



Your Employee and Family Assistance Program is a support service that can help you take the first step toward change.

Workplace strategies for positive mental health



Increasing workloads, rapid technological change, shifting market demands and lack of work-life balance are taking a psychological toll on employees – and a financial toll on organizations. Mental health issues cost the Canadian economy more than \$16 billion a year and depression alone costs U.S. employers more than \$23 billion. However, those costs are much higher when hidden costs related to presenteeism (workers who are on the job but not functioning well because of physical or mental issues), replacement of resources and personnel, overtime and the effects on the morale of other team members are factored in.

Mental health issues are now a leading cause of short- and long-term disability in North America. In Canada, 78 percent of short-term disability claims and 67 percent of long-term claims are related to mental health. However, it's not only North American companies that are being affected. The World Health Organization has stated that by 2020, depression will be the leading cause of disability worldwide.

The impact of employee mental health on organizational success is clear. But what can organizations and managers do to support the psychological health of their people and the economic health of their business?

Supporting mental health

One North American study found that 80 percent of workers experience stress on the job and 30 percent feel extreme stress. More disturbing is the fact that 26 percent feel they are often burned out. For businesses, employee stress and burnout not only result in increased absenteeism and disability leaves, but also increased errors, accidents, interpersonal conflicts, and benefit costs as well as decreased productivity, innovation and customer service.

What exactly is causing this stress? According to one U.S. study, 46 percent of respondents cited workload, 29 percent blamed interpersonal issues, 20 percent said juggling work and personal responsibilities were the cause of their stress and six percent worried about job security. Approximately half said they needed help managing their stress and 42 percent felt their coworkers needed help.

As a result, more and more organizations are focusing on creating workplaces that support the psychological health of employees.

Psychologically healthy workplaces

A psychologically healthy workplace has many components, including:

- Fosters trust in managers, supervisors and senior management Provides employees at all levels with a clear understanding of the organization's vision and strategy
- Clearly defines employees' duties and responsibilities
- Allows people to voice their opinions on subjects that concern them
- Recognizes good work and service
- Finds ways to have fun as a team

- Manages workloads
- Promotes work-life balance
- Encourages respectful behaviours
- Has conflict resolution practices in place
- Provides professional training and learning opportunities
- Has workplace programs in place to help reduce the stigma of mental health issues
- Provides resources, such as an Employee and Family Assistance Program, for those seeking help

How many of these does your workplace have in place?

Supporting employees

There is no blueprint for creating a psychologically healthy workplace because every workplace is different. The first step for any organization or manager is to understand their employees – the demographics, job demands, and professional and personal stresses – and then find unique and innovative ways to support them. One company that has long led the way in creating a psychologically healthy workplace is Microsoft. Aside from offering flexible hours, great health benefits (including free physician house calls!), excellent parental leaves, free gym memberships, a volunteer and gift-matching program. Also their head office in the Seattle area provides a free shuttle service (with WiFi) to transport people to and from work, environmentally sustainable on-site cafes and kitchens as well as a spa, soccer field, bank, dry-cleaning service, salon, retail shops, and 11 restaurants.

Most organizations don't have the resources or space to provide such extensive services but even small initiatives such as flexible hours or telework can demonstrate an organization's concern for the well-being of its people. At Simon Fraser University in Burnaby, B.C., employees have access to a nap room to help them rest or relax during a busy or stressful day.

While workplace programs are important, managers who know what to do when employees are in distress are the real key to any successful workplace mental health strategy.

The role of managers

Forty-four percent of managers have had no training on how to manage employees with mental health issues. Managers want and need, more workplace training in order to bridge this gap.

This training should include:

- Identifying conflicts and distress in the workplace
- Conflict resolution skills
- Recognizing what behaviours contribute to a toxic environment
- Encouraging appropriate and respectful workplace conduct (no raised voices, ridiculing others, bullying or intimidation)
- Understanding where to direct employees for further support and information

Employee health is organizational health

Both organizations and their managers need to remain adaptable and flexible in maintaining a psychologically healthy workplace. North America has a multi-generational and culturally diverse workforce and a one-size-fits-all approach to organizational health and productivity no longer works. Programs must be continually assessed and adjusted to meet changing demographics and needs.

© 2026 LifeWorks (Canada) Ltd. Your program may not include all services described on this website, please refer to your benefit material for more information. For immediate assistance, call 1.844.880.9137.