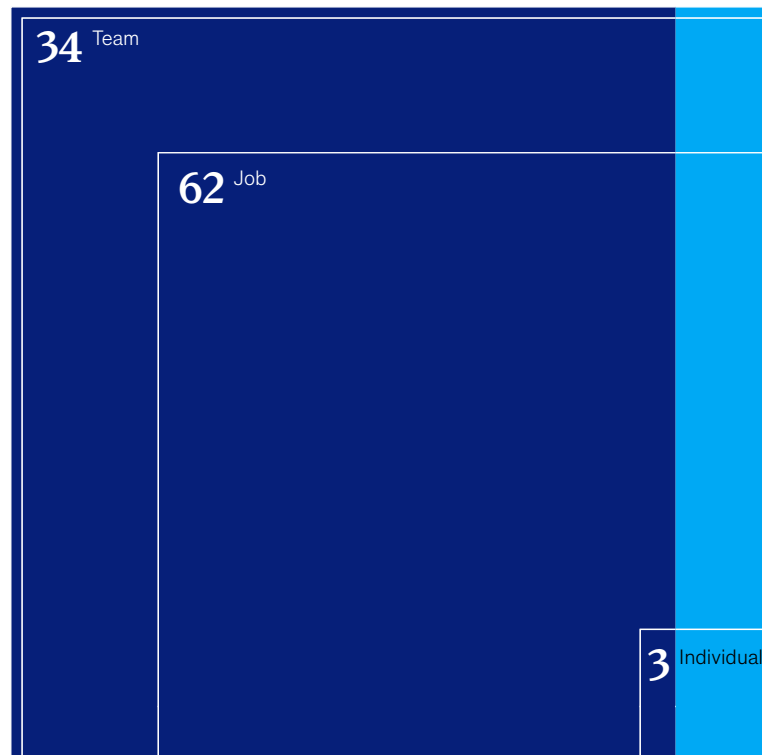
Demands and enablers of burnout symptoms,² by level, % share

Burnout symptoms

Burnout symptoms are driven almost entirely by team and job demands.

■ Enabler ■ Demand

1 Organization



Note: Shares based on McKinsey Health Institute research model.

¹Explained variance in holistic health is 49%.

²Explained variance in burnout symptoms is 69%.

Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

How burnout symptoms factor into health

Consistent with our previous research on burnout, we found that 22 percent¹¹ of employees are experiencing burnout symptoms at work across the 30 countries included in our study, although there are substantial variances between countries. Cameroon respondents reported the lowest rates of burnout symptoms (9 percent), and India respondents reported the highest rates of burnout symptoms (59 percent).¹² When exploring demographic differences on burnout, we find younger workers aged 18 to 24, employees from smaller companies, and all workers who are nonmanagers report higher burnout symptoms.

Our survey findings underscore a critical pattern: demands—aspects of work that require energy such as dealing with toxic behaviors or role ambiguity—explain the most variance in burnout symptoms.¹³ But burnout is only the starting point: employers have a critical role to play in addressing a range of negative (mental) health outcomes at work beyond burnout.

It's time to reframe how we think about employee health. Employers need to support the health of *all* employees—supporting those in ill health, taking preventative measures to avoid negative health outcomes, and actively building a work environment where more employees have positive holistic health.

Improving holistic health and burnout together

MHI explored how workers across our global sample were faring on both holistic health and burnout symptoms in the 30 countries we surveyed (Exhibit 5). The presence of positive holistic health doesn't mean absence of burnout symptoms. They are negatively correlated but aren't two opposite

sides of the same spectrum. Burnout and holistic health can coexist.¹⁴

At the global level, we found approximately half of employees (49 percent) are “faring well”—well functioning across the dimensions of holistic health and *simultaneously* experiencing low rates of burnout symptoms. However, an average of 9 percent of employees are “stretching”—well functioning across the dimensions of holistic health and simultaneously experiencing high rates of burnout symptoms. Almost a third of employees are “managing”—experiencing suboptimal functioning across the dimensions of holistic health and experiencing low rates of burnout symptoms. The group struggling the most are those employees who are “drowning”—experiencing suboptimal functioning across the dimensions of holistic health and high rates of burnout symptoms. Exhibit 5 shows the percentage of employees that can be improved by simultaneously addressing demands and building enablers for employees. We call this the opportunity gap.¹⁵

Looking at holistic health and burnout symptoms together could help employers in different sectors better differentiate the true drivers of outcomes. For example, physicians, nurses, teachers, and others in the social or healthcare sectors often report finding meaning in their work, yet often also report high rates of burnout symptoms and consideration of leaving their jobs.¹⁶

Driving organizational, team, and individual action—where to start?

We uncovered drivers that are most strongly associated with positive and negative employee health outcomes. Our research insights suggest a set of actions addressing the workplace demands that fuel poor health and those that build up the workplace enablers to help employees thrive.

¹¹ This value represents the percentage of respondents scoring an average of more than 3 (on a scale of 1–5) across all four dimensions of burnout symptoms (cognitive impairment, emotional impairment, exhaustion, and mental distance) on the Burnout Assessment Tool.

¹² As mentioned previously, results need to be interpreted in relevant cultural context.

¹³ In total, our model predicts 69 percent of the variance in burnout symptoms.

¹⁴ Holistic health is negatively correlated with burnout symptoms, Pearson's $r = -0.33$.

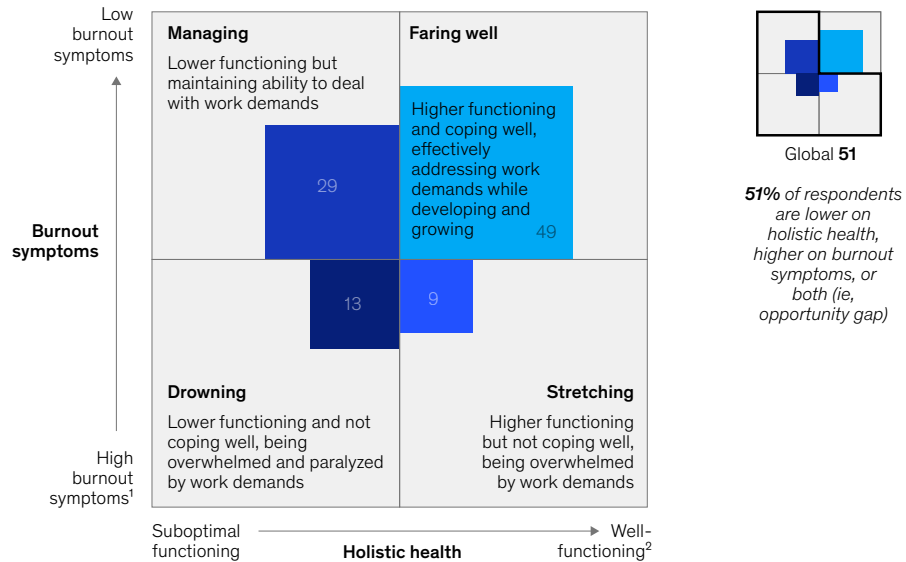
¹⁵ But again, these outcomes are also influenced by cultural differences in survey responses.

¹⁶ Gretchen Berlin, Ani Bilazarian, Joyce Change, and Stephanie Hammer, “Reimagining the nursing workload: Finding time to close the workforce gap,” McKinsey, May 26, 2023; Jake Bryant, Samvitha Ram, Doug Scott, and Claire Williams, “K–12 teachers are quitting. What would make them stay?,” McKinsey, March 2, 2023.

Exhibit 5

Simultaneously addressing burnout symptoms and holistic health could help employees across the spectrum of health.

Opportunity gap in addressing burnout symptoms and holistic health, % of respondents



Note: Figures may not sum to 100%, because of rounding.
¹Data represent percentage of respondents scoring average of ≥3 (scale of 1–5) across all 4 dimensions of burnout symptoms (cognitive impairment, emotional impairment, exhaustion, and mental distance).
²Data represent percentage of respondents scoring average of ≥4 (scale of 1–5) across all 4 dimensions of health (mental, physical, social, and spiritual).
 Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

Workplace factors at the individual, team, and job levels have the strongest influence on holistic health. In our model, workplace factors at the individual level predict 28 percent of differences between employees on holistic health, while those at the job level predict 21 percent, team level 39 percent, and the organization level 12 percent.¹⁷

Comparatively, when looking at employees on burnout symptoms, in our model, workplace factors at the individual level predict 3 percent of differences between employees on burnout, while those at the job level predict 62 percent, team level predict 32 percent, and the organization

level predict 1 percent. Ninety-four percent of the explained variance is driven by factors at the job and team levels.

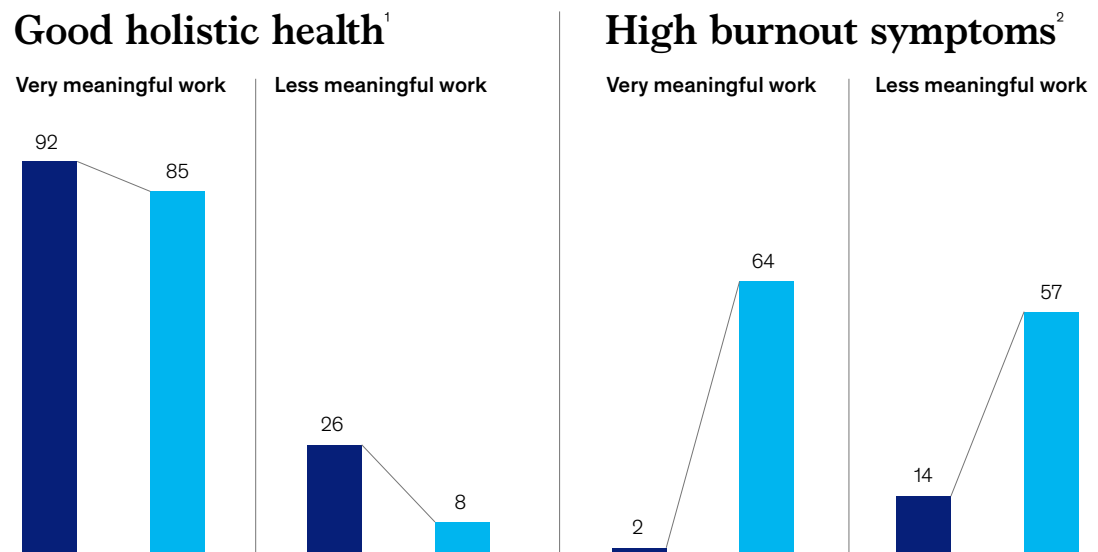
Employees who find their work meaningful more often report having better holistic health, even when they tolerate toxic workplace behaviors. But there is a limit. While holistic health can be maintained in a highly toxic work environment if an employee finds their work meaningful, meaningful work doesn't protect against burnout symptoms in highly toxic environments (Exhibit 6). Furthermore, when employees experience toxic behavior at work, their holistic health scores are 7 percent

Exhibit 6

Meaningful work buffers the effect of toxic workplace behavior on holistic health but isn't sufficient to stop burnout symptoms in a toxic environment.

Reported good holistic health and high burnout symptoms, by work meaningfulness, % share

■ Reported low levels of toxic workplace behavior ■ Reported high levels of toxic workplace behavior



Note: "Low" refers to bottom 25% of respondents; "high" and "good" refer to top 25% of respondents.

¹Statistically significant relationship between experiencing toxic workplace behavior and holistic health, moderated by meaningful work.

²Statistically significant relationship between experiencing toxic workplace behavior and burnout symptoms, moderated by meaningful work.

Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

McKinsey & Company

¹⁷ To clarify: job and organization-level demands and enablers are often tackled at the organizational level; the fact that organization-level impact is lower in our model has multiple reasons: (a) we look at the outcomes through the lens of the employee and expect more proximal demands and enablers to have a more direct effect on a proximal outcome; (b) we expect organizational-level demands and enablers to possibly have a more indirect effect or to be mediated by more proximal factors; (c) therefore, we focused our model primarily at team, job, and individual levels to find the most direct impact. For more, see Emily Field, Bryan Hancock, and Bill Schaninger, "Middle managers are the heart of your company," *McKinsey Quarterly*, July 17, 2023.

lower and they report a 62 percent higher rate of burnout symptoms.

In simple terms, if employers want to improve holistic health, they need interventions at all four levels (individual, job, team, and organization). If employers want to reduce immediate negative outcomes such as burnout, then focusing interventions at the job and team levels are the best place to start.

Consider an employee who may be described as “rolling with the punches” or “able to handle what we throw at her.” Those can manifest as self-efficacy and affective adaptability, both of which are the top two drivers of holistic health—meaning they are unique workplace factors that can improve holistic health in a targeted way. When employees have self-efficacy, they feel confident they can deal efficiently with unexpected events or handle unforeseen situations thanks to their resourcefulness. They feel they can remain calm when facing difficulty because they can rely on their coping abilities.

Employees with adaptability can stay relaxed even if they must change plans, get energy from unexpected changes, enjoy it when their situation changes, and enjoy unexpected events. It should be no surprise that when challenges or uncertainty arise, these employees fare better in terms of health—an effect also seen in our previous research on burnout.¹⁸ Employees with self-efficacy or adaptability skills report better holistic health, regardless of which demands they face (for example, high role ambiguity), perhaps because they are more capable of transforming challenging situations into opportunities. These are trainable skills that can be developed.¹⁹

While self-efficacy can help maintain an employee’s overall sense of holistic health in a stressful environment, there is, again, a limit

to which one can protect their health in these situations. While confidence in one’s ability to perform can protect their sense of holistic health, it doesn’t protect them against experiencing burnout symptoms in highly stressful environments (Exhibit 7). These findings suggest the best place for organizations to start may be addressing demands and building enablers for employees at both the team and job levels simultaneously.

It’s important to note that *some* ebb and flow of demands and enablers within an organization is inevitable. When committing to long-term change, it’s reasonable that organizations will undergo some episodic demands: for example, a seasonal rush at a retailer may create more short-term demands in an organization. Other organizations may have challenging teammates on temporary assignments. The MHI Holistic Health framework²⁰ takes this into account, exploring how multiple levels of influence can encourage positive action around employee health and well-being—organizational, team, job, and individual—and emphasizes how overweighting on only reducing demands or building enablers, over the long run, can affect employee health.²¹ (For more on understanding work location and employee health, see sidebar “Does work location influence health outcomes?”)

Employers must commit to supporting employees to move from ill health to positive holistic health

In this article, MHI has presented a compelling case for organizations to reduce employee burnout symptoms and increase holistic health. Our research suggests team- and job-level demands and enablers are the place to start for improving employee health within an organization (see sidebar “Designing interventions to improve holistic health”). As employers develop strategies to fuel employee health and well-being, beyond focusing only on

¹⁸ “Addressing employee burnout: Are you solving the right problem?,” McKinsey, May 27, 2022.

¹⁹ Jacqueline Brassey et al., “Emotional flexibility and general self-efficacy: A pilot training intervention study with knowledge workers,” *PLoS One*, October 14, 2020, Volume 15, Issue 10; Jacqueline Brassey, Aaron De Smet, and Michiel Kruyt, *Deliberate Calm: How to Learn and Lead in a Volatile World*, New York, NY: HarperCollins, 2022.

²⁰ Grounded in contemporary academic research, expanded with new concepts and psychometrically validated.

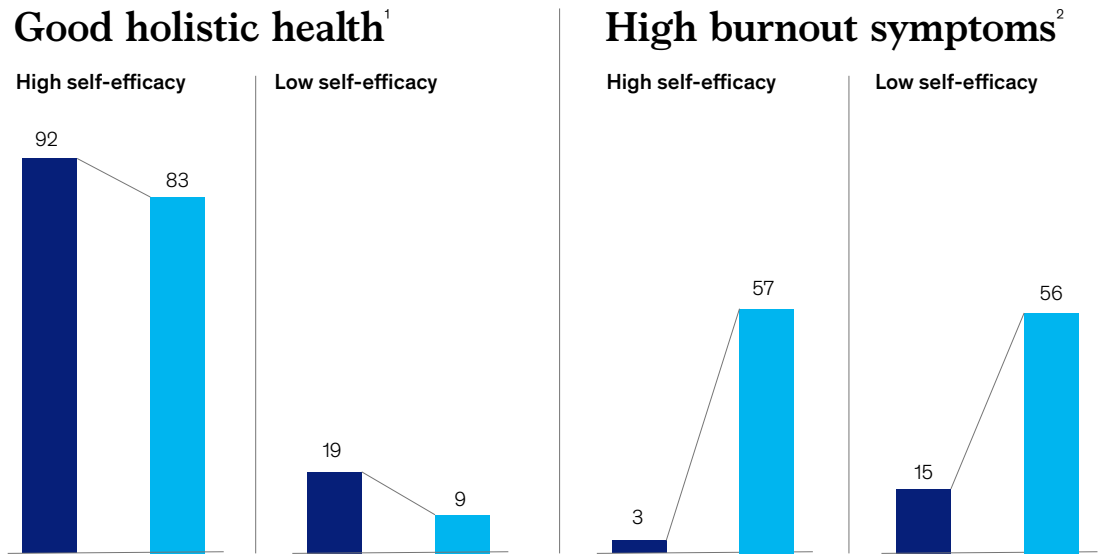
²¹ Organizational effects include actions from the company/senior leaders; team-level effects include actions from managers/peers; job-level effects include aspects of an employee’s job; individual-level effects include characteristics of the employees themselves.

Exhibit 7

Self-efficacy buffers the effect of role ambiguity at work on holistic health but isn't sufficient to stop burnout symptoms in an ambiguous environment.

Reported good holistic health and high burnout symptoms, by self-efficacy at work, % share

■ Reported low levels of role ambiguity at work ■ Reported high levels of role ambiguity at work



Note: "Low" refers to bottom 25% of respondents; "high" and "good" refer to top 25% of respondents.
¹Statistically significant relationship between role ambiguity at work and holistic health, moderated by self-efficacy.
²Statistically significant relationship between role ambiguity at work and burnout symptoms, moderated by self-efficacy.
 Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

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addressing poor mental health amid a challenging macroeconomic environment, it may be useful to examine how to support health at four different levels within an organization:

- **Organization:** Organizational-level resources are often needed to support team-, job-, and individual-level interventions—and investment in holistic health must be supported by executives to have an effect. For example, interventions that encourage team members to act positively toward each other may fail if an organizational culture and performance system normalizes mistreating colleagues.

Second, job redesign starts from the top—while managers can help employees in job crafting and shaping, organizations that have policies that don't support rotations or lateral mobility within an organization can undermine the effects of such interventions. Finally, while jobs should be designed with adequate compensation and benefits in mind, organizations are ultimately responsible for funding and delivering on these employee benefits.

Some examples of organizational-level actions include enrolling in living wage programs, pledging to ensure base pay is sufficient for all employees to cover their basic needs,²²

²² Living wage programs exist across different countries, including Canada, the United Kingdom, and the United States.

Does work location influence health outcomes?

Our research indicates that when employees are working in their preferred work locations, they have better holistic health, lower burnout symptoms, and

are more innovative at work. As the size of this gap between where they're currently working and where they ideally want to be working increases,

these effects are stronger, with larger gaps indicating lower health and innovation for employees (exhibit).

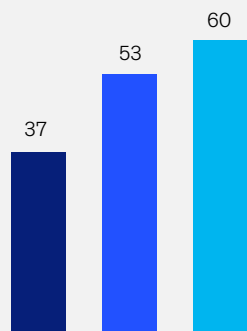
Exhibit

Respondents in ideal work locations report more positive holistic health, more innovative work behaviors, and lower burnout symptoms than peers do.

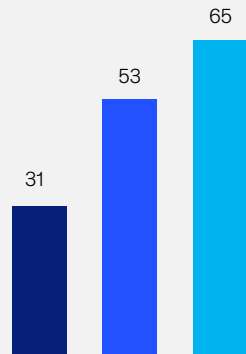
Reported outcome, by work location, % share

■ 100% in-person work; ideal is 100% remote work
 ■ Hybrid or 100% in-person work; ideal is more remote work
 ■ In ideal work location

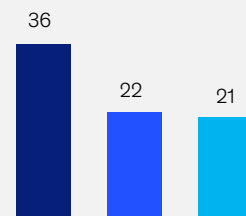
Good holistic health¹



Highly innovative work behaviors²



High burnout symptoms³



¹Data represent percentage of respondents scoring average of ≥ 4 (scale of 1–5) across all 4 dimensions of health (mental, physical, social, and spiritual).

²Data represent percentage of respondents rating themselves in top 25%.

³Data represent percentage of respondents scoring average of ≥ 3 (scale of 1–5) across all 4 dimensions of burnout symptoms (cognitive impairment, emotional impairment, exhaustion, and mental distance).

Source: McKinsey Health Institute Employee Holistic Health Survey, 30,392 participants at all levels of the organization, Apr–Jun 2023

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offering financial programs in which employees can receive part of their pay prior to payday, providing access to remote medical care, or offering additional support or leave time for parents and caregivers.

- **Team:** Our research highlights the important role team dynamics play in health and well-being—often the responsibility of managers and team leads. Team leaders should be trained appropriately and enabled to create healthier workplaces. In turn, they should

then be held accountable for the ways they interact with others on their team and within the organization, the way their team members interact with each other, and they must intervene when employees treat each other negatively.

Interventions that promote positive behaviors and limit negative ones can help to build a team and organizational climate that promotes holistic health. Such interventions include but are not limited to manager trainings on creating

Designing interventions to improve holistic health

Improving holistic health at work can start with the following interventions:

- **Understand the current state of holistic health in your organization.** Establish a baseline for employee health and well-being, including identifying specific opportunity areas, before investing in targeted initiatives. This will ensure that the impact of your investments can be measured and that you are focusing on the areas producing real results. This can be done using existing surveys if they are scientifically sound. The McKinsey Health Institute's (MHI's) Employee Mental Health and Well-being assessment (available on our Employee Health Platform) is one option which is fully psychometrically validated and free of charge to deploy.
 - **Develop a comprehensive intervention strategy.** Ensure that your organization invests in interventions that *proactively address demands* before employee health and well-being become an issue, and *provide reactive support* once they have already taken a negative turn. For example, offering additional days of leave for colleagues experiencing mental health emergencies can be helpful, but it does nothing to avoid the escalation of mental health challenges in the first place—especially if those challenges are aggravated by workplace factors.
- Interventions should also target *all levels of the organization*, with a focus on teams as the primary body that influences workplace experience. Many companies overindex on interventions targeting individual employees, putting additional responsibility on them to manage their holistic health on top of existing workplace demands. For example, providing employees with access to a meditation app is a valid intervention to support mental health, but it doesn't address structural issues in the workplace or within team dynamics that may compromise it in the first place.
- **Implement and track your intervention strategy.** Start with a pilot group to test an intervention's effectiveness before committing to a full-scale rollout. We recommend using the same survey used to baseline the organization to retest the pilot group a few months after deploying the intervention. This allows you to clearly measure the intervention's impact on the opportunity areas identified through the baseline assessment before deciding if it's worth rolling out to the rest of the organization. It's critical to track how your organization performs against clear outcomes over time to monitor improvement and justify your organization's continued investment in your intervention strategy. Choose a senior level leader with accountability to deliver the intervention (preferably someone other than the chief human resource officer) to link your intervention strategy to the business and support successful implementation.
 - **Ensure holistic health is part of how your organization defines success.** Once employee health is a part of your organization's value proposition, it should be backed by measures to ensure the organization stays accountable. This can take the form of management KPIs, nonfinancial reporting, or internal incentive structures. For example, management incentives and career development should be aligned with the holistic health outcomes of their teams. Likewise, leaders should model the organization's values and working norms to support lasting change. All leaders should be able to communicate why and how they are embracing a modern understanding of health to convince employees they are truly "walking the talk." This requires substantial investment and patience to see the results, as well as buy-in from leaders. However, our research indicates real long-term value regarding employee work-related outcomes. Research also indicates financial outperformance for companies prioritizing employee well-being.¹

¹ Jan -Emmanuel De Neve, Micah Kaats, and George Ward, *Workplace wellbeing and firm performance*, University of Oxford Wellbeing Research Centre working paper, number 2304, May 12, 2023.

psychologically safe environments and conflict resolution skills,²³ implementing anonymous HR reporting systems,²⁴ and incorporating

confidential upward feedback on leadership behaviors and team well-being as input for performance reviews and promotions.²⁵

²³ For example, Sempra provides psychological safety training to all employees alongside respect and anti-harassment modules, while Capgemini implemented dispute resolution training for HR and managers.

²⁴ For example, Ford Foundation provides a 24/7 EthicsPoint hotline to anonymously report concerns, complaints, or misconduct.

²⁵ For example, McKinsey employs an upward feedback tool at the end of projects to ensure that leaders uphold healthy work practices.

- **Job:** Job redesign or fine-tuning for sustainable work is one of the most direct ways to reduce demands at the job level, where organizations rearrange tasks with the goal of helping employees maintain their efficiency and health over time. This is often led by or facilitated from the top.

A broad range of additional interventions can help organizations set sustainable working norms. These include setting maximum working hours (per day, per week),²⁶ limiting work communications to certain hours of the day, and providing multiple start times or self-scheduling options for shift workers. For example, Shopify recently canceled all recurring meetings of three or more people in their organization as a reset to ensure intentionality of recurring meetings and to make time for focused work.²⁷

Another consideration for job design is whether those in certain roles are provided with adequate pay and benefits to cover their basic needs. Our research shows that those who can't meet their basic needs with their pay feel more financially insecure and less holistically healthy than those who feel they are sufficiently paid. Employers may also examine what is covered for employees by health insurance, either public or private, and what requires out-of-pocket expenses.

- **Individual:** Our research shows that having meaningful work is one of the key drivers for holistic health. Organizations can support their employees to find meaning in their work by being mission-driven, integrating their purpose into their business strategy and throughout the whole organization. Patagonia, for instance, focuses on hiring employees who are excited

about the mission of “Patagonia is in business to save our home planet.”²⁸

Involving employees in customizing their roles and careers—for example, through job crafting—has also been found a strong way to motivate, build capabilities, and help employees find meaning in the work they do. Other examples are capability training to help develop self-confidence and adaptability skills. Last but not least: middle managers of today and tomorrow will have an increasing pivotal role for business success,²⁹ helping them get better equipped for the new world of work—including as people leaders—is not only nonnegotiable, it will also support fostering a supportive growth culture that builds employees' holistic health.

Employers have more power for positive outcomes than they know

Enabling a healthy workforce is no longer a luxury but rather a strategic imperative for organizations to navigate turbulent times in an ever more complex society. To seize the opportunities presented by employee health and well-being, employers must recognize their role. By agreeing to create workplaces where employees can thrive, organizations can prioritize holistic health as an important outcome that potentially aligns with an organization's broader environmental, social, and governance (ESG) framework. Employers can take action by understanding how demands and enablers affect employees at various levels: organizational, team, job, and individual. As ESG metrics are increasingly used by investors as a decision measure for where to allocate their capital, we expect more research that could link employee well-being to financial performance.³⁰

²⁶ This standard is sometimes also driven or initiated by national policies and local labor laws.

²⁷ Kaz Nejatian, “Shopify exec: This is what happened when we canceled all meetings,” *Fast Company*, May 16, 2023.

²⁸ Nell Derick Debevoise, “Why Patagonia gets 9,000 applications for an opportunity to join their team,” *Forbes*, February 25, 2020; Yvon Chouinard, “Earth is now our only shareholder,” Patagonia, accessed October 2023.

²⁹ “Middle managers are the heart of your company,” July 17, 2023.

³⁰ Alex Edmans, “The link between job satisfaction and firm value, with implications for corporate social responsibility,” *Academy of Management Perspectives*, November 2012, Volume 26, Issue 4.

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To truly understand what moves the needle on employee health, organizations should take a systemic approach to employee health that considers demands and enablers of employees, but also how they can design interventions at the organizational, team, job, and individual levels. For organizations, it's no longer enough to consider employee health a soft metric. Rather, executives should consider employee health a part of leading by example, showing how better health and better business practices can allow everyone to flourish.

If you would like to learn more about the McKinsey Health Institute Employee Holistic Health Survey, our Employee Health Platform and the additional data and insights MHI has from the survey, please have a look [here](#) or submit an inquiry via the MHI [“contact us” form](#). The McKinsey Health Institute, as a non-profit-generating entity of McKinsey, is creating avenues for further research that can catalyze action.

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The authors wish to thank Alistair Carmichael, Erica Coe, Hans de Witte, Kana Enomoto, Arne Gast, Katy George, Renata Giarola, Roxy Merkand, Hannah Mirman, Kim Rubenstein, Izzy Savage, Wilmar Schaufeli, Gretchen Scheidler, Ralf Schwarzer, Curtis Stecyk, Berend Terluin, Karen van Dam, Marieke van Hoffen, and Arjen van Witteloostuijn for their contributions to this article.

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