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Understanding and Identifying Gaps in Employer Mental Health Resources

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Introduction

About 60 million Americans live with mental health conditions, and nearly half of those with mental health conditions go without treatment.¹ The COVID-19 pandemic exacerbated this mental health crisis. However, mental health also impacts physical health and is an equally vital component of total health.² According to 2019 US Census data, about 50 percent of Americans get their health insurance through their employer.³ It is crucial, therefore, that employers make mental health benefits accessible, easy to use, and stigma-free.

The pandemic widened the gap between employers and employees on mental health in the workplace. In 2021, 80 percent of employers said their organization culture had been more accepting of mental health challenges in the past year, but only 58 percent of workers agreed, according to research by The Hartford.⁴ Poor mental health and stress in the workplace can have wide-ranging negative effects on job performance and productivity, engagement with one's work, communication with colleagues, and physical capability and daily functioning.⁵ Although employers believe they foster a supportive workplace, US workers feel organizations are falling short on access, flexibility, and resources.

The Milken Institute Center for Public Health conducted research with diverse stakeholders, including nonprofit, financial, consulting, health-care, and telecommunications organizations, among others, to investigate possible causes of the mental health gaps in the workplace and disclose key actions that employers can take to close these gaps. This action brief summarizes the insights gathered from four invitation-only focus groups that convened leaders from various organizations representing several generations and organizations of many sizes. This action brief is intended as a catalyst to empower the efforts of business leaders and human resources professionals against a mental health crisis that will continue to surge unless the employer community offers support to employees and takes action with them.

How Do You Know If Your Organization Has Gaps?

Many organizations experience mental health resource gaps: misalignments between the resources available and those necessary to satisfy employees' needs. While some organizations may lack programs or medical benefits, in many cases, this disconnect is embedded in the workplace culture. They can be further widened by barriers including stigma, lack of trust, mismatched alignment of priorities, privacy concerns, hard-to-navigate resources, cultural backgrounds, and burnout. Organizations can start the process of identifying their own mental health resource gaps by one or more of several means: investing in an employee engagement survey; holding roundtable discussions; analyzing benefit claims data to understand the use of mental health services, short-term disability, and/or employee assistance programs; and examining absenteeism rates or presenteeism input from managers. Once an organization identifies if and where the disconnects exist, employers can implement an organization-wide strategy.⁶

Making the Business Case to Close the Gaps



Financial Impact

Between 2011 and 2030, the cumulative economic output loss associated with mental health conditions is projected at US\$16.3 trillion worldwide.⁷ In 2022, 71 percent of US employers said the deteriorating mental health of their workforce negatively impacted their company.⁸



Recruitment and Retention

Forty-two percent of employees with access to mental health benefits say they are more likely to stay at their current organization, as opposed to 27 percent of those without access to mental health benefits.¹⁰



Loss of Productivity

As of 2021, depression and anxiety disorders cost the global economy an estimated \$1 trillion each year in lost productivity.⁹ Mental health conditions are among the top five reasons for short-term disability claims.



Burnout

Burnout remained at 61 percent in January 2022—the same level as in February and July 2021. Thirty percent of employees felt less engaged with their work, and 25 percent said they were having trouble concentrating or focusing on their work.¹¹

Priority Areas

The Milken Institute Center for Public Health identified three priority areas for study: **psychological safety, stigma, and performance and engagement**. The key insights and actions addressing these priority areas will help employers understand and support employees.

The Milken Institute Center for Public Health asked session attendees what words come to mind when they think about our priority areas; the results are captured in the visualization.



Psychological Safety

As of late 2021, 79 percent of employers, versus 52 percent of workers, said they had an open and inclusive environment that encouraged dialogue about mental health.¹² In 2022, these responses changed to 82 percent and 48 percent, respectively.¹³

Insights

A psychologically safe workplace is one where employees can be their full selves without fear of negative consequences related to self-image, status, or career.¹⁴ A culture of psychological safety builds trust, removes fear, and increases access to acute or long-term mental health resources. Leaders can create a psychologically safe workplace by understanding organizational culture, knowing their demographics, and meeting employees where they are. The psychological safety gap can be shrunk by exhibiting empathetic leadership, understanding the needs of caregivers, adapting to the needs of a multigenerational workforce, and accounting for racial equity.

Employer Actions

- **Model Empathetic Leadership:** Empathetic leaders respond to current—and anticipate future—needs of their employees and encourage the use of workplace resources and policies. At the individual level, managers can model healthy behaviors to promote the normalization and prioritization of mental health. For example, managers are free to take mental health days and encourage their direct reports to do the same.
- **Support Caregivers at Work:** Employers should review their organizational policies to guarantee that schedules and shifts are flexible, allowing employees who are caregivers time to ensure that dependents receive appropriate care during their workday. This would free caregivers from misplaced burdens of guilt and judgment when picking up children from school or taking an infirm parent to a medical appointment.
- **Adapt to the Varying Needs of a Multigenerational Workplace:** Customizing mental health resources for segments within the multigenerational workforce, including the younger generations of Millennials and Gen-Z, has the potential to increase the adoption and use of resources.¹⁵ For instance, Gen-Zers may be more inclined to access mental health resources using tools they're particularly familiar with, such as texting, apps, or online communities.
- **Foster Racial Equity:** Understanding the tangible and powerful connection between mental health and diversity in the workplace can increase feelings of inclusiveness, empathy, and flexibility for workers and remove the stigma that blocks care. Employers can promote racial equity by identifying problems, ensuring an equal voice to all employees, and educating the workforce on racial equity.¹⁶

Stigma

Eight out of ten workers say shame and stigma prevent them from seeking treatment for a mental health condition.¹⁷

Insights

Developing a trusting environment is key to dismantling stigma in the workplace. By normalizing mental health as part of total health, employees have the potential to feel more comfortable in seeking mental health care and support.¹⁸ Dismantling stigma requires building trust and reassuring employees, through policies and practices, that their well-being is a priority for the organization. Building trust throughout an organization requires leaders to listen to and implement feedback, use inclusive language, anticipate needs, and prioritize confidentiality, among other actions. For trust to be sustained, leaders must prioritize their community consistently, both within and outside the organization.

Employer Actions

- **Build Credibility:** Leaders at organizations large and small can lean on nonprofits and community organizations for mental health education and support. By engaging with trusted experts in the mental health field, leaders can build knowledge and credibility to engage in the topic within their organization.
- **Forge Trust as a Leader Internally:** At the organization level, leaders can host town halls, talk about mental health in one-on-one meetings, promote mental health resources, and integrate inclusive language into their internal communications. If a CEO and visible leadership appear intentional and consistent in their communications, they will inspire others to model their behavior throughout the organization. Managers, in turn, should model behaviors for their teams.
- **Create Trust Externally as a Leader:** Mental health is a public health and workplace issue that employers can spotlight publicly. Harnessing and promoting the mental health strategy that leaders and organizations are implementing may encourage other employers to adopt similar policies. For example, leaders can author thought pieces for publication; integrate conversations about mental health in both small and wide-reaching events, such as industry conferences; and invest in mental health resource innovations.

Leadership Perspectives on Mental Health in the Workplace

Executives across organizations shared insights and perspectives regarding the importance of supporting employee mental health year-round.

“Employers who prioritize diversity, equity, and inclusion, invest in employee mental health, and lead with empathy will differentiate themselves in the marketplace, achieve better business outcomes, and help millions of Americans enjoy healthier lives.”

Christopher Swift, Chairman and CEO,
The Hartford

“We need to integrate mental health into health. It’s a part of daily life, the same as physical health. Seeking care needs to be appreciated the same way as exercise. Questions need to be around how do we help employees figure out what the right care for them is and how to find it!”

Marjorie Morrison, CEO, PsychHub

“The business side of our work includes an initiative to upskill executives on mental health, which is about teaching them how to spot the signs among colleagues/teammates, how to best support your coworkers, and how we can evolve corporate ways-of-working to ensure that the workplace doesn’t have such a negative impact on employee mental health.”

Phillip Schermer, Founder & CEO,
Project Healthy Minds

“By partnering with employers and institutions to advance policies focused on recovery-ready workplaces, we can help raise awareness, prevent, and minimize stigma for communities highly impacted by the drug crisis that lack adequate resources to mitigate ongoing drug-related overdoses and deaths.”

Anita Gupta, DO, PharmD, Anesthesiologist and Pain Physician; CEO, Strata Group, Inc.

Performance and Engagement

Workers with unsupported and unaddressed mental health challenges often experience losses in productivity, engagement, and retention.¹⁹

Insights

Workers who are burnt out feel empty and mentally exhausted. Leaving employees' mental health concerns unaddressed can diminish engagement and productivity. Though many organizations have mental health resources, many employees do not use them: 30 percent of the US workforce say they would not turn to any workplace resource if they needed mental health assistance.²⁰ Workers cite stigma, lack of awareness of their existence, privacy concerns, cultural backgrounds, and difficulty of use.

Managers can encourage employees to take advantage of mental health resources by addressing burnout, using nudges, and encouraging the formation of employee resource groups (ERGs). When developing and promoting resources, it is paramount that workforces reinforce the privacy and confidentiality of employees' information.

Employer Actions

- **Address Burnout:** The best way to understand how to help employees is to ask. Direct managers can ask questions exploring employees' perceptions of stress, workload, and mental health to understand how leaders can make positive changes for employees and build a resilient workforce.²¹ Employees have different work roles and life demands, so creating bespoke plans for direct reports may encourage engagement.
- **Provide Nudges:** Nudges, positive reinforcement, and indirect suggestions meant to influence behavior and decision-making can be built to encourage employees to prioritize their mental health and leverage workplace mental health resources.²² For instance, an employer could offer a resource room where employees could take private or telehealth calls during work breaks, frequently communicate about mental health resources year-round, and institute no-meeting Fridays.
- **Support Employee Resource Groups:** ERGs are voluntary, employee-led groups designed to foster a diverse, inclusive workplace. Employers can prioritize existing ERGs or create an open environment to support such groups. Peer-to-peer support within ERGs can be invaluable to employees' mental well-being. For smaller organizations that might not have formal ERGs, employees could seek peer support from local nonprofit groups that foster mental health education and support.

Endnotes

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The Milken Institute Center for Public Health develops research, programs, and initiatives designed to envision and activate sustainable solutions leading to better health for individuals and communities worldwide.

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