

# EMPATHY:

A POWERFUL TOOL TO  
SUPPORT EMPLOYEE  
WELL-BEING AND RESILIENCE

How Addressing Mental Well-Being  
Demonstrates Empathy at Work



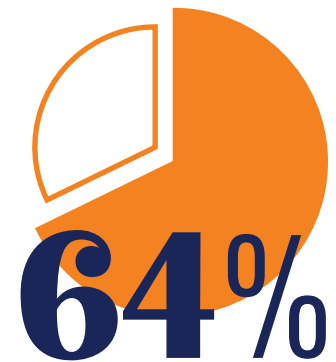
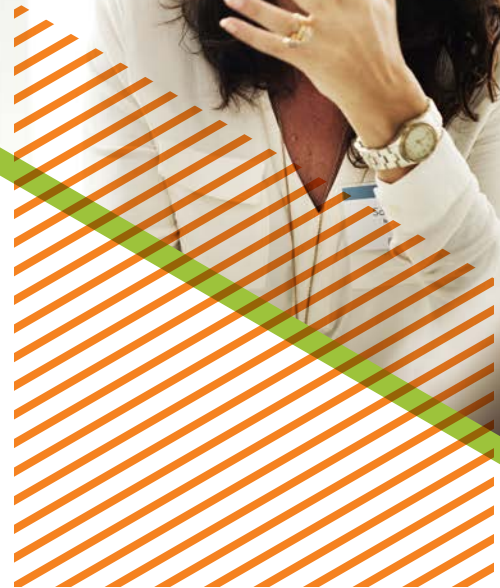
Mental health issues have soared in recent months, with uncertainty, stress and anxiety impacting many people. At this unique point in history, employers are in a prominent position to support employees' overall well-being, especially mental/emotional.

The findings from Businessolver's 2020 State of Workplace Empathy Study highlight the areas where employers have the most opportunity safeguard the well-being of their employees. Employees need to be as engaged and productive as possible, and mental health is a vital component of their stability and resilience.

American workers are experiencing issues with mental well-being in significant and increasing numbers. Even before the pandemic, an estimated 42 million people were dealing with some form of anxiety, and over 16 million adults were affected by depression. Experts predict that in the context of the pandemic, there is a likelihood of a substantial increase anxiety and depression, substance use and abuse, loneliness, and domestic violence.

As part of Businessolver's 2020 State of Workplace Empathy Study we examined perceptions of empathy at work from employees, HR professionals, and CEOs across a range of demographics and industries. We surveyed people of all ages and found that employees across all age groups experienced mental health issues in the past year: **57 percent of Gen Zers, 58 percent of Millennials, 48 percent of Gen Xers, and 31 percent of Baby Boomers. With the pandemic, these numbers are expected to rise: It's estimated at between 60 and 70 percent.**

Despite the prevalence and awareness of of mental health issues a strong stigma persists around mental health in the workplace. In our latest study, a staggering 8 in 10 employees, HR professionals, and CEOs all say that companies view someone with a mental health issue as a burden, and 92 percent of employees believe that employers should be doing more to address the overall needs and well-being of the workforce. Just 69 percent of employees believe all levels of their company are empathetic toward the mental health of employees.



of employees think if someone reached out to HR or management about a mental health issue, it would negatively impact their job security.



# The cost for employees and employers alike is troubling.

The impact of mental health issues on people's personal health and well-being is significant. However, it also has economic impacts. The World Health Organization estimates in the U.S. the annual impact to productivity is \$1 trillion. In addition, mental health issues carry direct costs for employers in terms of medical expenses and prescription drug spend, which can translate into serious indirect costs in absenteeism and lower productivity.

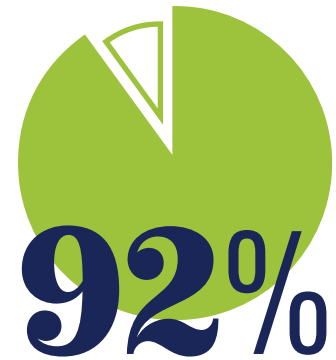
Additionally, both absenteeism and presenteeism — not being fully engaged or productive at work because of health issues — are common effects of anxiety, depression, and other mental health issues. In fact, it is estimated that depression conditions cost U.S. employers a total of \$210.5 billion per year, with 48 to 50 percent of that amount attributed to indirect costs of lost productivity in the workplace. Presenteeism is estimated to cost over \$78 billion a year, and when associated with depression, it results in 32 lost workdays per employee.

It's not that employers haven't been trying to address employee well-being. On the contrary, the explosive growth of wellness programs in recent years attests to the widespread recognition that employees need ways to improve their health, and that employers are willing to invest in preventive measures.

**It's become clear, however, that these programs aren't solving the underlying problems.**

The prevalence of absenteeism, presenteeism, and other mental health issues even before the pandemic points to the fact that total well-being has not been addressed in enough wellness programs. Fitness and nutrition are certainly crucial for well-being, but anxiety, stress, depression, and overall mental health must be accounted for to help employees with their overall well-being.

In the 2020 State of Workplace Empathy Study, 92 percent of employees say that employers should do more for overall well-being. Overwhelming majorities of HR professionals (100%) and CEOs (93%) agree with that statement. **Yet, here is where we see a disconnect between leadership and employees: 97 percent of CEOs say their company is emphasizing mental health, yet only 69 percent of employees agree.** For employers to support overall well-being, their employees must believe that mental health is a priority.



of employees say that employers should do more for **overall well-being.**



# Improved mental health for employees leads to better business outcomes.

Implementing programs and benefits that support mental health plays a critical role in fostering an empathetic workplace. Support for employees' total well-being, and the empathetic environment this engenders, has tangible benefits for organizations that make this approach part of their culture.

How does supporting holistic well-being, including mental health, benefit the bottom line? **The following outcomes are clear improvements for businesses:**

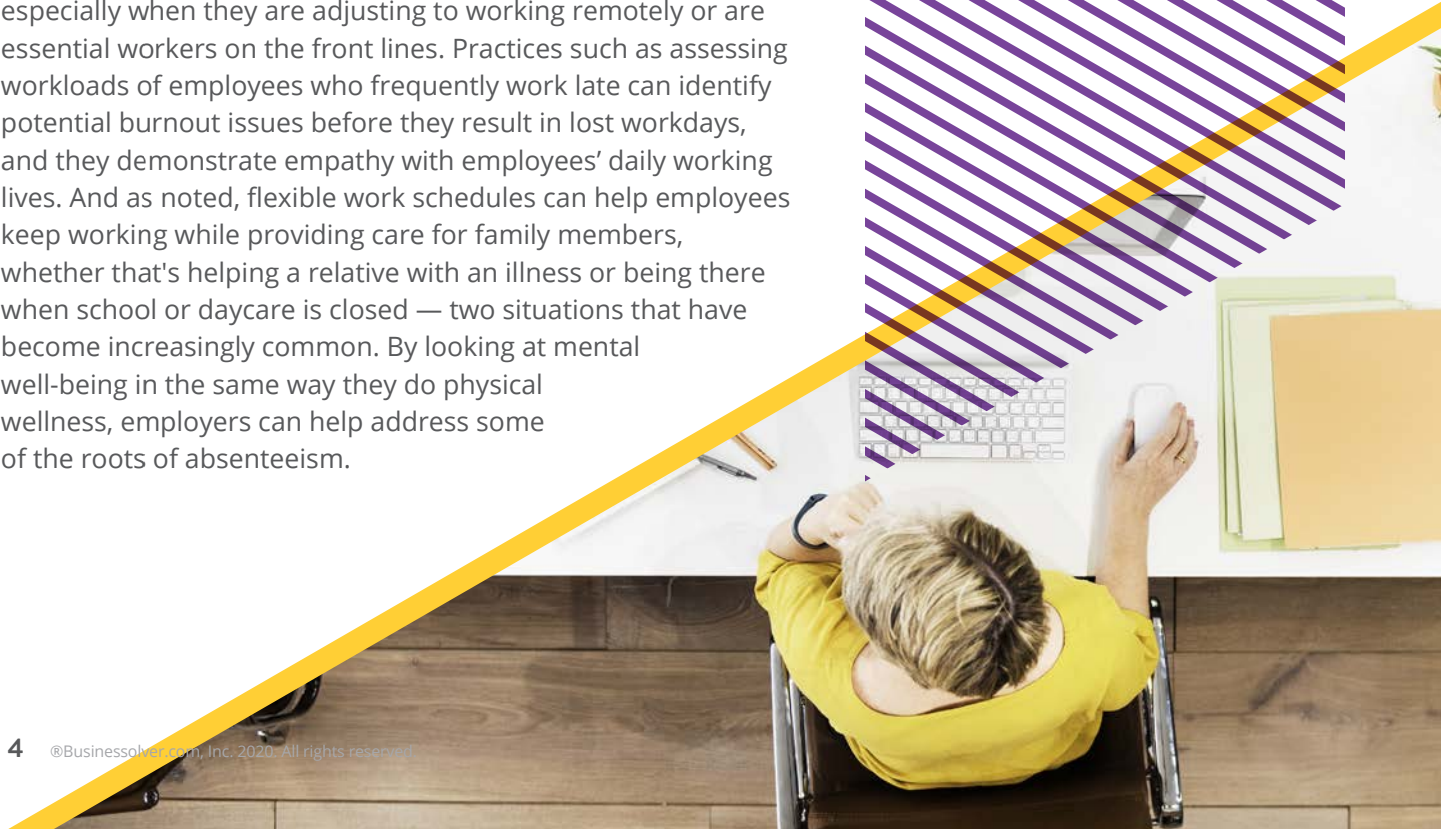
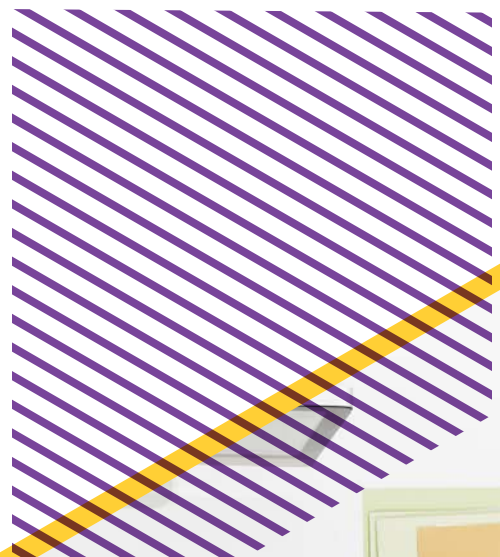
- ▶ **Reducing absenteeism.** Absenteeism is estimated to cost \$23.3 billion a year. Missing work stems from a variety of reasons, including stress and burnout, along with work/life balance issues. By implementing or strengthening programs and benefits that support mental well-being, from offering coverage options for mental health services, to addressing workload management, to providing flexibility, employers can address the absenteeism arising from these numerous causes.

For example, coverage of mental health services is noted as important for well-being by 94 percent of employees. **If they have access to comprehensive medical care, employees can stay healthier in mind and body, which leads to fewer sick days.**

Burnout and feeling overworked can also lead to unexpected absences as employees feel overwhelmed by their workload, especially when they are adjusting to working remotely or are essential workers on the front lines. Practices such as assessing workloads of employees who frequently work late can identify potential burnout issues before they result in lost workdays, and they demonstrate empathy with employees' daily working lives. And as noted, flexible work schedules can help employees keep working while providing care for family members, whether that's helping a relative with an illness or being there when school or daycare is closed — two situations that have become increasingly common. By looking at mental well-being in the same way they do physical wellness, employers can help address some of the roots of absenteeism.



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► **Improving employee engagement and productivity.**

Presenteeism, or being at work but not being fully productive, is a significant cost to employers. Addressing mental well-being helps employees' total health, and hence their ability to be fully engaged when they're working. This is particularly important with conditions related to depression, where presenteeism is estimated to cost 37 percent of the overall \$210.5 billion annual cost to businesses.

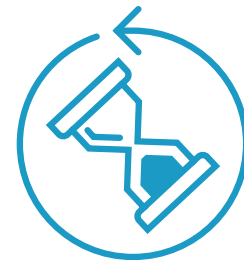
Confronting the stigma around mental health and ensuring that employees have support and flexibility to manage their workloads and their lives leads to healthier employees. This in turn allows them to be more productive and engaged at work. **A healthy workforce is an investment in greater productivity, and mental well-being is as important to this investment as physical health.**

Better employee engagement and greater productivity takes many forms, such as the 74 percent of employees who would be willing to work longer hours for their employer who demonstrates empathy. Organizations that are leaders in engaging their employees also see better customer outcomes and an estimated 21 percent greater profitability over those who do not have robust employee engagement.

- **Managing turnover.** A holistic approach to employee well-being and mental health doesn't just help with missed workdays and lost productivity — it fosters the empathetic environment that reduces voluntary turnover across an organization. In fact, **90 percent of employees say that an employer who recognizes the importance of mental health is more likely to retain employees**, which may be an important long-term objective. Employers that demonstrate empathy as the COVID-19 pandemic evolves may be best positioned for faster, more targeted recovery.

Many employers have shed workers and are relying on the remaining staff to remain productive and focused. After layoffs, losing valuable, experienced to voluntary turnover employees can be extremely disruptive and impact an organization's ability to get work done.

Developing or strengthening a culture of empathy can improve those efforts and make the difference for employers.



**74%**

of employees would be willing to **work longer hours** for an empathetic employer.

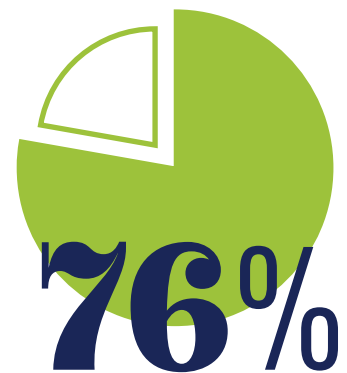


## Employers need to take action now.

Supporting mental well-being creates an empathetic work environment and drives better business outcomes. As productivity and engagement remain vital, workplaces that value empathy have a clear advantage. Seventy-eight percent of employees indicate that empathy results in more motivated employees and 76 percent believe empathy drives productivity.

**What can organizations do to help their employees? Based on our study results, these are the right places to focus:**


- ▶ **Support flexibility and work/life balance.** We've noted how today's workforce is balancing myriad personal obligations along with their work, and the need for understanding flexibility is continually growing. Providing options for flexible schedules and time off to address personal and family issues is crucial for empathizing with employees at all life stages and reducing employees' stress over managing their responsibilities in and out of the office.
- ▶ **Keep the door open.** Employees believe their manager has the greatest impact on the level of empathy in the workplace. Developing a culture that values encourages employees to reach out and communicate with managers at any time can help overcome the persistent stigmas around mental health. Shining a light on the challenges that employees are facing will help to reduce the number of people who think companies view those with mental health issues as a burden, and who may fear for their job security. Open communication is the best way to start this process.




of employees believe **more productive employees** are a product of an empathetic organization

▶ **Make employees feel welcomed.** Nearly a quarter of employees said there isn't a true sense of belonging in their workplace, and this disconnection can exacerbate loneliness issues, which also affect employees' mental well-being. An empathetic environment — whether it's in a physical location or remote — is vital for making employees feel heard, understood, and valued. We spend much of our waking hours working, so ensuring that all employees feel they belong is critical for our day-to-day lives. From embracing diversity to making sure new employees have colleagues to act as resources of information, organizations can make everyone feel welcome in their workplace.

▶ **Offer benefits for total well-being.** The 2020 State of Workplace Empathy Study reinforces that benefits are an effective way to demonstrate empathy — 92 percent of employees, 97 percent of HR professionals, and 95 percent of CEOs agree on this point. These benefits must take a person's entire well-being into account, including coverage for mental health and physical health needs, as well as financial wellness. Financial concerns are widespread, with younger employees grappling with student loan debt and older employees juggling the need to save for retirement while handling caregiving costs for children and elderly relatives, among other challenges. Finances continue to play a key part in employees' stress and anxiety. As a result, employers need to offer benefits packages that are designed to address the needs of a diverse workforce and all aspects of employees' well-being.



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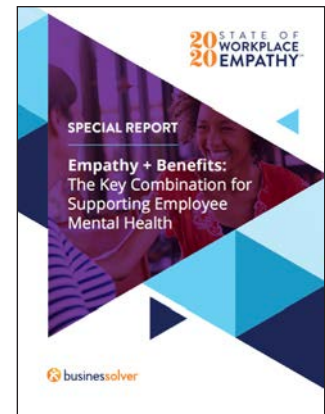


# It's better for people, and it's better for business.

By recognizing the importance of mental health and taking tangible steps to support it, employers will safeguard their bottom line. Reducing absenteeism and presenteeism and increasing employee engagement are immediate gains, while maintaining the productivity necessary for economic recovery is a longer-term goal. Benefits and programs that clearly support mental health contribute to a culture of empathy, which develops a positive feedback loop on all accounts — employees want to work for an empathetic employer, and they will work harder, while potential employees see the engagement and culture at an empathetic organization and want to be a part of it, which will be important as the economy recovers and hiring resumes.

But beyond these benefits, supporting mental health and employee well-being helps individuals in our “always-on” culture. There is a reason that employees value support for mental health, and it’s because stress and anxiety don’t stop just because the workday begins. Whether it’s juggling work and family, or dealing with financial issues, the things that Americans are struggling with need to be addressed so that employees can bring their full attention to their work.

**An organization’s greatest value comes from its people, and fostering their well-being strengthens the entire workforce and by extension, the business as a whole.** This is how empathy becomes part of the fabric of an organization — through understanding and experiencing the feelings of others and implementing the benefits and strategies that meet their needs. That authentic cultivation of empathy brings tangible benefits to organizations in the present, and into the future.



Find more insights on the connection between empathy, benefits and mental health in the workplace.



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