

# How Helping Employees Cope with Mental Illness Can Improve Your Company's Bottom Line



Investing \$100 in mental wellness may return \$1,800 in productivity enhancements.

Employer healthcare plans have traditionally been reactive. Coverage kicked in only if and when the employee required medical care. Then along came [wellness](#) and the strategy became proactive. **The theory:** Treatment is more expensive than prevention. So, getting employees to take better care of their bodies costs less than treating them after they become ill.

The same logic would seem to apply to mental health. But for some reason, CEOs have been reluctant to invest in programs to assist employees for mental health issues. Resistance to such program remains strong despite the growing body of evidence showing that mental health is a widespread problem in the workplace and that it renders the workforce less productive. “Employers have been slow to adopt” mental health outreach and treatment programs, according to a [seminal study](#) from the *Journal of American Medical Association* (JAMA), “based on lack of evidence of their cost-effectiveness.”

The JAMA study shows that systematic efforts by employers to identify and treat mental illnesses in the workplace do in fact generate a significant and [positive return on investment](#). Helping employees cope with and overcome the debilitating effects of a mental illness, in other words, isn't just a “nice thing to do.” It enhances productivity. And that puts money directly into the company's pockets. Although it was published in 2007, the JAMA study is particularly relevant today as companies wrestle with [post-pandemic workplace mental health challenges](#). Here's how to use it to persuade your own CEO that workplace mental wellness programs are a wise investment.

## **Mental Health & Productivity**

Entitled “Telephone Screening, Outreach, and Care Management for Depressed Workers and Impact on Clinical and Work Productivity Outcomes,” the JAMA study evaluates the effects of employer depression outreach-treatment programs on workplace outcomes. Specifically, the researchers set out to determine if treating employees for depression helps companies increase profits.

The study method used a randomized controlled trial involving 604 employees who were identified in a two-stage screening process as having significant **depression**. The researchers concentrated on individuals with mainstream ailments and deliberately excluded outliers like employees with lifetime bipolar disorder, substance disorder, recent mental health specialty care or suicidal tendencies.

The researchers randomly divided the participants into 2 groups. The first group was chosen to participate in an intervention in which they received telephone support from a care manager and their choice of telephone psychotherapy care, in-person psychotherapy or antidepressant medication. Participants in the second, or non-intervention group, only received feedback about the results of their screening and advice to seek care from their usual provider.

At 6- and 12-month intervals, the researchers compared the two groups in terms of severity of depression and workplace performance on the basis of criteria from a World Health Organization (WHO) Health and Productivity Questionnaire. Such criteria included:

- Job retention—whether the employee was still working for the company;
- Work time missed; and
- Involvement in critical **workplace**

## The JAMA Study Findings

Members of the intervention group were found to be more mentally sound and productive than their colleagues who didn't receive intervention services. After 12 months, the members of the intervention group:

- Were 40% more likely to have recovered from their depression;
- Had significantly greater rates of improvement (31% v. 22%);
- Were less likely to experience remission (26% v. 18%); and
- Had higher job retention rates (93% v. 88%).

Of particular significance for HR directors trying to build a business case, the intervention group members were also found to be more productive than the members of the non-intervention group. In addition to being 70% more likely to have stayed employed with the company, the members of the intervention group worked an average of 2 more hours per week than members of the non-intervention group.

Based on these results, the researchers concluded that a “systematic program to identify depression and promote effective treatment significantly improves not only clinical but also workplace outcomes.” Such results contribute directly to profitability. According to the study, “the financial value of the [improvement on workplace outcomes] to employers in terms of recovered hiring, training and salary costs suggests that many employers would experience a positive return on investment from outreach and enhanced treatment of depressed workers.”

Best of all, if you're an HR director, the researchers assigned a specific dollar value to these benefits. It cost employers about \$100 to \$400 per employee per year to provide services to the employees in the intervention group, according to the researchers. However, the value of the additional hours that the employees in the intervention group were able to work as a result of receiving these services was worth an estimated \$1,800 per employee per year to the employer. So, the dollars spent on treating employees' depression proved to be an excellent investment.

## Practical Impact on You & Your Company

Past studies have documented that employees who suffer from mental health problems are more apt to be absent and less productive even when they do show up (this phenomenon is known as [“presenteeism”](#)) than employees who aren't suffering from a mental illness. Other studies have demonstrated that organized screening and enhanced treatment is an effective way to diagnose and treat mental illnesses. But there hasn't been much research that actually connects the dots and shows that investing corporate resources on treating mental illnesses improves productivity and thus the company's bottom line. And, in the business world, the importance of having such evidence can't be understated.

The significance of the JAMA study is that it furnishes some of the evidence HR directors need to get over the hump and build a solid business case for workplace depression programs. The JAMA study is ammunition that you can use to demonstrate how screening, outreach and treatment programs for workplace mental health improves a company's financial performance. What's more, the JAMA and the NIMH are highly reputable and creditable sources, not just in the U.S. but in Canada. This lends even greater weight to the study.

### Takeaway

We know that employees suffering from a mental illness rob a company of productivity. We also know that diagnosing and treating mental illnesses cost money. And now we also have tangible proof of what has previously only been intuitively true: that the money a company spends on diagnosis and treatment of mental illness reaps even greater rewards in the form of productivity enhancement. You therefore need to be aware of the JAMA study and how it can help you build a solid business case for combating mental illness in your workplace.