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A Complete Guide to Mental Health at Work

This guide will walk you through everything you need to know about "mental health at work". Learn why the topic is so important for employees and employers alike, explore common challenges and how to tackle them, and move from reactive crisis intervention to a proactive and strategic mental health approach. Along the way, you'll improve productivity, employee satisfaction and build a sustainable workforce.

What is mental health?

Mental health describes the emotional, psychological, and social well-being of an individual. At its best, the WHO describes mental health as "a state of well-being in which an individual ... can cope with the normal stresses of life, work productively, and contribute to their community."

In converse, if a person is unable to cope with the normal stresses of life, cannot work productively, and is unable to contribute to their community they are experiencing poor mental health.

Mental health is a spectrum, not a binary. You can be productive but still struggling. You can be diagnosed with a serious mental illness but still contribute to your community. Or you could be completely undiagnosed but feel unable to cope with life stressors.

That means that treating your mental health will also be a spectrum, with a range of activities on that continuum.

In crisis	Struggling	Unsettled	Thriving	Excelling
very anxious	anxious	worried, nervous	normal mood, can vary	cheerful/joyful
very low mood	depressed, sad	edgy	positive	solution focused
absenteeism	low self-esteem	irritable	calm	energetic
exhausted	tired	frustrated	functioning normally in job	high job performance
sickness, physical pain	poor work performance	self-doubting	sleeping well	prioritizing sleep & rest
isolation	presenteeism	sad, gloomy	focused	"flow" – intense engagement
very poor sleep	poor concentration	trouble sleeping	eating normally	fully realizing potential
weight loss	poor sleep	tired	normal social activity	actively seeking connections
psychotic break	poor appetite	distracted		
severe drug/alcohol abuse	drug/alcohol abuse	decreased social activity		

Why does mental health matter?

Most importantly, our mental health impacts our quality of life. And poor mental health affects a lot of us: In Germany, almost 30% of the adult population experience a mental illness every year. However, less than 20% of those 17.8 million people reach out for professional help.

Poor mental health can also lead to severe physical problems, like diabetes, heart disease and even strokes. It can also lead to self-harm.

And mental health is an economic problem, too. Researchers estimate that psychological illnesses cost the EU €600 billion every year.

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Why should companies care about mental health?

Mental health is a rising topic in the workplace. The COVID-19 pandemic as well as new values brought into the working world by a new generation of employees have increased its significance. And there are fundamental business reasons why companies should care about their employees' mental health, including:

Increased absenteeism

People struggling with mental health issues are more likely to call in sick for work, and German companies lose €288 for each day an employee is absent. Mentally healthy employees average 11.2 sick days per year, but when someone is struggling with their mental health the average is much higher: 43.3 days per year.

Productivity loss

Even when employees come into work, if they're struggling with their mental health, they're less likely to work at their best. The 2019 Mental Health at Work report found that $16.8 billion in employee productivity is lost every year due to poor mental health.

High turnover rates

34% of employees have left a role due to mental health reasons, but companies who adequately support their employees' mental health support see 60% less turnover. The average cost of replacing an employee is €15,000 — and that's before you think about the loss of institutional knowledge.

Employer branding

Running a company that disregards mental health doesn't only cause existing employees to leave — it also affects your overall brand and prevents new people from leaving. Gen Z talent cites employee mental health support as a deciding factor in their job selection process.

Employee satisfaction

A healthy psyche has positive effects on overall employee satisfaction and well-being. Or to put it even simpler: Healthy people make a healthy company.

Business goals

Mental health support has a clear positive return on investment. In fact, for every $1 invested in mental health, employers see a $4 return.

Common mental health issues in the workplace

All sorts of psychological problems can interfere with our work life, but some mental health issues are particularly common. Let's take a look at two of the most important issues organizations have to deal with.

Stress

At least 44% of employees experience significant stress on a daily basis. Workplaces are full of stressors: deadlines, pressure to performance, compromise, management and leadership, and more.

Mental health as a positive ROI

Every **1€** investment in mental health causes a **4€** gain in productivity

Stress = perceived pressure > perceived ability to cope with it

In moderate amounts, stress is normal and can even be motivating. But too much stress compromises our work performance and impacts both our mental and physical health. And in the worst cases, it can become chronic.

This is why it is important to monitor stress levels, on an individual as well as team and organizational level.

What to do as an individual:

- Identify and monitor the stressors in your life

- Create a toolkit with routines and exercises to cope with stress, e.g. conscious breaks

- Practice breathing exercises, mediation and more to relax

- Find ways to balance your work life with the rest of your life, through sports, meeting friends, etc.

What to do as a company:

- Monitor stress and overall employee well-being on a regular basis

- Open feedback channels (e.g. an anonymous survey) to identify stressors and solutions

- Encourage employees to actively recharge during breaks/weekends/vacations instead of being "always on"

- Offer tools to support employees, e.g. mental health solutions, mindfulness breaks, etc.

Burnout

Long-term stress at work can lead to a state of physical and emotional exhaustion called burnout. Burnout is on the rise: 44% of American employees in 2024 said they were actively burnt out or close.

Along with chronic stress, burnout causes include:

- Too much responsibility
- Poorly defined criteria for success
- Lack of room for maneuvering
- Difficulties distancing oneself
- High-performance standards
- Lack of rest

Burnout is characterized by three elements:

Feelings of **exhaustion** and a lack of **energy**

Alienation including negativity, cynicism and distance from your job

Reduced performance, decreasing professional efficacy

It's recommended to contact a doctor or psychologist if you're displaying signs of burnout. And beyond affecting quality of life tremendously, burnout has a heavy price tag for organizations, leading to absenteeism and turnover. But organizations can help prevent burnout.

How companies can prevent burnout:

- Communicate about the causes and consequences of stress

- Establish support systems, including mental health support

- Pay attention to work–life balance

- Check in on workloads and capacity regularly

- Establish a good feedback culture

- Help managers act as role models

How can companies make mental health a priority?

The risks of ignoring mental health and the benefits of supporting it are too clear. No matter the size or industry, mental health affects every individual and every company. As a result, every company needs to act.

Here's a guide to the steps of building a mentally healthy workplace.

Step 1: Improve mental health literacy

The most important step before you start is to ensure that everyone is on the same page. Mental health literacy is a shared understanding of what it means to be mentally healthy in the workplace. It consists of the following components:

- An understanding of why mental health is importance

- Awareness of early warning signs

- Demonstrating willingness to break the stigma, especially by leaders and people teams

- Knowledge about how, when and where to seek support

- Knowledge about how to support team members facing challenges

Boost mental health literacy in your organization by:

- **Training key employees**: Start by focusing on leaders, HR representatives and specific employees who can then educate and empower their colleagues.

- **Make resources available:** Share documents or your action plan, send emails with helpful guides or explanatory videos, offer access to webinars on the topic and more, so everyone has the same base level of knowledge.

- **Communicate regularly:** Use different formats, channels and people to ensure you reach everyone, and repeat it so that there are regular reminders for existing employees and new hires.

Step 2: Assess the status quo

Assessing the status quo of mental health in your organization is the first step to improving it. We recommend using one or a few standardized feedback and employee well-being measurement systems to get an accurate and objective picture of your workplace.

The most highly regarded systems in the industry include:

- **eNPS (Employer Net Promoter Score):** A general measure of how your employees' overall satisfaction, engagement, and loyalty. Note that the eNPS offers a score without explanation as to why your employees feel that way, so it's important to follow up with qualitative questions.

- **The PHQ-4 (Patient Health Questionnaire 4):** A self-reported questionnaire which is used to assess anxiety and depression, two of the most prevalent illnesses among the general population.

- **A psychological safety assessment:** Psychological safety is the primary foundation for team performance as well as organizational agility and change. Measuring it gives you an idea of how willing and able your employees feel to share their ideas, admit and learn from mistakes, highlight risks and challenge or improve your existing organizational methods.

- **A mental health survey:** Customize a mental health survey with a provider like nilo.health to measure how your company specifically is doing in terms of employee satisfaction and mental well-being.

Step 3: Define action points

Your assessment of the status quo will give you a good sense of your strengths and weaknesses. Take the information you've learned to define clear action points and communicate them to your employees. Ensure you share a timeline for when and how you will act even as you hand out the survey — and then stick to it.

To properly define action points, you'll need to have the resources, people, authority and capacity to act and do something about the findings. And most likely, you'll find your next step is to…

Step 4: Create a mental health strategy

Now you have the assessment and immediate next steps covered, it's time to approach the topic more strategically. By formalizing your approach to mental health, you'll create the necessary focus and awareness around the topic, ensure coherent action, align with other business strategies, define subsequent goals, and guarantee sufficient resource allocation.

A mental health strategy is a policy that helps you address and prevent poor mental health in your organization, as well as promoting mental well-being and growth. The most important points for a mental health strategy are that:

It doesn't discriminate against people with mental illnesses

It is put in action

The strategy is well communicated across the entire organization

It is regularly revised

Ensure that your mental health strategy measures cover the following dimensions:

- **Legal requirements,** e.g. mental illness discrimination policies

- **Moral responsibilities,** e.g. defined mental health support processes, training for leadership

- **Business needs,** e.g. regular psychological safety assessments, stress management training

- **Market demands,** e.g. home office policies

Step 5: Build a culture of mental health

Don't worry, this isn't a one step action. This is an ongoing process that you'll implement in your company culture and daily ways of workings. It means taking further action to:

- destigmatize mental health problems and illness

- provide easy and secure access to mental health resources

- encourage people to draw healthy work-life-boundaries

- train and empower managers on compassionate and mindful leadership

- foster an effective feedback culture

- focus on diversity, equity and inclusion (DEI) to ensure the mental health of everyone is taken into account.

You might feel a bit overwhelmed about all of the different levels of work needed here. The good news is, you don't have to implement it on your own.

What mental health tools are available for companies?

Excitingly, there are many tools out there that can support you in building a mentally healthy company. Because mental health is such an important topic, its important to seek professional, expert help.

When considering your mental health tool selection process, use the following checklist to understand whether it will suit your organization:

- ❏ Does the tool provide easy access for all employees?

- ❏ Does the tool offer instant access to insights and reports with data-based metrics to help you understand your team's well-being?

- ❏ Does the tool have an emergency crisis option for immediate support?

- ❏ Does the tool feature secure data protection and confidentiality for all your employees?

- ❏ Can the tool meet fluctuating needs and demands?

- ❏ Is the tool cost-effective?

- ❏ Is the tool inclusive of an increasingly diverse and global workforce?
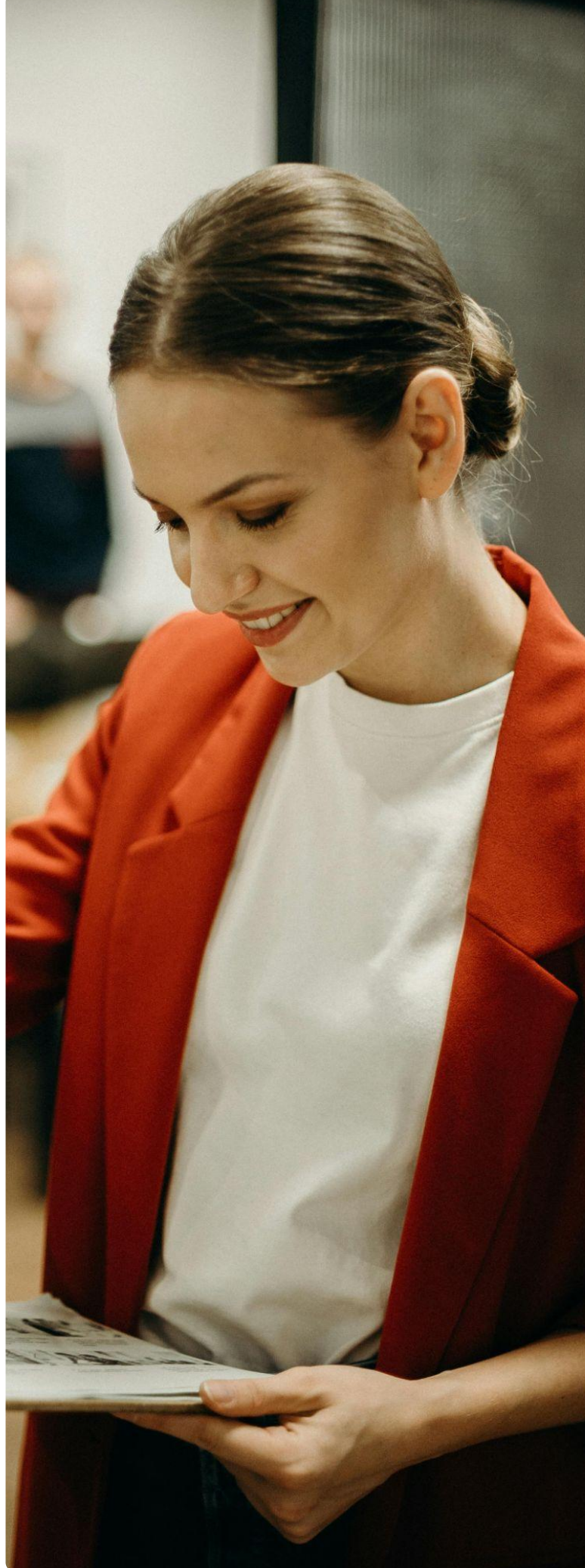
Employee Assistance Programs (EAPs)

An EAP is an external consulting tool available to employees and managers for the promotion of their health.

Usually, it works like this: there is a point of contact that can be reached via phone. This contact will then forward you to an expert/professional that will help you with your request. EAPs support employees across a wide range of topics depending on the individual needs of the person to be advised.

Pros:

- Access to a broad range of care formats
- Support employees with mental health as well as financial and addiciton issues
- Cost-effective

Cons:

- Underutilized, typical engagement rates are only 3–5%
- Scope of mental health services are limited

Mental health support platforms

Mental health support platforms provide fast, easy, professional and secure access to mental health care offers. The use of tech-based mental health apps continues to see dramatic growth in the last years: from 2020 to 2022 usage increased by almost 50%.

How does it work? All employees receive access to the platform, which provide a range of services including one-to-one counselling sessions with trained psychologists, group roundtable discussions, self-guided learning and meditation sessions and more.

Pros:

- Optimized for effective mental health support
- Immediate and direct access to support
- 10x more engagement than traditional EAPs
- Metrics to measure its success from a HR perspective

Cons:

- Specific to mental health support only

Ready to make a difference in your workplace?

At **nilo** we offer holistic mental health support for your whole company. With personalized offers tailored to your individual needs and situations, we ensure that your team gets the mental health support they need to thrive.
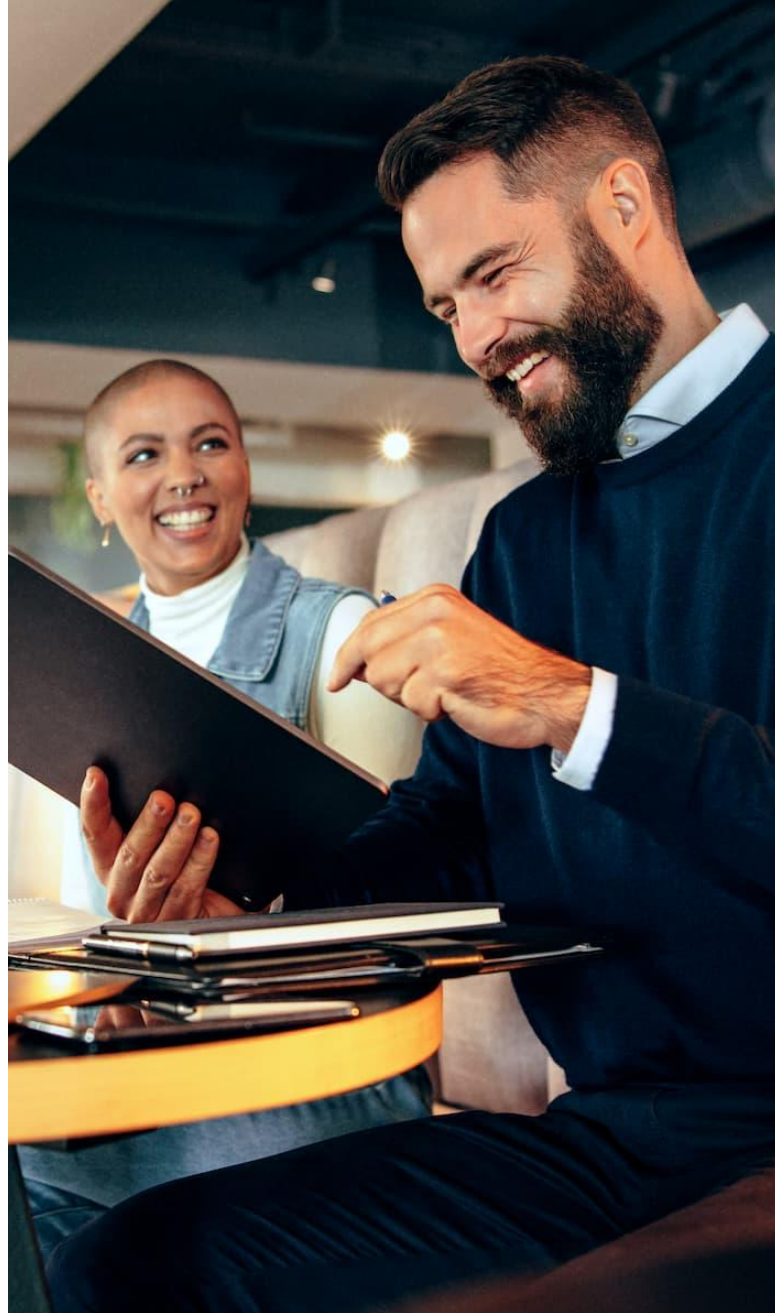
nilo is your partner in building a mentally healthy, psychologically safe company.

Reach out for a demo customized to your company now.