

A white paper: The business case for belonging

How psychological safety drives engagement, wellbeing, and performance



WORLD OF WORK INSTITUTE



MHFA England



Foreword

In our complex and dynamic business environment, it is critical that organisations foster inclusivity, belonging, and psychologically safe workplaces. This report highlights the importance for employees of being able to bring their whole selves to work authentically, without fear of discrimination or exclusion.

The number of people on long-term sick leave, or those who are economically inactive due to health-related concerns, is rising. We need to create workplaces that promote wellbeing to both support these individuals in returning to work and as preventative measures to ensure people can remain healthy in the workplace. Ensuring psychologically safe workplaces is not just about encouraging innovation and collaboration; it is a key factor in reducing stress-related absences and improving overall workforce participation and productivity.

However, this challenge is occurring alongside a shift in corporate priorities, with some organisations moving away from equity, diversity, and inclusion (EDI) programmes. This raises concerns about the long-term commitment to creating inclusive workplaces that support employee engagement and wellbeing. Without a sustained focus on EDI, businesses risk undermining psychological safety and employee trust, which are vital to both individual and organisational success.

This report highlights the critical need for workplaces to invest in inclusion and belonging, where individuals feel valued, supported, and able to be their whole selves at work.



Dr Melissa Carr

Henley World of Work Institute Director (Equity, Diversity and Inclusion)

Director of Equity, Diversity and Inclusion at Henley Business School



Introduction

Brought to you by Mental Health First Aid England[®], My Whole Self is the campaign for workplace culture change. At its heart, My Whole Self aims to create workplace cultures where people have the safety and freedom to choose which parts of their identity they share at work.

MHFA England[®] want organisations to empower employees to bring their whole selves to work. That includes background, sexuality, religion, gender, health, and mental health. When people feel psychologically safe, teams perform better, unlocking innovation and excellence.

At MHFA England, we believe wellbeing and productivity fuel one another. Teams that feel safe and connected work better together. Our people and teams are at their most effective and creative when everybody is psychologically safe, seen, heard, and valued.

As the way we work continues to evolve, supporting human connection is more important than ever. Understanding and embracing people's lived experiences and how they impact their wellbeing is vital in creating supportive workplaces. In December 2024, in partnership with Henley Business School, we conducted a quantitative online survey with 2,000 employees, business leaders, and owners to investigate their perspectives and lived experiences in relation to psychological safety, wellbeing, and engagement.

We were particularly interested in exploring those with protected characteristics under the Equality Act 2010, and how this influenced their feeling of psychological safety in the workplace, and their ability to bring their whole self to work. This included ethnicity, age, gender identity, sexuality, disability, neurodiversity, and caring responsibilities, as well as seniority in the workplace. Much of the vocabulary and terms used in the Equality Act have evolved since 2010. We have opted to use terms that are inclusive and reflective of language today.

Our research found that although people recognised the importance of being able to bring their whole self to work, fewer people felt able to do so in practice. This was particularly so for underrepresented and marginalised groups and was found to have an impact on productivity, wellbeing, and engagement.

The research further found that only 17% of employees felt like going to work every day, highlighting room for improvement in employee engagement. This was particularly low for junior managers and staff. In relation to psychological safety, employees who are neurodiverse or live with mental ill health felt less psychologically safe within the workplace.

The report highlights the need to improve psychological safety and employee engagement. By understanding these dynamics, organisations can create a culture where employees feel valued, respected, and empowered to perform at their best. As businesses navigate increasing complexities, ensuring psychological safety is more crucial than ever.



My Whole Self





Do people feel they can bring their whole self to work?

MHFA England has been advocating for people to bring their whole selves to work, if they choose to, for years. We recognise that feeling safe to do so can deepen understanding, strengthen relationships, and improve collaboration. Creating an environment where authenticity is valued supports both individual wellbeing, team, and organisational effectiveness.

As part of our ongoing research into psychological safety, we have explored how important it is for people to feel they can bring their whole selves to work. Since we began this research in 2020, we have continued to ask this key question, gaining valuable insights into workplace culture and inclusion. In 2024:

- There were high levels of agreement that it is important for people to be able to bring their whole self to work. 82% felt it was very or somewhat important
- Despite high levels of agreement about the importance of being able to bring your whole self to work, fewer people felt that they (41%) and their colleagues (31%) were able to do so in practice

"Workplaces are spaces where people establish important social interactions. While a professional context requires us to play a role, if that role is too detached from our whole selves, it is likely to result in psychological ill-being. Psychological safety is key for inclusion!"

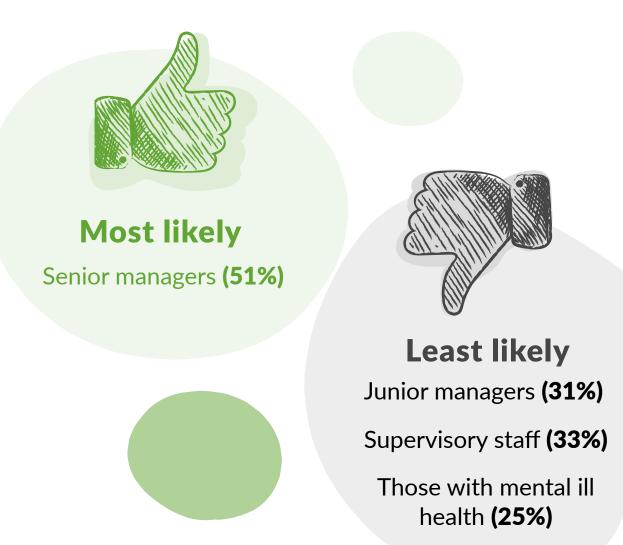
Dr Rita Fontinha, Director of Flexible Working, the World of Work Institute





Who was most likely to say they felt they could bring their whole self to work?

While senior managers are most likely to recognise the importance of being able to bring your whole self to work, they also tend to overestimate the extent to which they feel their colleagues can do so.



This has important implications for organisations. It suggests a disconnect in the perception of organisational belonging and inclusion between those in senior management and others in the workplace.





Does not being able to bring your whole self to work impact productivity, mental health, and engagement?

At MHFA England, we have advocated that employers who create an inclusive and open workplace culture will see the results in staff satisfaction, productivity, and performance.

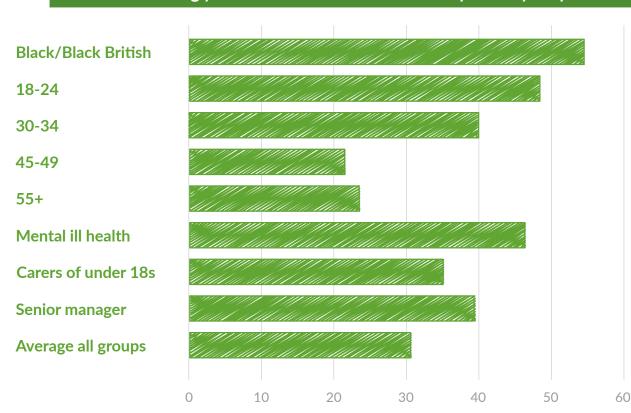
Building upon this, we asked people what they felt the impact was on mental health of not being able to bring their whole self into work.

- 31% of people agreed that not being your whole self at work has an impact on your productivity
- 34% of people agreed that not being your whole self at work has an impact on your mental health
- 36% of people agreed that not being your whole self at work has an impact on how engaged you feel with your work

However, the findings highlight that those who placed more value on being able to bring their whole self to work for engagement, mental health, and productivity were employees who held protected characteristics. This has been linked to inequalities within society and the labour market: Black and Black British, LGBTQIA+ employees with a disability and/or neurodiversity, younger employees, and those who had caring responsibilities.

This illustrates the toll that having to leave aspects of people's identity or personality at the door can have on some groups and individuals within the workplace.

If senior leaders and managers can create workplace cultures which support belonging and inclusion for all, this can have positive benefits for engagement, mental health, and productivity.

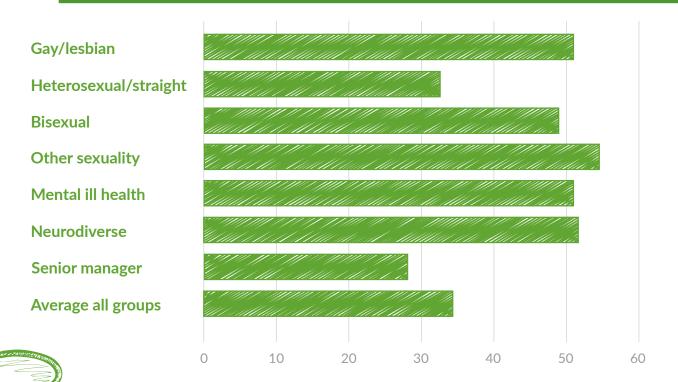


I believe not being your whole self at work has an impact on your productivity

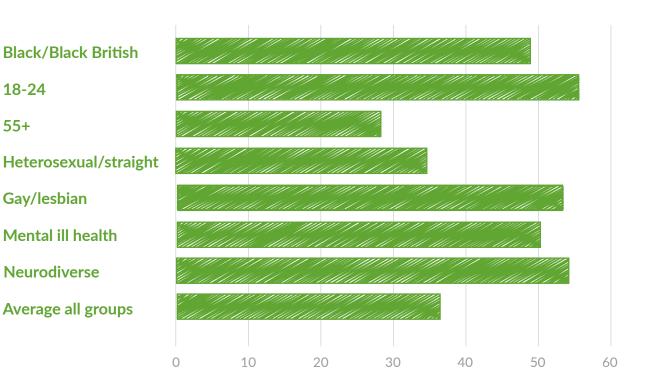




I believe not being your whole self at work has an impact on your mental health



I believe not being your whole self has an impact with how engaged you feel with your work





How engaged are employees?

Employee engagement refers to how enthusiastic, committed, and invested people feel in their work and towards their organisation. Engaged employees are more likely to put in discretionary effort, have higher performance, lower turnover, and contribute to an improved workplace culture.

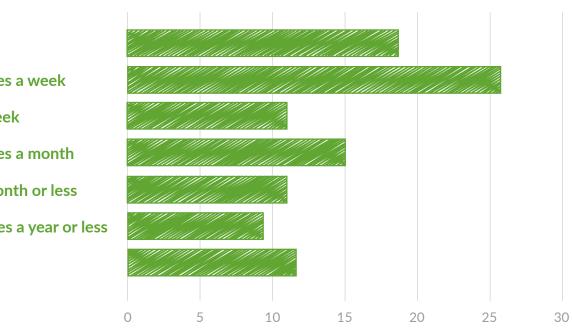
For employees, feelings of engagement can enhance their sense of purpose, wellbeing, and satisfaction. At the heart of employee engagement is creating workplaces where people feel supported, valued, and connected to the broader mission of the organisation.

We wanted to find out how engaged people felt and who was most likely to feel a sense of engagement with their work.

We asked people to rate how frequently they agreed with the following statement: When I get up in the morning, I feel like going to work.

Only 17% of people felt like going to work every day while 12% of people never felt like going. However, again, we saw that there were differences between groups in how they felt about going to work, with senior managers more positive about going every day (26%). Those who were least likely to feel like going into work were junior staff (9%) and those with mental ill health (6%).





When I get up in the morning, I feel like going to work

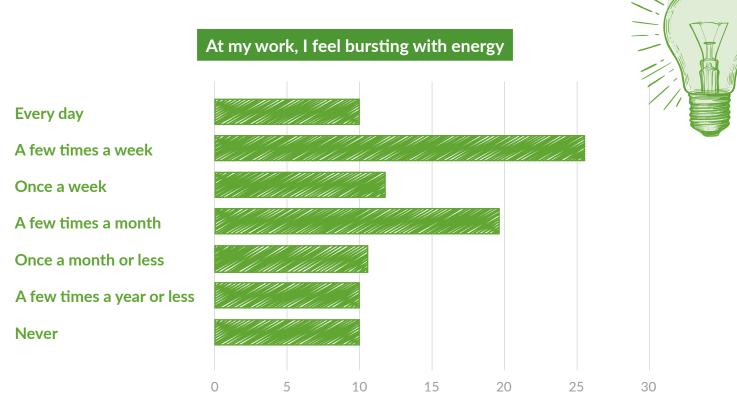
A few times a week **Once a week** A few times a month Once a month or less A few times a year or less Never

Every day



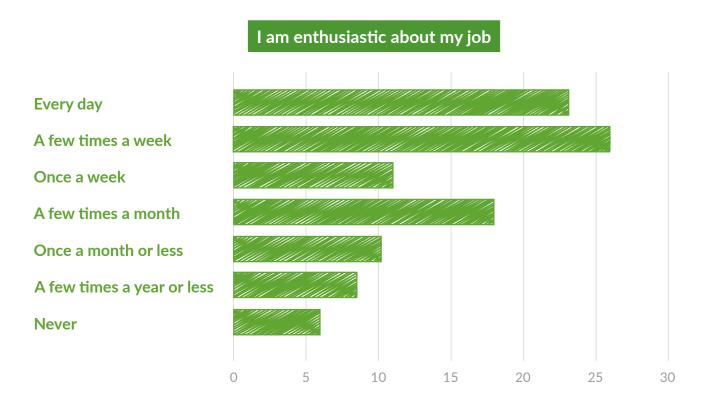


When asked about how energetic people felt at work, only 11% of people were 'bursting with energy' every day.



MHFA England

Finally, in terms of how enthusiastic people felt about their job, the results were mixed:





There is much that organisations could do to think about how to better engage employees at work. This is especially so for some groups of employees. When we looked at who was engaged at work, consistent patterns were shown:

- Those that experienced higher levels of engagement were Black/Black British employees, younger employees, those with caring responsibilities, and senior managers
- Junior managers, junior staff, and supervisory staff were less likely to feel engaged. There were lower levels of engagement for older workers and those with a health disability
- Some of the differences were stark: 59% of senior managers felt enthusiastic about their job, however, a different picture existed for junior managers (38%) and junior staff (41%)

Employers should take action to support these groups and understand their individual circumstances. Consideration should be given to improving their feelings of belonging at work. All managers should be given the tools, time, and training to carry out their jobs effectively.

How psychologically safe do people feel in the workplace?

Psychological safety is linked to the ability to bring your whole self to work because it creates an environment where individuals feel valued and accepted for who they are, without fear of exclusion or negative consequences.

When employees feel psychologically safe, they are more likely to express their authentic thoughts, ideas, and perspectives and be able to contribute to a diverse and inclusive workplace. This openness not only enhances individual wellbeing, but also drives creativity and innovation, and fosters a culture of trust and mutual respect.

Psychological safety can occur and be cultivated at the individual, team and organisational levels. We wanted to understand where some of the 'sticking points' were.





We asked people: Thinking about how you feel in your current role:





I feel included and that my contributions are valued, regardless of my identity or background



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60%
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I can bring up problems and tough decisions



65%

I have the autonomy to make decisions within my role





I am not afraid of being blamed or punished for mistakes I make



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65%
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I feel appreciated for the work I do





I feel that my opinions are valued in shaping workplace policies and practices

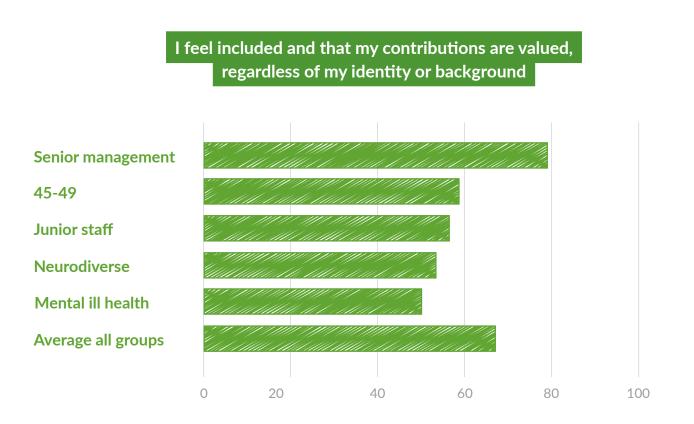
In people's day-to-day roles and activities, two-thirds of respondents expressed that they experienced positive aspects associated with psychological safety: Feeling appreciated for the work that they did, that their contributions were valued, and that they had a voice to be able to raise problems and shape their workplaces.



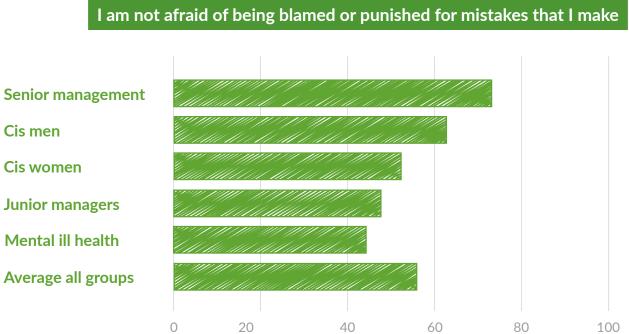


However, when we looked a little deeper, the findings varied for different groups.

When people were asked if they felt their contributions were valued, regardless of their identity or background, overall, 66% said yes. However, there were demographic differences as shown below:



The other issue identified was in relation to those who felt afraid of being blamed or punished for mistakes that they may make at work.







This was one of the only areas where we saw a gender difference, with fear of being blamed or punished for making a mistake more of a concern for cisgender women (52%) than for cisgender men (63%). The group most concerned with being blamed or punished were those with mental ill health.

When it comes to the psychological safety that individuals feel in their day-to-day roles and activities, those with mental ill health and those who are neurodiverse were less likely to feel that their contributions were valued. They were also more afraid of being blamed or punished for mistakes they made. Similarly, women, junior staff, and older workers expressed lower feelings of psychological safety within their roles.

"Employees with caring duties, coming from more disadvantaged backgrounds, part-time employees, people with disabilities that may require longer remote working hours or flexibility are just some of the categories at high risk of not being included comprehensively in decision making and more broadly in their work communities. With that, the risk of disengaging with immediate colleagues and line managers materialises. When all this happens, the workplace can rapidly become a psychologically unsafe environment, where one's diversity becomes a distance, a hurdle.

What a difference it makes for these employees to be encouraged, reassured, listened to emphatically, and included. Their whole self as people could turn into a better self as employees who would proactively engage, support, produce ideas, and push boundaries of innovation with their unique view and understanding of the society complexities, of people's needs and problems, and their possible solutions."

Dr Miriam Marra

Associate Professor of Finance. Co-Director of Equity, Diversity and Inclusion Henley Business School







How do people experience psychological safety in their teams and departments?

Previous research has shown that there is a strong relationship between collaboration, teamwork, and employee engagement¹.



When we looked at differences across the groups, we observed differing experiences for people in the workplace.

- Senior managers consistently felt a higher degree of psychological safety in their teams or departments compared to junior managers and junior staff
- Workers in their 30s were more likely to feel positively towards their teams than those aged over 55

department





An area of concern was for employees who are neurodiverse:

Comparing the experiences of neurodiverse employees to all groups

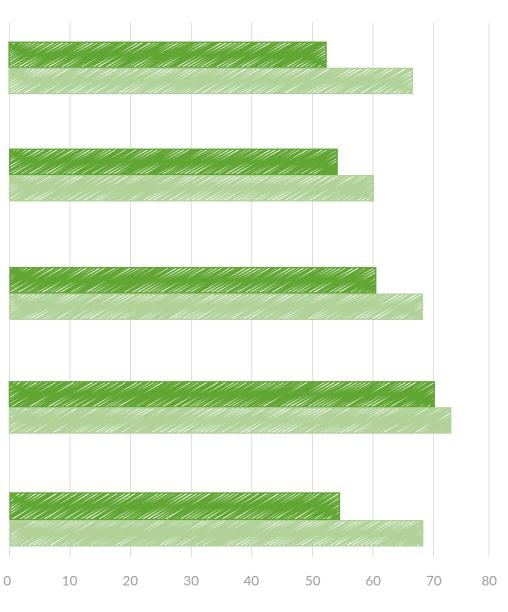
I feel my contributions are important and valued in team decision making processes

There is a strong sense of fairness in how decisions are made within my team

Differences in backgrounds and identities are valued and respected in my team or dept

The members of my team treat each other with respect

In my team, it is easy to ask questions without feeling judged



Neurodiverse employees

Average for all groups

Respondents who are neurodiverse were less likely to state that they can: Ask questions without being judged, are valued and respected for their contributions or because of their identity, and that decisions were taken fairly.

Neurodiverse respondents were also more likely to say that not being able to bring your whole self to work impacted mental health. This suggests a call for action within organisations to increase psychological safety through team inclusion for neurodiverse employees.



Is psychological safety fostered at the organisational level?





My organisation actively works to address biases that may affect fairness and equity



My organisation provides training and tools that help me manage workplace challenges effectively



52%

I feel supported in accessing mental health or wellbeing resources when needed



People in this organisation sometimes reject others for being different



It is safe to take a risk in this organisation



No one in this organisation would deliberately act in a

way that undermines my efforts



My organisation regularly seeks feedback from employees on improving the work environment

At the organisational level, there were some nuances in feelings of psychological safety. Overall, there was a lower level of reporting that people felt safe to take risks compared to other dimensions of psychological safety. While 60% of people felt that organisations took steps to reduce biases that affect fairness and equity, 30% of people felt that people were sometimes rejected for being different.

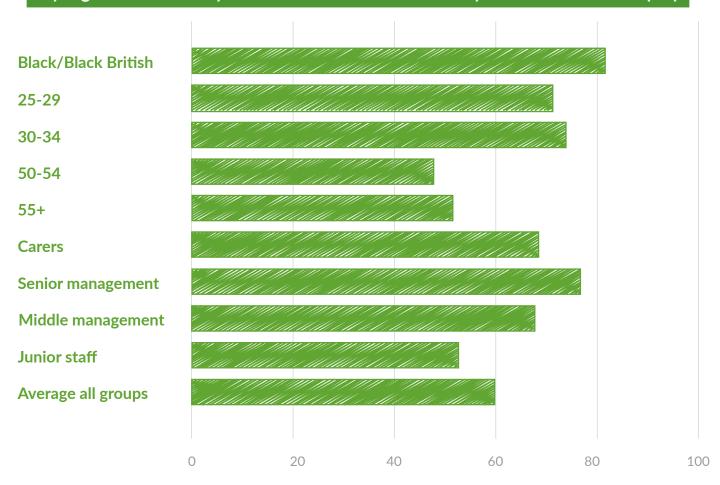


What differences are there between groups?

Overall, across all the statements above, younger employees and senior management reported more organisational-level dimensions of psychological safety than older workers and junior staff.

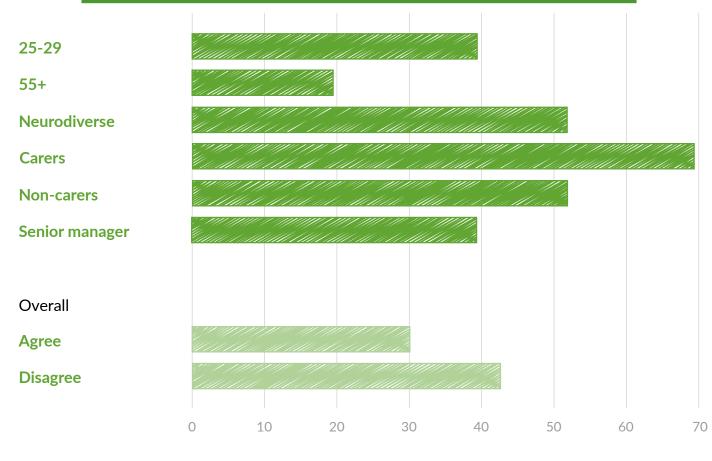
When we asked people if they felt their organisation was working to reduce biases, and if people were rejected for being different, we can see some differing perspectives:

My organisation actively works to address biases that may affect fairness and equity









Generally, those employees who were neurodiverse felt less safe taking risks, were less likely to feel that the organisation was working to reduce biases, and were more likely to feel that people would be rejected for being different. Critical for managers and organisations in seeking to support neurodiverse employees better is considering why they stated that they had less access to mental health or wellbeing resources, tools, or training to help them manage workplace challenges and what can be put in place to rectify this.

"I'm very lucky that my team have been very supportive following my ADHD/Autism diagnosis, and I've been able to be quite open about my experiences and needs. I know that not everyone has this kind of support, and that there is a lot of work still to be done. It shouldn't be down to having the good fortune to have good colleagues; there needs to be wider organisational understanding and support frameworks to help neuro-divergent colleagues and students feel more included."

Aboodi Shabi, Lecturer in Coaching and Behavioural Change, Henley Business School



Recommendations

Based on our findings, employers must take decisive action to create psychologically safe workplaces and embed inclusivity and belonging. By taking steps to do this, organisations can boost retention, job satisfaction, wellbeing, and overall workplace participation and performance.

MHFA England's four key recommendations for workplaces are:

1. Prioritise psychological safety

Empower senior leaders and managers to create psychologically safe environments where employees feel seen, heard, and valued. MHFA England has a range of resources and training to support workplaces to do so.

<u>Supporting Team Mental Health and Performance</u>. Our new course is designed for workplaces who want their people managers to better understand mental health and its relationship with performance. Participants will also learn how to cultivate a psychologically safe environment to support their teams. For more information, email workplace@mhfaengland.org.

The free <u>My Whole Self: Managers' toolkit</u> sets out principles and practices that every manager should be developing to drive positive wellbeing and support the creation of cultures where everyone is safe to bring their whole self to work. It has been designed to help managers throughout the whole employee lifecycle, giving ideas and tools to support them in their roles.





2. Embed inclusive workplace practices

Ensure policies actively support employees, no matter their background or lived experience. This should include neurodiverse individuals, caregivers, employees of all ages and ethnicities and those from other underrepresented backgrounds.

As part of MHFA England's free portfolio of My Whole Self resources, we have put together a comprehensive guide to creating inclusive workplace cultures, including supporting the mental health and wellbeing of people from racialised communities:

- My Whole Self: Guide to creating inclusive workplace cultures
- My Whole Self: Supporting the mental health and wellbeing of people from racialised communities in the workplace

Our <u>workplace consultancy</u> can help you build cultures where wellbeing and productivity fuel one another. Our approach is tailored to suit the needs of your business and your people. We work collaboratively and take time to understand your culture, building on your strengths and recommending areas for improvement. For more information, email workplace@mhfaengland.org.







3. Encourage open conversations about mental health

Creating safe spaces for employees to discuss wellbeing concerns without fear of stigma is vital in creating psychologically safe environments. Open conversation should be encouraged at every level of an organisation.

Our My Whole Self: MOT can be used to check in on your own and others' mental health and wellbeing.

Alongside this, we recommend managers hold monthly one-to-one meetings with direct reports. It is a chance to discuss wellbeing, priorities, and performance. Informal conversations can and should be had more frequently but a regular opportunity to talk and record progress is vital. If the right conversations are had, these catch-ups can support people's mental health and wellbeing, signpost to support if they are struggling, and encourage healthy performance.



Use the My Whole Self: One-to-one template



Our My Whole Self: My plan for working well can further help empower workplaces to better understand, support, and motivate their people. It is a personal, proactive tool for employees and managers to identify what keeps them and their colleagues working well.

4. Measure and improve engagement

We recommend engaging regularly with your employees. Whether through annual surveys, oneto-one meetings, regular pulse surveys, or wider engagement activities, by finding out how your people are feeling, you will be able to act quickly and strengthen workplace culture. Together we can create workplaces where wellbeing, productivity, and belonging flourish.



Conclusion

This research highlights how critical it is for employers to get to know their people. By taking the time to understand your workforce – who they are and what drives them – employers can build cultures where employees are engaged, valued, and performing at their best.

Psychological safety is a proven driver of workplace engagement, wellbeing, and performance. What can employers do? It's simple. Understanding your people is the foundation of motivation and wellbeing. My Whole Self gives employers the tools to create thriving, high performing, and happier workforces.

With continued uncertainty on the horizon, now is not the time to roll back on equity, diversity, and inclusion in the workplace. Throughout my career, I have seen and experienced the benefits of working in diverse teams. This isn't just my opinion; the evidence is clear. Diverse teams are more innovative, and diverse workplaces more profitable.

Mental health and productivity also fuel one and other. Our research consistently shows that teams that feel safe and connected, work better together. By abandoning EDI, employers don't just risk their workforce's wellbeing, they also risk impacting the productivity of their people and ultimately, their bottom line. Creating cultures where employees feel seen, heard, and valued, and feel safe to take risks, is more important than ever.

Employers can strengthen engagement, wellbeing, and performance by giving employees meaningful opportunities to have a voice and contribute to decision making. They can offer inspiring and purpose-driven work and ensure access to mental health support. By taking actionable steps to create psychological safety, drive belonging and inclusion, workplaces can improve organisational and individual health, and business performance.

This isn't about what we must do; it is about what we can gain – working cultures where people and business thrive. To learn how we can help you create such a workplace, contact us at workplace@mhfaengland.org.



Mointosh

Sarah McIntosh

Chief Executive Mental Health First Aid England



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