



How Are Your Employees Feeling? A Guide to Workplace Mental Health

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Fostering Employee Mental Health in the Time of COVID-19 and Beyond

According to a recent [Paychex survey](#) of small businesses, the COVID-19 pandemic has had a profound effect on the mental health and well-being of many employees.

Forty-three percent of employees we surveyed say their mental health is worse now than prior to COVID-19. More than a third report increased anxiety. Other issues include depression, lack of motivation, reduced focus, insomnia, and an increase in alcohol consumption or substance abuse.

On any given day, employees may be dealing with issues that can impact their mental health, such as family members recovering from the virus, kids home from school, or generalized anxiety about the state of the world. Whatever their situation, there is no doubt that many employees are dealing with emotional, financial, physical, and social challenges.

Social isolation, economic uncertainty, adjusting to new ways of working, and dealing with an unprecedented public health crisis — any one of these would be a major source of stress for employees. But with the pandemic, many are experiencing some, if not all, of these stressors at once.

Employers are also coping with challenges such as addressing workplace safety and keeping their businesses up and running. They need a workforce that is stable, energetic, and focused. Investing in employee mental health and wellness programs may help businesses move forward as the country returns to work.

Employee mental health today

<p>Our survey found that in small businesses (2 to 99 employees), one in every four workers reported experiencing mental health problems.</p>	Increased anxiety	31%
	Decreased enthusiasm	24%
	Decreased motivation	22%
	Reduced focus	21%
	Increased depression	20%
	Decreased teamwork	16%

An earlier Paychex [study](#) conducted at the beginning of the pandemic had similar findings. In that survey, about half (51%) of respondents said their mental health had worsened. And about a third of workers reported having difficulty working at their usual level of productivity, even if they did not report mental health issues per se.

It should be noted that mental health issues were also present before the pandemic. According to the [National Institutes of Mental Health](#), nearly one in five American adults live with some degree of mental illness, ranging from mild to severe. Employee mental health issues are likely to be an ongoing challenge for employers. For this reason, businesses may want to have a long-term mental health strategy in place.

The high cost of feeling bad

Mental health issues can take a toll on businesses in immeasurable ways, including lost productivity, absenteeism, turnover, morale, and substandard performance.

Even moderate problems, such as mild stress or burnout, can cause employees to lose focus, feel demotivated, and call in sick more often. While some costs are harder to measure, others directly affect the financial bottom line. For example, employee turnover can come with a high price tag in training and replacement costs.



Employer concerns on how mental health issues may impact their business:

- Decreased productivity
- Absenteeism
- High turnover
- Lower team morale
- Increased potential for errors
- Loss of customers
- Higher healthcare costs



The employer awareness gap


Our survey shows that while many employees reported suffering from anxiety, depression, and the inability to focus at work, employers have a different perspective. The principals we surveyed say that employee mental health has improved since the COVID-19 pandemic began, while many employees report that it has worsened or stayed the same. Employers are also more positive about performance, attitude, and management/employee relationships than employees.

In other words, there is a gap in perception between employers and employees about mental health. Employers may simply not be aware of these issues because employees aren't reporting them, which could be in part due to the stigmatization of mental illness.

In addition, while there are observable symptoms for measuring physical illnesses such as diabetes and heart disease, mental illness can be more difficult to measure and can even go undiagnosed. Almost a third of the principals surveyed report having a harder time gauging their employees' mental health compared to pre-COVID-19, while only a little over a quarter (26%) have a way to measure employee mental health.

While employers may not be completely aware of employees' mental health issues, they are acutely aware of the negative impacts to business such as decreased profitability, loss of customers, and high turnover.

In fact, some employers surveyed said that employee mental health is more important than other critical business concerns such as cash flow, finding new customers, or staying current on technology.



18% of employers surveyed say employee mental health is more important than cash flow.

14% say it's more important than finding new customers.

26% say its importance outranks staying current on technology.



What are the top employee stressors?

In our survey, employees reported that their top five professional stressors are:

Fear of contracting COVID-19 at work	33%
Uncertain job future	20%
Work responsibilities	11%
Issues with a co-worker or manager	6%
No means to confidentially raise work concerns	5%
Adjusting to new job responsibilities	5%

Their five personal stressors are:

Fear of contracting COVID-19	34%
Financial worries	21%
Isolation	17%
Not enough exercise	16%
Retirement savings	15%

In addition, eight out of ten employees say it's important that employers support both their physical and mental health. Sixty percent say they would be more apt to work for a company with mental health and wellness programs. However, nearly 40% of employees in our study say their organization has failed in this regard.



Defining Mental Health: The Four Pillars

Employee mental health problems range across a broad spectrum from burnout and situational stress, to substance abuse and depression. When their needs are being met, employees are more apt to be positive, productive, and present in their workplace. These needs can be categorized in four areas, or the “Four Pillars of Mental Health”:

- Emotional — Managing thoughts, moods, and emotions constructively; feeling positive and enthusiastic about life and work
- Financial — The sense of security and peace of mind that comes with living within your means, making informed financial decisions, and planning a retirement future
- Physical — Caring for your body to stay healthy now and in the future
- Social — Community, social support, learning from others

To many employees, the workplace is not just a place to work, but a central place in their lives where they make friends, have a sense of community, and feel they have a purpose. When a workplace is negative and toxic, it can cause stress and anxiety. Conversely, a positive, supportive workplace can make a powerful difference in an employee’s overall well-being.

A Mentally Healthy Workplace is Good for Business

Six Tactics to Help You Create One

A mix of programs, benefits, culture, and technology can enhance employees' sense of well-being. The first step is to define and update any policies related to mental health. Employees need to know how to behave in the workplace and the company stance on issues such as substance abuse, drug testing, and how to report incidents. Your policies should convey that the company won't stigmatize employees who are struggling and that there are resources available for support and treatment. From there, you can start to craft an effective mental health and wellness program with these tactics:

1. Offer an Employee Assistance Program

Employee assistance programs (EAPs) offer free, confidential services in a broad range of categories. According to our study, roughly one in five principals is extremely or very likely to offer an EAP within the next 12 months.

Services can include:

- Work/life training courses
- Stress-reduction programs
- Legal consultations and referrals
- Confidential, professional mental health counseling or counseling referrals
- Concierge to help find child or eldercare services, contractors, relocation services, even pet care
- Financial fitness programs
- Diet, nutrition, and exercise programs



2. Communicate and check in

One of the biggest obstacles to getting help is the fear of disclosing mental health issues in the workplace. In a [2020 Paychex survey](#), more than half of respondents (54%) said they felt uncomfortable talking to their managers about mental health. Some even feared that discussing it could lead to being fired or furloughed or may cost them a promotion.

Regular meetings may give supervisors the ability to gauge how the employee is feeling and enable employees to develop trust so that the employee feels more comfortable talking about mental health concerns.

Discussions can include:

- How the employee is feeling and any issues they may have
- Solutions available to them: benefits, flexible scheduling, EAP
- Career pathing and performance management
- Any changes to the business that may affect the employee

A confidential online communication system can enable employees and managers to have conversations about concerns. If employees don't feel comfortable talking to supervisors, they may prefer talking to a neutral party such as an HR professional.

3. Provide education

A company's culture is made up of the people, places, activities, and attitudes that develop over time and can become second nature. Education can be a big part of shaping cultural values.

- Train managers how to spot signs and symptoms of a depressed mood or other issues and how to refer the employee to seek professional help
- Distribute materials that create mental health awareness, such as wall posters and emails
- Host workshops or “lectures at lunch” on stress management techniques
- Get feedback from employees to help define the company mental health policy and be sure it's distributed in the employee handbook and other materials



4. Offer a rich mix of benefits

According to our study, 60% of employees report that mental health support programs and benefits are important when considering whether to work for a company. Overwhelmingly, flexible scheduling was the most desirable benefit to the employees we surveyed. Other work/benefits they reported as wanting included:

- The option to work remotely
- Regularly scheduled employee/manager check-ins
- Responsive and confidential communication on HR-related questions
- Assistance finding caregivers for children, elders, or other family members
- Nutrition or fitness programs
- Programs that offer referrals for financial assistance support

In addition to these “work/life balance” benefits, traditional benefits such as health insurance plans and retirement benefits are essential for both the recruitment and the well-being of current employees.

5. Adapt HR technology that makes work more meaningful

The latest HR technology can help save time, empower employees to self-manage, and reduce the frustration of dealing with outdated manual systems. For employees responsible for administrative duties, automation can cut down on repetitive and tedious tasks so that they can focus on more meaningful job functions. Self-service mobile apps may allow employees to clock in and out, check pay status, and get other services from their laptops or smartphones anytime, from anywhere.



6. Make data-driven decisions

To improve employee health, you must first assess the situation. Data analytics technology can provide interactive reports and visualizations of what's happening in your company. One of the most useful tools enables you to track turnover in individual areas of your business. In what functions do you have the most turnover? Are employees leaving due to stress or other reasons? You can also look at specific patterns that may indicate a stressful situation — which employees are working too much overtime, for example. Or you can track which areas of your company are losing revenue and determine if they may be impacted by low employee performance.



The Four Pillars of Mental Health

Paychex solutions can help you reduce cost, save time, and enhance your employees' health across all four categories.

Emotional

Enable mental health referrals — Our employee assistance program (EAP) offers confidential support, such as referrals for counseling and a concierge service, to help improve productivity.

Communicate better at work — Help connect isolated employees, confidentially report issues to administrators, and track interactions with managers in Paychex Flex®.

Simplify professional development — Ease stress with goal setting, career pathing, and our learning management system (LMS).

Financial

Support employee finances — FinFit® financial wellness program helps employees manage their finances with tools and education, including short-term employee loans.

Help with retirement saving — Offer a 401(k) or other retirement plan that's easier to manage through payroll deductions, mobile access, and support for automatic increases, financial advisors, calculators, and loans.

Offer flexible pay options — Reduce financial stress with reliable, timely access to earned wages on a prepaid card and real-time access to earned income (before payday, if needed), plus other helpful tools.

Physical

Provide ongoing health coverage — Support employees after separation from your company and comply with federal and state mandates with easy-to-administer COBRA and state continuation.

Improve physical wellness — We offer an EAP through industry leader eni. Use it to provide tools and coaching to employees that can help them live a healthier lifestyle.

Help keep employees safe — Our programs and training can help you achieve OSHA compliance in order to reduce employee injuries and illness and maintain productivity.

Social

Improve workplace culture — Your Paychex HR professional can help identify opportunities to improve employee well-being and discuss how to improve hiring, retention, and turnover.

Show employees they're heard — Engage your employees with surveys and feedback to give them ownership in the company and improve their workplace experience.

Get actionable insights — Our HR technology platform, Paychex Flex, includes detailed analytics, helps with necessary documentation, and improves communication to help address mental health issues.

About Paychex

Paychex, Inc. (NASDAQ: PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 45 years of industry expertise, Paychex serves more than 680,000 payroll clients as of May 31, 2020, across more than 100 locations in the U.S. and Europe and pays one out of every 12 American private-sector employees.

Read the full [survey report](#).

Learn how Paychex can help you improve mental health in your workplace, reduce costs, and improve productivity:

- Visit <https://www.paychex.com/worx/employee-mental-health>
- Call 800-322-7292
- Email sales@paychex.com

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Paychex survey: 500 U.S. SMB principals and employees — 250 each — at organizations with 2 to 99 employees. Survey was fielded December 10-30, 2020

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