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CFO BRIEFING: MENTAL HEALTH ON YOUR BALANCE SHEET - IS IT AN ASSET OR A LIABILITY?



A Leading Practice Paper produced by Make A Difference and written by Sanjay Jawa, CFO, Kooth plc, sjawa@kooth.com // **March 2021**

MAKE A DIFFERENCE MEDIA INTRODUCTION



Claire Farrow,

Global Head of Content for
Make A Difference Media
and **the MAD World Summit**

This paper is for leaders who want to make a case to their Chief Financial Officer (CFO) for investment in mental health initiatives.

It summarises the key insights that emerged from the CFO roundtable attended by the paper's author, Sanjay Jawa, CFO of Kooth plc.

The roundtable of finance leaders - from a range of organisations - was co-hosted in March 2021 by **Make A Difference Media** and **Generation CFO** against a backdrop of disturbing statistics from the World Health Organisation that depression, anxiety and loneliness have increased during the pandemic.

We welcome your thoughts. Send your comments to claire@makeadifference.events. Or be part of the discussion through our posts on LinkedIn.

You can also contact Sanjay Jawa directly at sjawa@kooth.com

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“9:1 could be the return on investment in mental health. As a CFO you don’t see that very often”

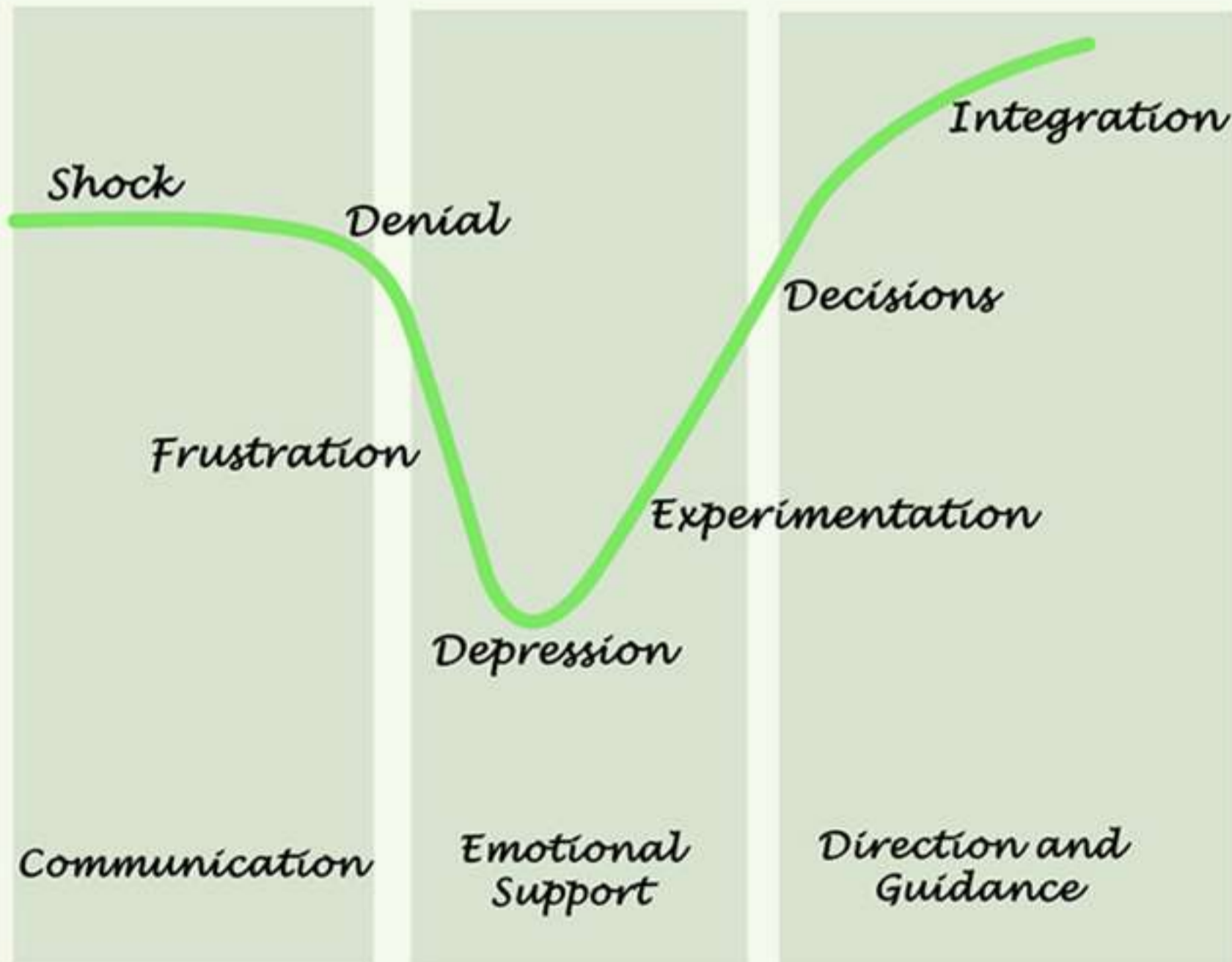
Jonny Jacobs,
Finance Director EMEA, Starbucks



The Covid-19 pandemic has left people suffering and struggling. 74% of employees report their mental health has been negatively impacted(1) and 76% expect their businesses to do more to support their mental health(2). Against that backdrop, 82% of companies plan to move to a hybrid workplace model(3), arguably the greatest social change in office history.

This means that companies will travel on a change curve in 2021 that will affect every single employee. All this in a year in which grief has been the highest presenting health issue to Kooth’s counselling service.

Change Curve



The Kubler-Ross change curve is based on the five stages of grief (denial, anger, bargaining, depression, and acceptance). The curve was adapted for the world of business to reflect typical stages towards an organisational change. Leaders are expected to actively help each individual on their personal journey or risk some getting stuck, making change more difficult or impossible. The hybrid workplace change follows the trauma of Covid. How qualified are leaders to help in an effective and safe manner?

PERFORMANCE

=

POTENTIAL

-

INTERFERENCE

Tim Gallwey,
Inner Game of Tennis



Some people will be carrying a heavier burden than others into the new world of work. Mitigating 'interference' to their potential may be beyond the capability of coaches and leaders. In any case, less than 50% of employees are prepared to discuss their mental health(4) and so 'below the waterline' distress like anxiety, depression or suicidal thoughts go under the radar for many leaders.

This means that increasingly, leaders will seek external solutions for their teams and will need to ask the CFO for a budget to support these initiatives.

“Attracting and retaining the best talent - that is where you will see the benefit from the cost”

Tony Bickerstaff,
NED & Audit Chair, Wincanton plc and
former CFO, Costain Group plc



There was general consensus amongst the financial leaders attending the roundtable that CFOs recognise the value of the team. A 'productivity' return on investment (ROI) is not as important to them as choosing between the value of different competing options.

Helping them understand which mental health initiative will work or is working requires DATA. Leading indicators that inform business leaders of how to produce desired results can be useful in determining an initial spend. But how do you know if, and where, to invest thereafter?

In December 2020, 28% of all adults [using Kooth] were experiencing suicidal thoughts Voices of Kooth 2021 report

If your CFO has already invested in similar initiatives, you will most likely know which obstacles to adoption remain unaddressed:

- Is the stigma that still surrounds mental health driving people to stay anonymous?
- Are Initiatives lacking the internal marketing they require in order to gain adoption?
- Does the suffering being experienced exceed the internal expertise of leaders?
- Is there poor access to help and early intervention?
- Are you struggling to prove any impact on the company becoming mentally healthier?

Without data we are flying blind. CFOs don't like that. Setting the 'Tone from the top' is important but CFOs know that the measures being put in place are purely 'box-ticking' if they fail to support line managers and meet grassroots needs.

“[poor mental health] accounts for half of all absenteeism, and it reduces performance on the job - sometimes referred to as presenteeism”^[5]

When you are making the case for investment to a CFO do consider the following:

- Connect your proposal to a strategic imperative that your organisation has already stated e.g. attracting and retaining the very best people.
- Demonstrate that you have understood the specific needs of your organisation and how your proposed investment will support these. E.g. if you have employees working night shifts, how will these be accommodated?
- Show how costs saved by the hybrid workplace model can be invested in your people.
- Illustrate how less sick days will be good for your people (and the bottom line).
- Propose the risk of not making the investment; no leader wants a tragedy at work.
- Provide evidence that others in your sector are actively embracing the mental health and wellbeing agenda; nobody wants to be left behind.
- Relate your solution to employee engagement; CFOs know that we need everyone bringing their A-Game.
- Give us evidence and data - leading and lagging indicators that will help us re-invest.



Financial leaders know a lot about valuing customer loyalty and goodwill, but less about the connection between employee loyalty, goodwill and mental health.

However, with risks highlighted by ISO 45003 standard on managing psychological health at work, we are willing to learn. We want mental health to be an asset on the balance sheet, just as much as you.

The health asset needs to be supported at the individual level, the way people want to be supported. At a company level, we should know what works. That way we can invest more to support this precious asset - the health of our people - and keep moving in a positive direction.

ABOUT THE AUTHOR



Sanjay Jawa

Sanjay Jawa is CFO of Kooth plc. Before joining Kooth from Root Capital, Sanjay previously held senior finance positions at a combination of public and private equity backed technology and services businesses including QualiTest, YSC Consulting and FTI Consulting. Sanjay, qualified as a Chartered Accountant and was an audit manager at Price Waterhouse.

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