



# THE HIDDEN COST OF MENTAL ILLNESS IN THE WORKPLACE

**March 2022**  
**Insights Forum:**  
*Executive Summary*

## What we learned:

*Mental health issues in the workplace are more important than ever. Adding benefits can help employees – and help retain them, too.*



## TWO YEARS INTO A GLOBAL HEALTH CRISIS, HR LEADERS ARE CONFRONTING THE MENTAL HEALTH ISSUES FACING THEIR EMPLOYEES.

The CHROs and other senior HR executives who gathered virtually for the SHRM Executive Network's March Insights Forum reviewed new data—developed through a partnership between SHRM, the SHRM Foundation, and Otsuka America Pharmaceutical, Inc. (Otsuka)—illustrating the importance of supporting mental health in the workplace. They also received valuable insights for creating a corporate culture that tackles mental health proactively.



**The hidden cost of mental illness:** More than one out of every five adults in the United States experienced mental illness in 2020,<sup>1</sup> with anxiety and depression creating more than \$1 trillion in lost productivity.<sup>2</sup> To put those numbers in context, that's 53 million Americans – twice the population of the 10 largest U.S. cities<sup>3</sup> combined – and a cost equal to the market capitalization of Walmart and Facebook combined.<sup>4</sup>



## WHAT THE RESEARCH TELLS US:

“These statistics refer only to mental illness,” said Rocki Basel, Ph.D., senior researcher for strategic research initiatives at SHRM. “We aren't even taking into account general mental well-being, such as the fact that half of U.S. workers say they feel burned out at work. Working Americans are particularly vulnerable, between being exhausted and struggling with their mental health.”

Basel added, “This is costing organizations a lot of money. SHRM wants to provide you with the knowledge to be the organization that is attracting new talent because of your amazing mental health benefits, not the organization that's losing employees due to a lack of benefits. HR professionals have an opportunity to play an important role in responding to the potential mental health crisis in your organization.”

“Working Americans are particularly vulnerable, between being exhausted and struggling with their mental health.”

*—Rocki Basel*



## MENTAL HEALTH MATTERS TO YOUR WORKERS:

New data from the SHRM Research team, in partnership with the SHRM Foundation and Otsuka, finds mental well-being and robust mental health benefits are important considerations for employees. More than half of U.S. workers say they care more about a healthy work/life balance than earning more money.<sup>5</sup> That gives organizations offering good mental health benefits a significant advantage in retaining employees and recruiting top talent.



**Let's look at the numbers  
– workers who say:<sup>6</sup>**

Work/life balance  
outranks higher  
pay



They'd quit for  
better mental  
health benefits



They value mental  
health benefits  
over a raise



## BEYOND THE BASICS:

Organizations that want to be competitive will most likely have to offer more than the standard set of mental health benefits.

**78%**

A majority of organizations (78%) offer or plan to offer mental health benefits. Firms offering programs that actively engage employees on mental health issues are less common.

**Of organizations that offer mental health benefits, these are the specific benefits they are offering (or planning to offer):**

Health plans with mental health coverage	92%
Employee assistance programs	91%
Mental health workshops	66%
Mental health apps	53%
Classes such as mindfulness or yoga	49%
Support groups	45%
Mandatory mental health training	39%



### **The ROI on investing in mental health benefits:**

There's a robust business case to be made for offering good mental health benefits. The American Heart Association and CEO Roundtable published a report that found cost-effective investments can improve outcomes. Every \$1 invested in mental illness prevention can yield \$2 to \$4 in saved costs and more productive employees.<sup>7</sup>



## HOW TO FIX IT:

And how do you feel about that? CHROs and other executives advocating for expanded mental health offerings not only need to make the case for an increase in spending but also need to make sure workers know that help is available and how to use the mental health programs offered. HR leaders will also want to check on the effectiveness of their existing programs, which might be under-utilized or overly restrictive with services.

### **Top 3 ways to measure mental health benefits:**

1. Employee engagement surveys.
2. Utilization rates of mental health services.
3. Attendance and productivity data.

*Empathy – which is all about treating employees like people – is a skill that can be built.*



## OTSUKA'S ANGELA COLON-MAHONEY: "LISTENING TO EMPLOYEES IS KEY."



Guest speaker Angela Colon-Mahoney, vice president of people & business services for Otsuka America Pharmaceutical, Inc., summed up the importance of the March forum's focus: "Mental health in the workplace is so timely in all of our lives, whether you're in human resources or in any part of an organization."

*Colon-Mahoney previously served in various senior roles, including leading human resources and transformation, at The Estée Lauder Companies, Unilever, Tyco and The City of New York, among others. She has coached CEOs and C-suite officers around the globe and established global centers of expertise in talent acquisition, talent management, learning and development, total rewards, and HR communications.*

**The stakes are higher:** Colon-Mahoney noted that mental health is a long-standing focus at Otsuka, but the aftermath of a global health crisis has raised the stakes.

"We're all people, we're all patients," she said, "but coming out of the pandemic experience, we're at this precipice of asking, 'What else do we really need to do? And are we doing enough? Do the benefits that we offer and the empathy that we are putting into our everyday interactions stay only in the workplace? Or does that translate outside of the walls?' And that becomes a really daunting thought when you think about it."

**A bigger picture of well-being:** Colon-Mahoney shared insight on Otsuka's forward-thinking approach to supporting employees' mental well-being and cited Lyra as an example. The cost-free, confidential and personalized mental healthcare program is offered to employees and their families regardless of participation in Otsuka's medical plan.

# WHAT SHOULD HR EXECUTIVES BE DOING NOW?



“I don't want to make it sound simple, but it really is truly listening to employees.”

**She stressed that adding mental health benefits, or increasing the awareness of those offerings, needs to be done deliberately.**

That includes creating forums and leader chats with mental health as a topic so that leaders understand the challenges facing their employees.

“What themes do you have? How can you start to look into offerings in the marketplace that can really help these challenges?” Colon-Mahoney asked. “In the beginning of COVID, it was child care and things that weren't accessible. Now it's morphed into the mental health of employees and their loved ones, because people have been through more than some of us can even imagine.”

**Is it working?** Colon-Mahoney echoed the findings of the latest research from the SHRM Research team, in partnership with the SHRM Foundation and Otsuka, about using metrics such as usage to gauge the effectiveness of mental health benefits offerings.

“Are you and your people getting the value that's intended?” she asked. “And I think this couples with leaders really having those conversations and we do that centered around mental health. It's very important that leaders are starting that dialogue. It means the world to employees.”

# THEMES FROM THE Q&A SESSION

*Forum participants had lots of questions focused on creating effective mental health programs in the workplace.*

## **What about using mental health benefits to attract employees?**

Colon-Mahoney said those benefits have been a good retention tool and are making Otsuka more competitive because the company is customizing its benefits around the complexities of human beings.

“We have our benefits offerings set up now specifically around child care and mental health, financial health, and even how we set up our 401(k) plan,” she said. “We didn’t do that as a disjointed effort. It was to give that full financial benefit to the employee.”

## **How can we ensure HR staff members also receive mental health support?**

This can get overlooked. Colon-Mahoney emphasized making sure that HR team members are taking time for themselves in stressful situations, asking how they’re doing and ensuring HR workers know they can access the same benefits as other workers.

*“Make sure that you’re looking at your HR team as employees,” she said. “We oftentimes tend not to do that.”*

## **How can we handle gaps in insurance coverage?**

Substance abuse increased during the COVID-19 pandemic, and insurance coverage for the most successful programs can often be a challenge.

Colon-Mahoney recommended that benefits teams work closely with employees to help them navigate the process.

“You have to make a decision that either you’re going to help escalate it within the carrier organization or you’re going to fund it as an organization,” she said.

## Sources

- <sup>1</sup> National Institute of Mental Health, 2022
- <sup>2</sup> World Health Organization, 2022
- <sup>3</sup> World Population Review, 2022
- <sup>4</sup> CompaniesMarketCap.com, 2022
- <sup>5</sup> Mental Health Research, SHRM, 2021
- <sup>6</sup> Mental Health Research, SHRM, 2021
- <sup>7</sup> Mental Health: A Workforce Crisis, AHA CEO Roundtable, 2019

If you are not a member of the SHRM Executive Network, apply for access [here](#) and join CHROs and senior HR leaders from Microsoft, Trip Advisor, Chipotle, Mastercard, AutoNation, and more.



[shrm.org/executive](http://shrm.org/executive)

