



# Mental health and the employee experience: The business case

Is mental health impacting engagement and turnover in your organization?





**95%**

of employers consider a high-intensity working environment a business risk<sup>1</sup>

**50%**

of employers categorize their risk of poor employee wellbeing as high<sup>2</sup>

**\$500bn**

is the annual cost of unchecked workplace stress to US companies<sup>3</sup>

**1 in 2**

employees say they need help handling stress<sup>4</sup>

## Executive summary

Wellbeing doesn't stop at physical health. Likewise, the employee experience doesn't stop at friendly coworkers, free coffee and snacks in a physical workplace. How employers support and care for employees deeply impacts how employees feel about the company they work for.

For the majority of workers (and their employers), prioritizing mental health and wellbeing has become a significant challenge as they adapt to a rapidly evolving workplace.

Over the past two years companies have done what they can to show they care. Most businesses are trying hard to take care of their teams. Massive efforts on the part of employers have been undertaken to improve employee wellbeing through fitness, diet and healthy-living initiatives. But is it enough?



**Two-thirds of organizations** even say that these sorts of programs are a 'critical part' of how they build the employee experience through their company brand, values and working culture.<sup>5</sup> But it's not just the body that needs to be taken care of in today's always-on, hyper-connected workplace.

The substantial gap between employees needing care and those who access it continues to grow. It's estimated that **56% of US adults with diagnosable mental illness receive no treatment at all.**<sup>6</sup> Even those who seek treatment are not always able to get the help they need when they need it—nearly 1 in 4 adults with a mental illness report that they try to get treatment and are unsuccessful.<sup>6</sup> Given the inability to receive treatment, accessibility is an obvious barrier, but it's not the only reason that these individuals aren't seeking care.<sup>7</sup>

Fear of stigmatization in a face-to-face setting, feeling like they aren't 'unwell enough' to warrant care and a preference for self-guided help also factor into people's hesitancy to pursue in-person support.

Fortunately, it's not all bad news. **Employees know they need help managing their mental health and wellbeing** and they're ready to accept support from their employers — 50% want to see a greater focus on physical, mental and financial wellness in their workplaces.<sup>8</sup>

So what can companies do to ensure their teams stay productive and engaged while protecting their mental health and wellbeing?

**Give them accessible, inclusive tools to support their mental health and wellbeing.**

The World Health Organization (WHO) reports a **return of \$4 for every \$1 invested in mental health** in the workplace.<sup>9</sup> Long story short: prioritizing mental health and wellbeing as an integral piece of the employee experience isn't just good for your staff, it's good business.

Read on for highlights from our deep dive into data from across the industry about mental health, the employee experience and best practices to support your team.





## What if ‘powering through’ is just paving the road to nowhere?

Ashley’s been working at the same company for going on a decade. She works with a great team full of talented people she likes and appreciates. Her work is challenging and rewarding, and she enjoys it. But lately, she’s been off the mark somehow. Her projects and proposals fall short or flat. Some of Ashley’s colleagues have tried reaching out. But **the combination of her demanding workload and parenting** two small children—during a pandemic no less—has Ashley so on edge that she wouldn’t dream of talking to anyone at work about what she’s going through.

Instead, she insists she’s fine. **She’s just a little stressed.** She’s just keeping her head down and trying to ‘get to the other side’—which is unlikely to work out, unfortunately. Without some support, Ashley’s mental health and wellbeing isn’t going to improve. And the stress she’s trying to ignore? It’s not going anywhere, either.

Chances are—wherever you work—you’ve seen this before. **Someone on your team is going through a rough patch.** Maybe they’ve lost a loved one, have a rebellious teenager that keeps them up at night or just have too much on their plate between work and home. But whatever it is they’re going through, they aren’t seeking out support. Maybe they don’t feel like they can risk looking unprofessional by letting it show at work. Maybe they don’t feel like they’re unwell enough for professional care.



## Why does mental health matter?

Ashley isn't a rare case. Mental health and wellbeing issues commonly impact employees and their experience at work. This is true across industries, departments and positions—and not just during difficult times.

Pre-pandemic, 71% of workers in the US reported feeling at least one symptom of stress on a regular basis.<sup>10</sup> Now, that stress is leading to high levels of burnout in the workplace: **99% of employees** showing signs of burnout report that workplace stress negatively affects their mental health.<sup>11</sup>

A 2021 survey conducted by McKinsey found that employees living with anxiety or depression **missed 6x more work days** each year than those without a mental health condition.<sup>12</sup> Even before the pandemic, the WHO estimated the global burden of anxiety and depression to be **\$1 trillion** in lost productivity each year.<sup>13</sup>

Beyond the obvious financial and productivity costs, poor mental health endangers employees' overall health. Linked to serious physical health risks like higher blood pressure and suppressed immune function, it also has a social impact, and may harm relationships (working and otherwise).<sup>14</sup>





# Is poor mental health really that damaging to overall health and wellbeing ?

## HEALTH PROBLEMS LINKED TO POOR MENTAL HEALTH

Sources: [Bupa UK](#), [Mayo Clinic](#), [Mental Health Foundation UK](#), [WebMD](#)

Poor mental health is a major factor in costly problems such as absenteeism, presenteeism, low employee engagement and increased turnover, also linked to poor overall health:

### MENTAL ILL HEALTH MAY RESULT IN AN INCREASED RISK OF:

- Insomnia
- Digestive problems
- Addictive behaviors
- Headaches
- Low self-esteem

### MENTAL HEALTH PROBLEMS MAY ALSO WORSEN OR PLAY A ROLE IN:

- Asthma
- Heart disease
- Diabetes
- Migraines
- Ulcers
- Amenorrhea

### POOR MENTAL HEALTH IS LINKED TO AN INCREASED POSSIBILITY OF:

- Difficulty thinking clearly
- Difficulty making decisions
- Higher blood pressure
- Hypersensitivity
- Mental blocks
- Suppressed immune function

### MENTAL ILL HEALTH CAN RESULT IN HIGHER PROPENSITY TO:

- Accidents
- Substance abuse
- Impaired speech
- Restlessness
- Forgetfulness



Poor mental health and wellbeing costs employers more than **250 million working days lost** each year and **\$300 billion** in related expenses such as turnover, reduced productivity, and medical, legal and insurance coverage.<sup>15</sup> It also makes people nearly **three times as likely** to leave their current place of employment. It even affects how their brains work — **temporarily impairing strategic thinking** and dulling creative abilities<sup>16</sup>. Suffice it to say that stress and mental ill health that goes ignored or unmanaged can cause serious harm.

## EMPLOYERS MUST ACKNOWLEDGE MENTAL HEALTH AS A CONTINUUM

Mental wellness is much more than the absence of mental illness. Each and every one of us innately have mental health. Consider physical health: when we sustain an injury, we slow down. **Mental health fluctuates in response to life circumstances**, driving us towards either side of the mental health spectrum. And just like physical health, we have the ability to take actions to become mentally healthier. So why is mental health traditionally thought of as a binary state where a person is either mentally healthy or mentally ill with few resources for supporting those in the middle?

**250M**

working days  
lost in the US<sup>17</sup>

**\$15K**

per employee – the  
annual cost of inadequate  
mental health support<sup>18</sup>

**52%**

of US employees report  
feeling burned out<sup>19</sup>

**1 in 4**

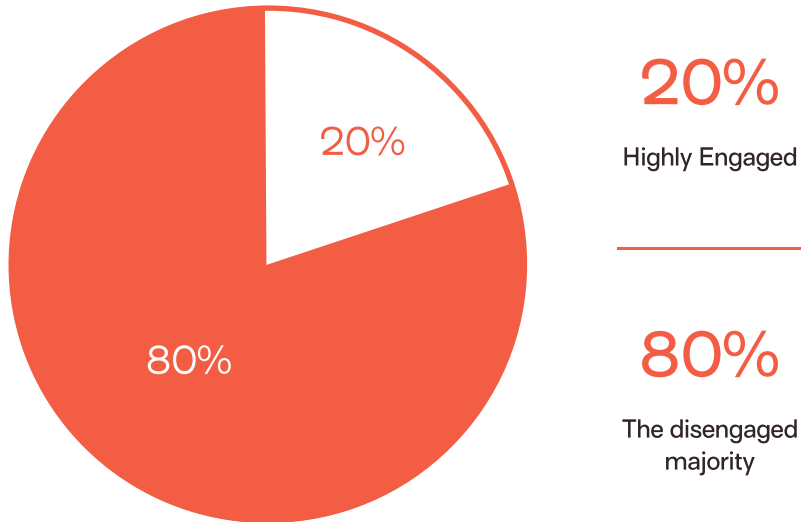
of line managers have  
received training on  
mental health<sup>20</sup>

Most days, most of us will fall somewhere between the spectrum of **mentally well and mentally ill**. For example, someone who recently suffered a personal loss might feel deeply sad, but isn't suffering from clinical depression. One of their colleagues might experience anxious thoughts after every interaction with their boss. Both could benefit greatly from learning coping strategies based on techniques like cognitive behavioral therapy and positive psychology.

Employees like these don't necessarily need or want **face-to-face treatment**, but would benefit from support with more clinical rigor than a meditation or relaxation app can offer. For those that fall in this subclinical category, effective support is critical for positive outcomes and has the potential to prevent mental illness. While exciting advances in technology are transforming the way we approach **mental health care**, employers—many with no experience in mental health—have been faced with the difficult challenge of determining which support mechanism will serve their employee population best.

## MENTAL ILL HEALTH, ENGAGEMENT AND TURNOVER

Source: [Employee Benefits UK](#)



Alarming (but perhaps unsurprisingly following a global pandemic), levels of employee engagement have dropped to **20%** worldwide.<sup>21</sup> Worse still, the US has seen a steady decline in employee engagement each year since 2019 – a trend that is likely to continue if no action is taken.<sup>22</sup>

Low engagement can impact mental health and wellbeing and with it the employee experience as a whole, resulting in the very expensive problem of increased turnover. This is terrible news for productivity, innovation and business in general.

### IS MENTAL HEALTH REALLY A FACTOR IN TURNOVER?

Without a doubt. In fact, **40% of turnover** is due to stress. Even in generally high-stress, high-turnover professions like nursing, studies have found links between stress and turnover with up to **35% of employees** prepared to consider employment elsewhere.<sup>23</sup>

Worse still, unchecked stress can lead to poor mental wellbeing and burnout (feeling exhausted, mentally distant or negative about your job), affecting employee efficacy, engagement and eventually showing workers out the door and onto the next position.<sup>24</sup>

A study by Kronos found that 95% of human resource leaders say **extreme levels of stress and burnout** sabotage workforce retention. 46% say it's responsible for up to half of their annual employee turnover.<sup>25</sup>



Why does stress's effect on turnover matter so much? Because replacing employees is very expensive for companies. Employee Benefits News reports rehiring costs employers **33% of the original employee's annual salary**, not to mention the damage done to the morale of coworkers left behind.<sup>26</sup>

## WHAT COMPANIES ARE DOING ABOUT MENTAL HEALTH

As more companies come around to the need to address mental health and wellbeing at work, many are scrambling to jump on the wellness wagon, adding perks like fitness memberships, rest and relaxation tools, yoga and wellness training. Over half the employers surveyed in Willis Tower Watson's **Global Benefits Attitudes Survey** either introduced initiatives to reduce stress or are planning to do so.<sup>27</sup>

For the good of employees and the organizations that employ them, it's past time to normalize talking about mental health at work and make it a priority in the workplace.

# Why does the employee experience matter so much ?

Building a positive employee experience that effectively supports mental health is a lot to take on. Like most large undertakings, it's best divided into smaller, more manageable steps.

Read on for our best advice on how to find out how your staff is actually feeling and next steps to build an employee experience that supports mental health.

## CREATE A SAFE SPACE

If you want honest feedback from your employees about their wellbeing, first you'll need to ensure that your workplace is a space where employees feel comfortable being sincere and sharing their struggles and feelings. Make it clear that the company cares and views their wellbeing as essential with a **mental health at work plan**.

Demonstrate that employee wellbeing is a priority by encouraging staff to take their breaks, lunches and vacation days and stay home (and not work remotely, either) when they're suffering from poor physical or mental health.

Do what you can to keep the lines of communication open so that staff know they can come to management when they need support or help with a problem. Share your personal stories to help address the stigma staff deal with when facing wellbeing problems. Make sure everyone knows about assistance and strategies that are in place to protect and encourage employee wellbeing.

## GATHER DATA

Start with a survey (anonymous, so employees feel comfortable) to collect feedback from your entire team about their mental wellbeing and general stress levels. Regular one-to-one and smaller group (no more than 5 people) meetings and performance reviews are also excellent places to get information about what's happening with your staff. These can also uncover what tools they're using to support their wellbeing and what they think could help.

Keeping track of your team's mental wellbeing on a regular basis is key to knowing when and how to offer necessary support.

## GIVE YOUR TEAM THE RESOURCES THEY NEED

Make sure your team has access to practical tools and support systems to help them take care of their mental health. That way, when mental health issues arise (or better yet, before they happen), they can do something about it. Easy-to-access telehealth tools provided by employers level the playing field for busy employees who may not have the energy, budget or inclination to seek out traditional face-to-face support in their limited free time.

Give your team members the resources they need to **build resilience and prioritize their mental health and wellbeing**. Improving mental health isn't an overnight process but you can make it easier for your team. Complete your existing employee benefits offerings with **digital-first mental health solutions** your staff can use when and where they need them.

## LEAD FROM THE TOP DOWN

With great power comes great responsibility. Line managers and executive leadership can help remove the stigma of talking about mental wellbeing by sharing anecdotes about their own battles with **stress and wellness**. Members of management can also make it clear to staff that wellbeing (mental, physical and otherwise) is a priority for everyone through their actions when it comes to openly taking time to exercise, making a point of not answering non-urgent messages after hours or on vacation and taking time off to rest when sick.



Managers and leadership can also set an example for their employees to follow by participating in **company-led mental wellbeing behaviors** like meditation and mindfulness. They can also share their own struggles with mental health and the behaviors and tools they use for support—such as mental health solutions provided by the company.

## Workplace wellbeing: A few final reflections

Mental health and wellbeing-related problems are serious issues for organizations and their employees across all industries. These problems are costly, and **they're on the rise**.

With a majority of the workforce dealing with mental health issues at least some of the time, it's past **time to take action**—even as the gap between those needing care and those receiving it continues to grow amidst a nationwide shortage of mental health providers.<sup>28</sup>

Around the world, tech companies are hard at work, developing innovative technologies to address mental health that current healthcare models simply can't address. And while this movement has accelerated the accessibility of mental health resources and has led us to re-examine the ways in which we deliver support, organizations and leadership are left to fend for themselves in determining which solutions are legitimately helpful and which have the potential to cause more harm than good.





Mental health problems cost US companies **\$500 billion** each year and are predicted to cost the global economy **\$16 trillion** by 2030.<sup>29</sup> Companies that want to survive and prosper are going to have to make mental wellbeing a priority — it's too expensive of a problem to put off addressing.

Despite all of the scary statistics, there's a silver lining to be revealed here. Studies show that employees not only recognize their need for help, they expect that help to come from their managers. What's more, employees are ready and willing to receive the help. Mercer's 2018 Global Talent Trends reports 50% of employees would like see a greater focus on physical, mental and financial wellness at their place of employment.<sup>30</sup>

But there's no singular solution that will be effective for every employee. Mental health care must be comprehensive to address the broad range of support needed across the mental health continuum, which ranges from mental wellness to acute illness.

### COULD TECH BE THE ANSWER?

Beyond being more economical and accessible—there's a growing body of evidence that supports the efficacy of app-based interventions. Digital interventions have the potential to effectively diminish the symptoms of mental disorders—initial studies have shown **digital mental health support** to be effective as a tool in stress management as well as in the treatment of depression, body dysmorphic disorder and anxiety, among other mental health difficulties.<sup>31</sup>



**But how can organizations identify which solutions will legitimately help the holistic mental health of their workforce?**

One search for employee mental health apps yields 10,000+ results.<sup>32</sup> Some solutions offer meditation and mindfulness exercises to promote relaxation while others promise access to licensed practitioners through face-to-face telehealth. To address the full range of mental health, organizations will need to seek out a more comprehensive solution.

## About Koa Health

Scalable and accessible mental health for all

Koa Health is a leading global provider of workplace mental health solutions. Trusted by leading insurers and employers such as Mapfre, O2, Jack.org and Education First, Koa Health leverages deep clinical expertise, research and technology to deliver practical, personalized and accessible evidence-based support that meets people where they are.

Our top-ranked mobile-first solutions have been shown to have a positive impact on stress, resilience, sleep and overall life satisfaction with just two weeks of use in randomized control studies.<sup>33</sup>

From organizational support to personalized mental health care for your employees, including wellbeing and specialist services, Koa Health has you covered.

To find out more, contact us at [info@koahealth.com](mailto:info@koahealth.com)





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