

INDUSTRY RESEARCH REPORT

The impact of workplace inclusion on the mental health of employees across the Hospitality, Travel, Leisure and Retail Sectors



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WiHTL/DiR

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Foreword by Tea Colaianni, Founder & Chair WiHTL/DiR



The events of the last two years have been unprecedented for the Hospitality, Travel, Leisure (HTL) and Retail sectors and although the UK is now 'living with' COVID, the impact of dealing with multiple lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions, the fear of exposure to the virus, significantly decreased demand and the temporary closure of many businesses, is still taking a continuous toll on employee wellbeing and mental health.

It has therefore become a top priority for companies across both sectors to put in place robust actions and programmes that support their employees' wellbeing and positive mental health. Therefore, in October 2021, WiHTL and Diversity in Retail (DiR) partnered with Thrive to launch a seminal piece of research to determine whether there is a direct link between inclusion in the workplace and mental health positivity across the HTL and Retail industries.

The results of the study are fascinating, showing a proven link that inclusion actively drives positive mental health within a workplace. When considering that poor mental health can cost companies up to an estimated £1,600 a year per employee, this link becomes hugely important.

Therefore, this first-of-its-kind report covers the research methodology undertaken, the key results and themes, and gives practical and pragmatic recommendations for organisations to make their environments more inclusive and thereby improve the positive mental health of their employees.

We would like to thank all those who took the time to complete the survey and have helped to drive inclusion across their sectors. We hope you find the results insightful and useful.

Methodology

To feel included in the workplace, an employee must feel that they have the freedom to honestly and authentically behave as their true self. This means they do not have to conceal any part of their identity for fear of judgement or discrimination. Whether it is their sexual orientation, race, educational background, gender identity, religion, or another characteristic, a person's uniqueness is also their strength. An inclusive organisation will consciously acknowledge and respect differences to find individual strengths and build a more cohesive and successful company.

Thrive Mental Wellbeing and WiHTL/DiR wanted to increase the understanding of how an inclusive working environment can benefit employees, specifically in terms of whether greater feelings of inclusion can have a positive impact on employee mental health.

147 employees between the ages of 18 and 66 in the Hospitality, Travel, Leisure and Retail sectors completed a survey which asked them about their feelings of inclusion in the workplace, and also assessed their symptoms of depression, anxiety and stress. **We found there was a direct link between employees who had greater feelings of perceived inclusion in the workplace and how this relates to having positive mental health outcomes.**

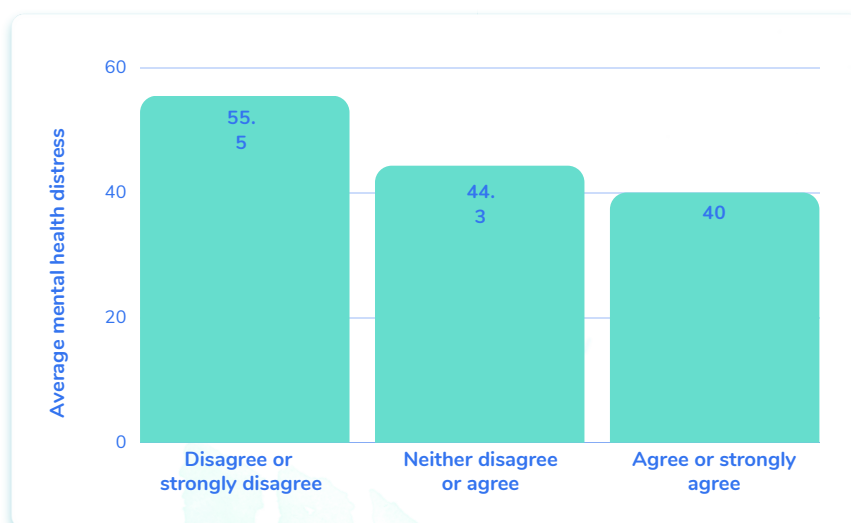
By finding a relationship between feelings of inclusion and employee mental health, we have been able to provide tailored recommendations on what organisations can do to foster a more inclusive working environment which, in turn, can help to improve employee mental wellbeing. Our recommendations can help organisations across these sectors to tackle the current mental health crisis that has only been exacerbated by the pandemic.

Our Findings

1 In general, an inclusive working environment relates to positive mental health outcomes

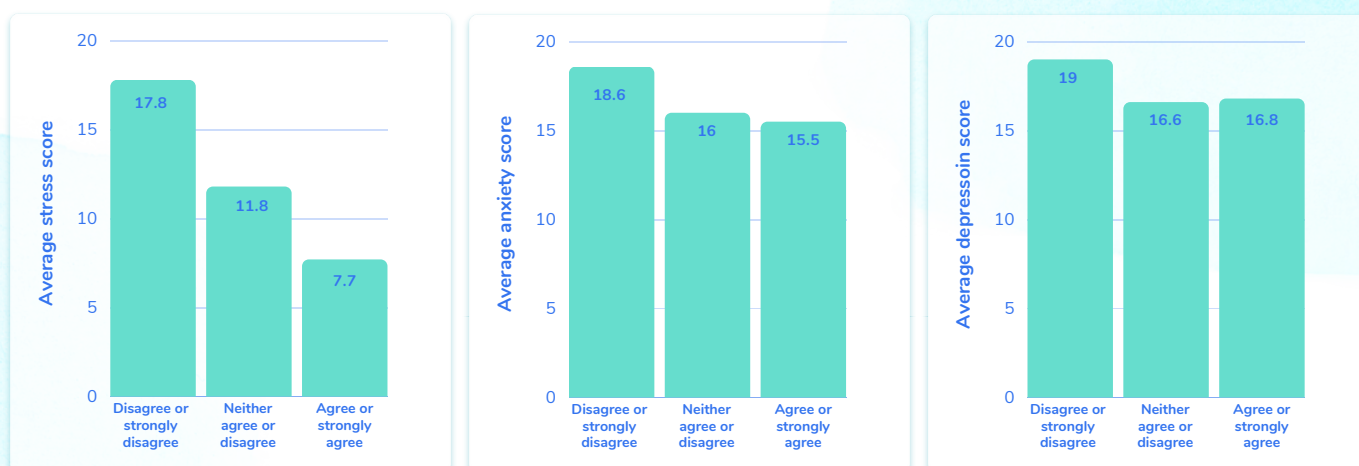
We asked employees how inclusive they felt their working environment was, and assessed their symptoms of mental health difficulties, including depression, anxiety, and stress.

We found a relationship between feelings of inclusion at work and mental health outcomes. Specifically, employees who agreed or strongly agreed that their workplace was inclusive indicated reduced mental health distress.



What does this mean?

Our findings show that employees who perceive their workplace as being more inclusive are also more likely to report having positive mental wellbeing. This means that an organisation that does not work to consciously create an inclusive working environment for their employees is likely having a negative effect on their mental health. When looking at symptoms of stress, anxiety, and depression separately, we found symptoms of stress to be more affected by a lack of inclusive procedures.



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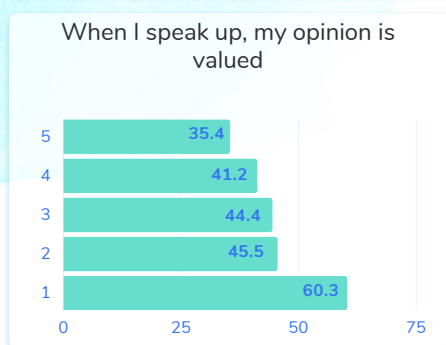
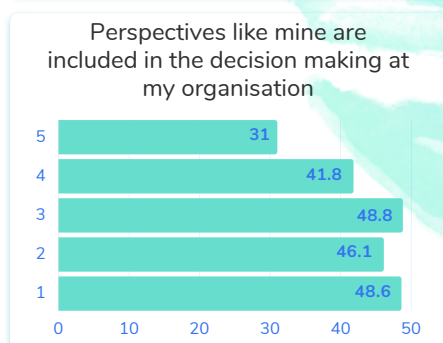
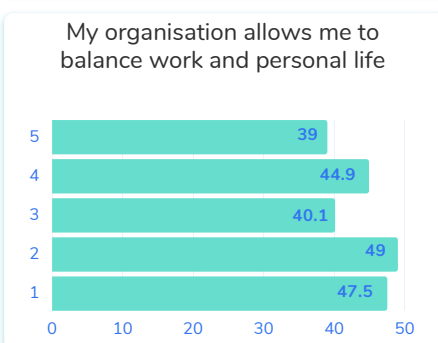
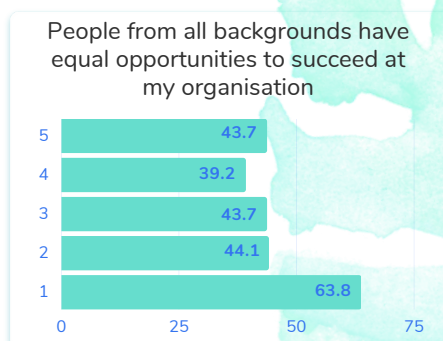
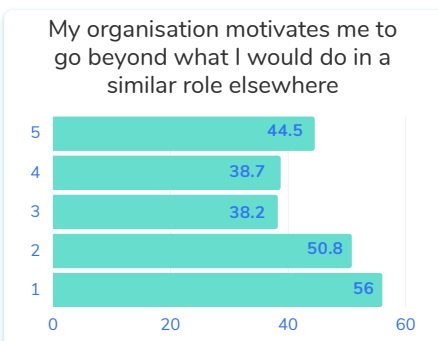
Employees who feel their opinion is valued when they speak up is the most important predictor of a positive mental health state

Since higher feelings of inclusion in the workplace strongly relate to positive mental health outcomes, we then examined whether any specific aspects of inclusion are predictive of an employee's mental health state.

In general, employees mostly agreed that their organisation offered inclusive working environments. The graphs below show the average amount of mental health difficulties employees were facing depending on how strongly they agreed or disagreed with each inclusion statement. A higher score indicates more mental health difficulties. Here we can see a general pattern for most statements whereby those who disagreed reported a higher amount of mental health difficulties compared to those who agreed.

Average mental health challenges depending on how strongly an employee agreed or disagreed with the following statements:

5 = Strongly Agree, 1 = Strongly Disagree



Our analysis showed that responses to the statement **“When I speak up, my opinion is valued”** was the only statement that significantly contributed to the extent of their mental health difficulties. This can be seen in the graph above whereby there is a clear disparity between the average amount of mental health difficulties for those who strongly agreed with the statement compared to those who strongly disagreed.

What does this mean?

Our analysis revealed that having valued opinions is the most important indication that an employee is less likely to suffer with a mental health difficulty. On the other hand, employees who feel their opinion is not valued is a strong indicator that an employee will suffer with symptoms of anxiety, depression, or stress.

How to translate this understanding into action:

We have provided specific recommendations to help organisations adopt a more inclusive approach to help employees to feel that their opinion will be valued if and when they speak up at work.

- ☒ Give employees the opportunity to express their opinions by means of surveys or focus groups. Actively distribute the results and tell your employees what actions will be made as a result and when these actions will be put into place

- ☒ Provide constructive feedback on suggestions with clear reasons as to why an idea may not be adopted if this is relevant. This shows that their opinion has been heard and given consideration, even if it is something that cannot necessarily be executed

- ☒ When an employee offers an opinion personally that could benefit the company, leaders should commend them on the idea and actively share the information with the rest of the team. This will show employees that their management teams are not only receptive to ideas, but also willing to act on them

- ☒ Leaders should avoid multitasking or any other distractions when an employee shares their opinion to ensure they have the required focus. For example, leaders should pause other activities, such as writing emails, to actively engage in listening

Do you have to be a manager to be listened to?

We found that 63.11% of employees who were in a managerial position or on a salary of more than £50K a year agreed with the statement that their opinion was valued at work. This was compared to only 37.65% of employees who were in a non-managerial position or on a salary of less than £30k a year.

These results suggest a great divide in how employees feel their voices are heard, whereby those in more junior roles feel their opinion is not being valued as much. This could cause them to stay silent, which can be detrimental to the performance of the organisation. Opinions and ideas from different viewpoints and perspectives in the company can highlight issues that may be missed by employees in a managerial role.

How to translate this understanding into action:

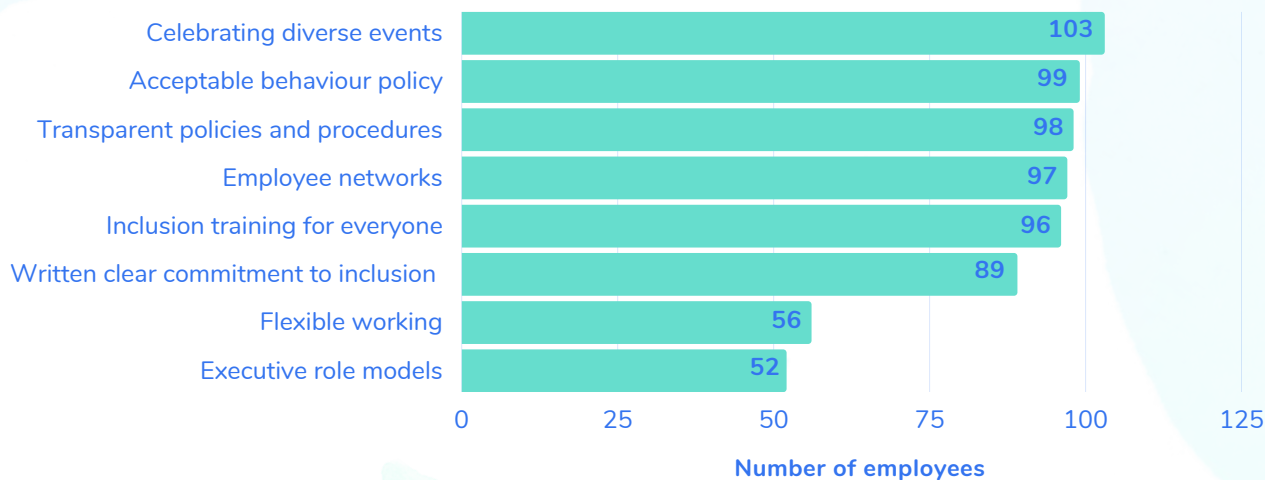
- ☒ Create a company culture that reassures employees that their workplace is a safe space to speak up and that their job will not be at risk by doing so
- ☒ Put resources into training leaders to actively encourage all employees to express diverse perspectives and be receptive to their ideas and opinions

What companies should be offering

We asked employees what their organisations already offered to help foster an open and progressive working environment, and whether there was anything they would like their organisation to offer that they did not already. By gaining direct feedback from employees, we can find out where companies need to be focusing their resources for inclusion in the workplace.

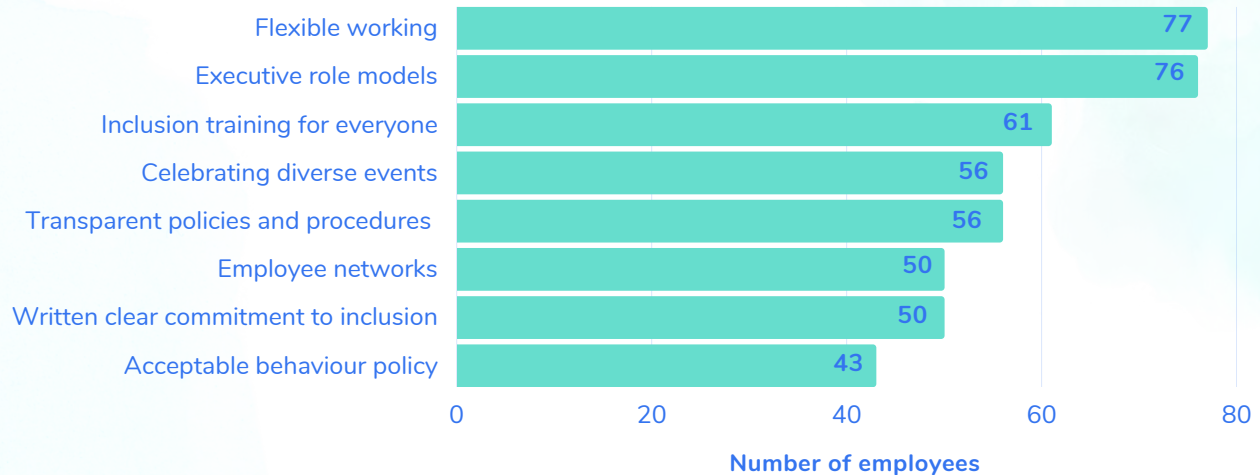
What do organisations already offer to help foster an open and progressive working environment?

The most common methods an employees' organisation already offered to help promote an inclusive working environment were celebrating diverse events, having an acceptable behaviour policy, transparent policies and procedures in place, employee networks, and offering inclusion training for everyone. The least common ways organisations in the sector promoted inclusion were by offering flexible working and having executive role models.



What would employees like their organisations to do to help foster an open and progressive working environment?

Interestingly, when we asked employees what they would like their employer to do more of to help encourage an open and progressive working environment, the most common response was offering flexible working and having executive role models. This shows that the inclusive procedures that are offered the least, are also the most wanted.



How to translate this understanding into action:

Providing the opportunity to work flexibly in the HTL and Retail sectors differs from other industries since working from home is not always an option. However, there are other ways that flexible working can be offered in these industries. For example:

- ☒ Consider implementing technology to manage and create rotas to ensure fairness and improve ability for the employee to plan ahead
- ☒ Offer opportunities to start later or finish earlier when it's needed
- ☒ Put a plan in place to offer part-time working hours
- ☒ Offer a minimum number of mandatory days annual leave, with the option to request more if the employee needs it

Having executive role models in the workplace was the second most common procedure that employees would like to see across the sectors. Whilst this could mean respondents may prefer their current senior executives to role model more inclusive leadership behaviours, it may also be the case that the feedback related to needing greater representation at senior levels. Therefore this feedback could be approached from two angles:

- ☒ Provide inclusive leadership training for managers at all levels, most specifically at the more senior levels, to enable them to role model inclusive leadership behaviours and become effective allies, mentors and sponsors to people from underrepresented groups.
- ☒ Make cultural and organisational changes to remove the potential barriers employees are facing when they want to progress within the organisation. For example:
 - Engage employees to submit their personal characteristic data beyond gender and age e.g. ethnicity, sexual orientation or disability. This will help build a more accurate organisational understanding of representation.
 - Review the organisation's talent management policies, processes and procedures for any potential bias.
 - Monitor recruitment and progression rates by personal characteristics.
 - Offer training to employees to help them focus on their skills and goals to produce optimal performance.
 - Schedule regular progress meetings to identify where an employee would like to progress, and provide clear guidance as to how they can achieve that.

Is there anywhere else we need to be focusing our resources?

We found:

Almost 60% of LGBTQIA+ employees would like to see inclusion training for everyone in the workplace

People can often hold unconscious biases which means we are unaware that the views we hold may have negative implications on how we behave. This can then encourage discrimination without us even realising it, even if we genuinely feel strongly about helping to create a diverse and inclusive workplace.

This may be the reason why more LGBTQIA+ employees would like to see inclusion training for everyone, since those who do not identify as LGBTQIA+ may be unaware of the information that they need to know and the unconscious biases they possess. We also found that 57% of LGBTQIA+ employees would like to see more executive role models in their workplace. We therefore recommend organisations should:

- ☒ Provide regular diversity and inclusion training for the entire organisation to keep everyone's knowledge up to date.
- ☒ Utilise engagement or pulse surveys to measure levels of engagement by personal characteristics.
- ☒ Understand the importance of intersectionality and 'layer on' this lens when looking at various data points e.g. recruitment and progression.

2 out of 3 employees who want their organisation to offer acceptable behaviour policies are female

In our survey, more women than men stated they would like to see more inclusive procedures in their organisations. This was especially the case for having an acceptable behaviour policy. Bullying, harassment and other similar behaviours are unacceptable, and organisations that have an effective acceptable behaviour policy in place means everyone treats each other fairly with courtesy, respect and consideration at all times. We recommend you should:

- ☒ Ensure acceptable behaviour policies are supported and understood by all employees through appropriate training.
- ☒ Encourage a 'safe' environment where unacceptable behaviour is challenged when it is experienced or witnessed.
- ☒ Take appropriate action against unacceptable behaviour.
- ☒ Adopt a 'zero tolerance' approach for unacceptable behaviour from customers.

75% of the employees who would like to see more inclusive procedures put in place have previously suffered with an episode of depression, anxiety, or burnout

This further supports our findings that an organisation which does not prioritise inclusion in the workplace can have detrimental effects on employee wellbeing. We also found 3 in 4 of the employees who have previously suffered with an episode of depression, anxiety, or burnout wanted to have employee networks in their organisation.

Employee networks in organisations are groups of employees who come together based on shared backgrounds, identities, or experiences. This allows them to have open and honest conversations about any equality issues which can be shared amongst the organisation to help everyone support each other and create a more inclusive working environment. We recommend you should:

- ☒ Ensure the organisation has Employee Network Groups (ENGs), thereby creating a platform where employees can be connected to their colleagues who they find common ground with and can share insights and experiences
- ☒ Ensure there is transparent and clear signposting to all the options that exist for mental health support in the company

Summary & Final Thoughts

As mentioned in the introduction, organisations across the Hospitality, Travel, Leisure and Retail sectors managed unprecedented events with the onset of the COVID, the effects of which are still being keenly felt especially in the areas of mental health and wellbeing. Organisations across all sectors are managing a cost of living crisis and the great 'reevaluation/resignation' of employees in addition to the legacy challenges following the pandemic, which has had a direct impact on recruitment, retention, and productivity.

As a result, many organisations are looking for ways to improve and mitigate all of these challenges, both from a duty of care perspective for their employees, and also to improve results and productivity.

This study has found that organisations who foster a more inclusive working environment demonstrate a strong indication that their employees will have positive mental health outcomes. The research results therefore suggest that if organisations strive to put more measures in place to foster an inclusive working environment, this

should in turn help to improve the mental health of their workforce, thereby reducing the estimated cost of £1,600 per employee per year related to mental health problems and lead to an increase in productivity and effectiveness. An inclusive environment will also enable greater attraction, recruitment and retention of employees during a particularly challenging time.

Final Thoughts

The business case for diversity or greater representation at all organisational levels has been well documented in many reports, for example, McKinsey's [Diversity wins: How inclusion matters](#). However, evidence for actively promoting inclusion strategies within an organisation is far less common. For the first time, this study has produced an evidence-based approach to proving a direct link between inclusion and positive mental health within the HTL and Retail sectors.

Therefore if inclusion is not a focus for your business then it should be. Senior leaders should understand the impact and importance of investing in an inclusion strategy making it a business priority, which includes the provision of financial resources and teams to support and make real change happen.

The next few months and even years will continue to be challenging across the HTL and Retail sectors for various reasons. For example, adjustments will need to be made to adapt to changes in consumer behaviour whilst also recovering from the financial implications from the pandemic. It will be the organisations that have inclusion at the heart of their business strategy that will come through stronger, more successful and more resilient.

If you would like to listen to a podcast that accompanies the report please [click here](#).

About Us

About DiR

At Diversity in Retail we believe that through collaboration we can amplify the impact of individual diversity initiatives, that together we can have a bigger, louder voice for the good of the retail sector. Our mission is to support companies across the retail industry to create diverse and inclusive environments and positively impact 1 million employees globally by 2025.

For more information please visit www.diversityinretail.com

Contact: info@diversityinretail.com

About WiHTL

WiHTL is a Collaboration Community devoted to increasing diversity and inclusion across Hospitality, Travel and Leisure. Our mission is to support companies across these industries to create diverse and inclusive environments and to positively impact 5 million employees globally by 2025.

For more information please visit www.wihtl.com

Contact: info@wihtl.com

About Thrive Mental Wellbeing

Founded in 2012, Thrive Mental Wellbeing wants to create a world where people are empowered to take control of their mental health and provide them with ready access to the right level of support according to their needs. Trusted by organisations globally, we are the leading mental health care service providing impact and outcomes with what we do.

For more information please visit www.thrive.uk.com

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