MENTAL HEALTH SPECIAL REPORT

20 STATE OF WORKPLACE 22 EMPATHY

Employer Empathy is Critical to Aligning Mental Health Awareness and Action

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Hopeless. Burned out. Exhausted. Isolated. Disengaged. Anxious.

All are among the top responses from employees when surveyed about the state of their mental health. And it would be an easy leap to conclude that those responses were from some time in 2020.

But they aren't.

They're from barely a year ago—when employers were supposed to be working toward workplace supports and resources toward "stopping the stigma" and making it "okay to not be okay." However, as masks and mandates have eased since the peak of the COVID-19 pandemic, one data point that continues to lag amid the recovery is the state of Americans' mental health.

According to the National Alliance for Mental Illness, 1 in 5 U.S. adults live with mental illness but fewer than half of those (46%) receive treatment. Additionally, NAMI reports that 134 million Americans, or about 1 in 3, live in a designated "mental health professional shortage area," making access to treatment difficult, if not impossible. While employers' bottom lines have felt the impact of mental illness for years—nearly \$2 billion annually in lost productivity—when paired with the record-setting attrition from the Great Resignation, that productivity drain is more acutely felt now than in years past. As employees change jobs in search of better working conditions, employers looking to scoop up top candidates need:

- An organizational culture that promotes psychological safety.
- Mental health benefits that support overall well-being.

According to data in the **2022 Businessolver State of Workplace Empathy Study**, workplace empathy is a critical underpinning to both.



Now in our seventh year surveying how empathy is perceived and supported in the workplace, the 2022 data emphasizes the importance of addressing and advocating for mental health in the workplace across three key themes:



Mental health struggles persist, even as the pandemic has eased.



Employees value flexibility as a key aspect of managing and maintaining their mental health.



CEOs are disconnected from their workforce, both in how they perceive mental health issues in the workplace and how to create a culture and benefits package that support mental well-being.

About the State of Workplace Empathy Study

Since 2016, Businessolver has surveyed a diverse cross-section of more than 3,000 employees, HR professionals, and CEOs across six industries to examine the behaviors and benefits that make a workplace empathetic. In the survey, empathy is defined as "the ability to understand and experience the feelings of another."

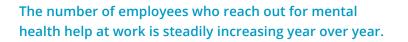
Learn more and find historical trend data from 2016 to today at businessolver.com/empathy.



Mental health struggles persist, even as the pandemic has eased.

While we may be settling into the "new normal" of the pandemic recovery—relaxed health protocols, fewer movement and mask restrictions, and increased vaccination rates—the reality for many people is a continued juggling act of emotional and mental burdens when it comes to living and working during an ongoing global health crisis.

Businessolver's 2022 Empathy data shows that while more employees and HR professionals are seeking out workplace support to manage their mental health, more than half still aren't comfortable doing so. Additionally, many feel that their organization only considers certain conditions to be valid mental health issues, potentially fueling a fear of reaching out or feelings of exclusion.







1 in **2** employees and HR professionals experienced a mental health issue in the past year.



69% of employees and 88% of HR professionals say it was a direct result of

the pandemic.

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66%

66% of employees say employers view people with mental health issues as "weak" or "a burden."



62% of employees say it's become increasingly difficult to talk about mental health during the pandemic.



59% of employees believe reaching out to HR or their manager about a mental health issue could negatively impact their job security.



66% of employees believe their employer would hold back a job offer to a candidate if a mental health issue was disclosed. The Great Resignation further emphasizes how the persisting stigma surrounding mental health issues and the resulting anxiety around seeking support in the workplace is pushing employees to their breaking point.

According to <u>Pew Research Center</u>, the Great Resignation is being driven in part by poor benefits and pay, a lack of flexibility, and a feeling of disrespect in the workplace. Those who quit a job in 2021 and found employment elsewhere cite higher job satisfaction with their pay, opportunities for advancement, and flexibility with working hours.

According to our 2022 State of Workplace Empathy results, many HR professionals are aligned with employees' sentiments, believing that empathy can lead to a better working environment, resulting in:



Motivated employees



Ability to recruit high quality employees



Lower turnover rates

Yet, the data also highlights a divide in priorities between what employees experience on a personal level and how those experiences impact the bottom line. While a majority of employees (92%) who reached out to their manager felt that the response was empathetic, more than half aren't reaching out at all—creating a "silent majority" and widening the disconnect between organizational culture and priorities, and employees' awareness of accessibility to the workplace supports they want and need.





Employees value flexibility as a key aspect of managing and maintaining their mental health.

Our 2022 Empathy data reveals that the ripple effects on mental health due to the pandemic have created a tsunami-like sentiment among employees: Flexible benefits are critical to empowering employees to manage their mental health and demonstrating empathy at work. While the value gained from that flexibility looks different for each employee, having access to those resources and benefits overall is closely connected to mental health and perceived empathy.

Employees and HR professionals highly rank time away from work, flexible hours, and mental health services in their ideal benefits package for employers to address their well-being.

However, according to employees, these priorities don't match the benefits they're being offered, indicating that while sentiments are aligned, employers are still lagging when it comes to meeting employees' true needs regarding benefits and flexibility.

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Employees rank mental health benefits as highly empathetic, but preferences and programs differ widely.

	Mental health benefits most desired	Mental health benefits most offered
Flexible work hours	94 %	33%
Provide the option to work remotely	91%	25%
An employee assistance program that provides supportive, diagnostic, referral, and counseling treatment services	88 %	29 %
Mental health vacation days	85%	20%

Additionally, at the start of the pandemic, <u>research from SHRM showed</u> <u>that many remote workers were working longer hours during the week</u> <u>day and on weekends</u>, indicating that while the new-found flexibility looked good on paper, many employees felt forced to return those hours to their employer.

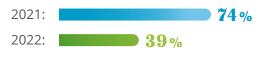
As remote and hybrid work models become more mainstream, employees are recognizing the value in the benefits of flexible work, as seen in Businessolver's 2022 Empathy data through the 52% of employees who say the loss of flexibility is their greatest fear about returning to in-person work (second only to concerns around COVID-19 safety measures). This desire for flexibility, paired with the fuel from the Great Resignation, highlights how critical it is for employers to use employee feedback to build out benefits specifically designed to meet the growing need for flexibility and empathy in the workplace.

CEOs are disconnected from their workforce in how they perceive mental health and how to create a culture and benefits package that support mental well-being.

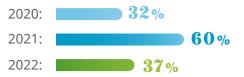
In 2021, our State of Workplace Empathy data showed that <u>CEOs</u> were still reeling from the effects of COVID-19 on their workforce. Many were challenged with balancing the safety and job security of their workforce, securing the bottom line of the business, and navigating compliance challenges—all alongside their own mental health struggles due to the pandemic.

However, just one year later, CEO attitudes have shifted, and Businessolver's 2022 Empathy data reveals that CEOs are further disconnected from well-being in the workplace, potentially at the cost of employee engagement.

CEOs who know their company offers mental health benefits:



CEOs who experienced a mental health issue:



The effects of this CEO disconnect are playing out live through the Great Resignation as employees leave their jobs at record rates in favor of workplace cultures and benefits that prioritize empathy and mental well-being alongside better pay, advancement opportunities, and basic respect.

This broadening disconnect could be due in part to an "out of sight, out of mind" mindset. Fewer CEOs experienced mental health issues in 2022 than in 2021, our Empathy data shows. This shift in the data further suggests that CEOs are leaning on their experiences alone to paint an inaccurate picture of mental health for their organization.

And with that inaccurate portrait comes a misplaced focus on how to address mental health, according to Businessolver data. While CEOs show wide support for in-person and onsite mental health supports, employees favor virtual options that prioritize flexibility.

Given the disconnect in perception of mental health struggles and priorities to address them, it's clear that that CEOs need to realign their behaviors and attitudes with the needs of their employees; doing so starts with a renewed focus on empathy in the workplace.

Top-rated benefits to address mental health

CEOsSetSetOnsite mental health care specialists94%SetWorkplace support groups93%SetSet95%SetSet94%

Employees $\hat{\mathbb{N}}$

₽	Expanded coverage options for mental health services	91%
	An open-door policy with managers and HR for face-to-face conversations	93%
	Flexible work hours	94%
Ж;	Ability to take breaks away from work environment	89 %

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Three ways to prioritize empathy and mental health in the workplace:

If 2021 was the year to provide more mental health support for employees, then 2022 is the year to make that support a permanent fixture in both the culture and employee benefits.

Our 2022 State of Workplace Empathy data shows that employers continue to feel challenged when it comes to implementing strategies and influencing culture, considering the ongoing mental health stigma in the workplace. Based on our 2022 data, employers can leverage three strategies to incorporate empathy into longterm benefits strategies around mental health that can result in increased employee engagement, improved health outcomes, and a more empathetic work culture.

Move the conversation beyond the bottom line.

It's important for CEOs to recognize that while the bottom line is important, it needs a healthy workforce to exist at all. By moving the conversation away from cost-driving metrics to empathy-based discussions, CEOs and other workplace leaders can continue to shift the mindset to turn attitude into action.

2 Make mental health a top-down priority.

A critical component of prioritizing mental health at the top of the organization starts with resetting expectations—personally and culturally—that showing empathy doesn't equate to showing weakness. Our 2022 Empathy data shows CEOs are willing to reach out to someone at work for support with managing mental health; by amplifying that willingness, CEOs can better role model empathy and reduce stigma across their workforce.



3 Align benefits with employees' needs.

The data is clear: Employees value flexible benefits more than ever and variety in those benefits is key to both retention and supporting mental well-being. But the data also shows that the benefits employees want and need aren't always what's available to them. As employers work to expand their benefit offerings, policies, and culture to be more empathetic and inclusive of mental well-being, it's critical that they align their efforts with employee feedback and data.

HR and executive teams can:

- Look at their current benefits data to understand which benefits have low enrollment or usage as that may be an indicator that a particular benefit doesn't align with employees' needs.
- ✓ Gather employee feedback to gain a clear understanding of what employees find valuable now and what might be missing from current benefits packages or workplace policies. One of the positive outflows of that feedback may be that employees bring forward a desire for certain benefits that are already effective; they just aren't aware that they exist. Acknowledging that awareness is a critical predecessor to adoption, employers can leverage personalized engagement communication and technology to drive higher awareness and adoption.
- Think beyond an EAP. EAPs can provide great short-term support and even help employees connect with long-term support. However, building in more access points and benefits designed to meet employees wherever they are on the health spectrum is important to building an empathetic work culture that values mental health at all stages, not just "addressing a crisis."
- Embrace flexibility and empower your employees to use it. The shift to remote or hybrid work has afforded many employees with more flexibility, yet many don't feel empowered to reclaim those hours as their own. Embracing flexibility as an intentional part of the culture can help employees feel more in control of their time, their lives, and their productivity in and outside of work.





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