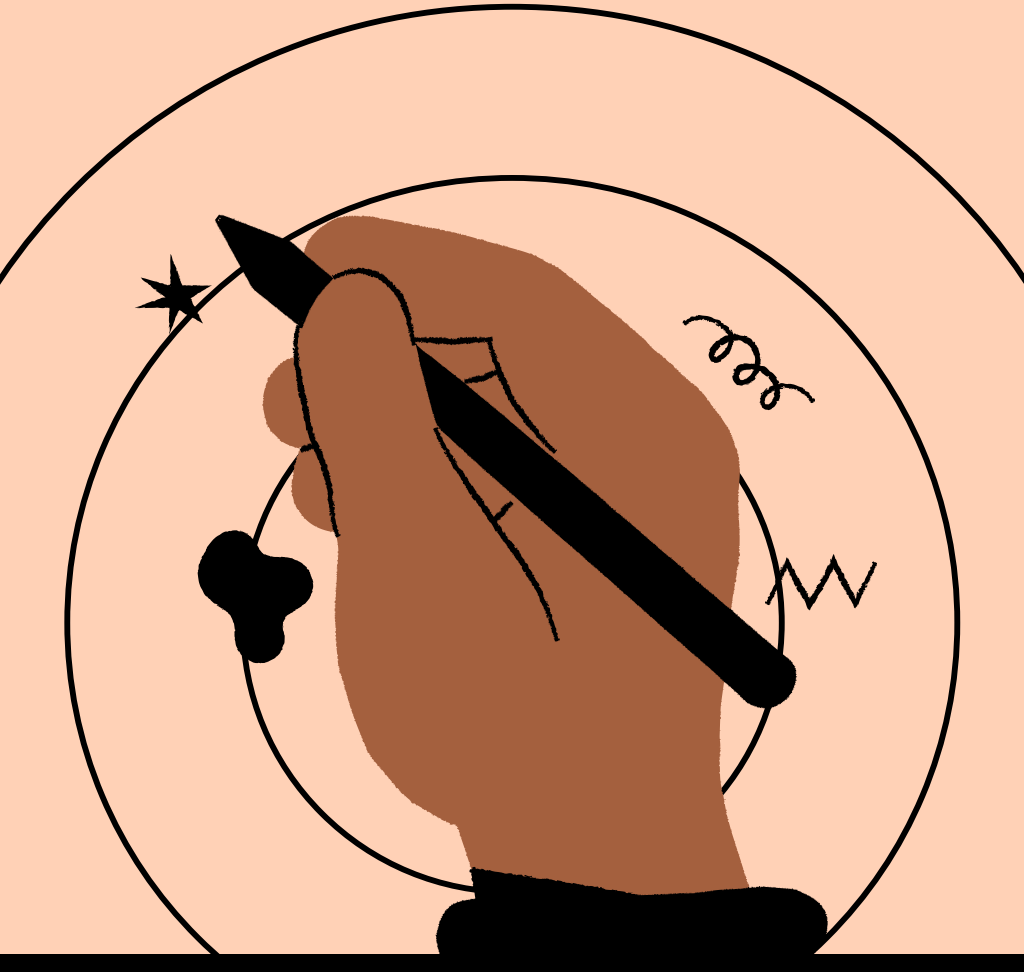


THE STATE OF MENTAL HEALTH
IN THE WORKPLACE

A Practical Guide for Employers Navigating a New Era of Workforce Well-Being

By Lizz Forth



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INTRODUCTION

Nearly [1 in 5 U.S. adults experiences a mental health condition](#) each year, yet a significant portion never receives treatment. That reality shapes how people show up across every part of their lives, including their work.

Employees are bringing stress, burnout, anxiety, financial pressure, caregiving responsibilities, and uncertainty into their workday, and those factors shape how they show up, perform, and engage. At the same time, employers are investing more than ever in benefits and support systems intended to address these challenges. Despite that investment, utilization remains inconsistent, satisfaction is uneven, and outcomes often fall short of expectations.

My perspective on this comes from two angles that don't often intersect. A background in psychology has shaped how I observe and analyze human behavior across different environments—how people respond to pressure, how stress shows up in subtle ways, and how everyday systems either contribute to or alleviate it. It has also led me to question what makes work feel sustainable and meaningful, and what gets in the way. A career in growth marketing within the HR and PEO space has provided visibility into the full employee lifecycle—from how organizations attract and position themselves to candidates, to how they support, engage, and retain employees over time. That vantage point reveals a consistent pattern: a disconnect between what employers believe employees need and what employees actually experience and value. That disconnect is the core tension shaping workplace mental health today. There is no shortage of solutions in the market. What's missing is alignment between intention and execution, access and action, offering and experience.

This guide is designed to close that gap. It synthesizes emerging trends across workforce mental health, identifies where organizations are still falling short despite increased investment, and outlines practical, detailed strategies employers can implement to better support their people.

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OVERVIEW

Across recent research from leading mental health and workforce organizations, a consistent pattern is emerging. The conversation around mental health has matured. Awareness is high, stigma has decreased, and employees are more willing to talk about their experiences than they were even a few years ago. Execution, however, has not kept pace with that awareness.

Despite growing employer investment in mental health benefits, data from [Lyra Health](#) indicates that utilization of even high-quality, employer-sponsored programs reaches only about 9% of eligible employees, underscoring the persistent gap between availability and actual use.

Eighty-seven percent of employees said play a moderate to significant role in their decision to stay with their employer.¹ More specifically, 69% say mental health benefits are very or extremely important to their job decisions and yet, 66% say they've only occasionally, rarely, or never used their employer's mental health benefits.²

Several themes are shaping the current landscape of workplace mental health, but they point to a common tension between progress and impact. Mental health challenges are more visible and more normalized, yet their severity and frequency are not meaningfully improving. Benefits strategies continue to expand, but many still rely on broad, one-size-fits-all approaches that fail to reflect individual needs. Even access to care, while improved on paper, does not consistently translate into engagement, often because of how those services are delivered. At the same time, artificial intelligence (AI) is reshaping the landscape, introducing new anxieties while also creating opportunities to rethink how support is accessed and experienced.

The sections that follow explore each of these trends in depth, along with specific ways organizations can respond more effectively.

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² Spring Health

TREND 1

The State of Mental Health

Mental health in the workplace has moved from a peripheral issue to a defining one. Employees are more open about their struggles, and organizations are more willing to acknowledge them. That visibility, however, has not translated into a meaningful improvement in overall well-being.

Burnout continues to surface across industries, often in quieter but more sustained forms than in previous years. In fact, 81% of employees have experienced burnout in the last year with managers feeling it the most.¹

Rather than acute spikes, many employees are experiencing chronic stress that erodes focus, motivation, and energy. Presenteeism, or being physically present while mentally checked out, has become increasingly common, creating the appearance of productivity while diminishing actual output. Additionally, anxiety and depression remain widespread, and sleep disruption and cognitive fatigue are emerging as critical, though often overlooked, performance factors.

Lyra Health reported that 65% of organizations report more mental health-related leave or disability. These findings highlight a workforce that is still functioning but not operating at full capacity.

COMMON MISCONCEPTIONS ABOUT WORKPLACE WELL-BEING

1. Equating productivity with overall well-being
2. Framing burnout as an individual issue rather than systemic
3. Assuming flexibility solves complex mental health needs

Levers for Meaningful Change

1. Redefine Performance Through a Well-Being Lens

Organizations need to expand how performance is defined and measured. Output alone does not capture sustainability. Incorporating workload expectations into performance conversations creates a more realistic view of employee capacity.

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This can take the form of integrating workload discussions into regular performance reviews, where managers assess not only what was delivered, but how it was delivered. Patterns, such as repeated after-hours work, compressed timelines, or consistently high meeting invitations, should be treated as signals worth addressing. This creates a culture where sustainable performance is recognized and reinforced, rather than quietly sacrificed.

2. Normalize Mental Health Conversations in Practice

About half of employees wish they could be more open talking about mental health at work and nearly the same amount would worry about losing their job if they were to talk about their mental health at work.⁵

Creating a safe space for sensitive conversations requires more than encouraging openness, it requires structure. Leadership plays a critical role in setting the tone. When executives share their own experiences in a thoughtful way, it signals that these conversations are acceptable.

At the team level, managers can introduce structured check-ins that go beyond surface-level questions. A monthly “workload calibration” conversation, for example, can guide employees through assessing priorities, identifying pressure points, and adjusting expectations before stress compounds. These conversations should feel routine rather than reactive, helping to normalize mental health as part of everyday operations.

3. Address Workload Design

Many organizations focus on building employee resilience without examining the systems creating strain. A more effective approach starts with understanding how work is structured. This can involve auditing meeting volume, analyzing after-hours communication patterns, and identifying areas where role ambiguity is creating unnecessary friction.

From there, organizations can introduce protected focus time, reduce redundant meetings, and clarify ownership across teams. These changes often have a more immediate and measurable impact than individual-focused interventions.

4. Build Rest into the System

Rest should not depend entirely on individual initiative. Organizations can reinforce recovery by creating systems that support it.

⁵ Mind Share Partners

Managers can encourage their teams to take time off, rather than simply offering it. Company-wide recharge days or structured slow periods can create shared space for rest without placing the burden on individuals to step away independently. This shifts the perception of rest from being an exception to an expectation for mentally resetting.

TREND 2

Calls for Needs-Specific Benefits

The composition of the workforce has become more complex, with employees navigating a wide range of personal and professional circumstances. Benefits strategies have expanded, but many still operate on assumptions about what employees need rather than direct insight.

Traditional offerings, such as employee assistance programs (EAPs) and standard therapy coverage, are now expected. What employees are increasingly looking for is support that reflects their specific situations. Caregivers balancing work and family responsibilities, individuals navigating neurodivergence, employees facing financial stress, and those going through major life transitions all require different types of support.

According to Lyra Health, nearly half of working parents supported a child or dependent with mental health needs in the past year. Additionally, 60% experienced increased stress or burnout due to their child's mental health needs.

Specialized care isn't the only problem. There are gaps in access and availability: 48% struggled to access care through their health plan, while 40% struggled to access care through their EAP, and 56% struggled to find the right level of care, with 54% unable to find a specialist or specialty program.³

COMMON MENTAL HEALTH CARE GAPS

- Caregiving support is underdeveloped
- Neurodiversity is rarely addressed explicitly
- Financial wellness is siloed away from mental health
- Benefits are offered, but not communicated clearly

Utilization patterns reflect this gap. Benefits that are broadly available but not clearly relevant to an employee's situation are far less likely to be used.

³ Lyra Health

Levers for Meaningful Change

1. Segment Your Workforce Beyond Demographics

Understanding employees at a deeper level requires insight into life context by asking: Who is balancing caregiving responsibilities? Who is early in their career? Who is managing ongoing stressors?

This insight can be gathered through targeted surveys and listening sessions that go beyond standard engagement questions. From there, employers can develop benefit personas that reflect real employee experiences. These personas then guide both benefit design and communication, ensuring that offerings feel relevant rather than generic.

2. Expand Benefits Strategically

Adding more benefits does not automatically lead to better outcomes. Instead, the focus should be on filling meaningful gaps. For caregivers, this might involve tools that help navigate and coordinate care. For neurodivergent employees, coaching or workplace support can improve both performance and experience. Financial counseling, when positioned as part of mental health support, can address one of the most common sources of stress.

The goal is not adding more, but precision in benefits offered and how they're communicated to drive alignment with a clearly defined need.

3. Improve Benefit Storytelling

Even well-designed benefits fail when employees do not understand how to use them. Communication needs to shift from static documentation and yearly informational sessions to guided experiences.

Scenario-based content can help employees quickly identify where to start. For example, instead of listing all available services, employers can create pathways, such as, "If you are feeling overwhelmed balancing work and caregiving responsibilities, here's what to do first." Short-form videos and interactive tools can further simplify access. Running quarterly "benefits refresh" campaigns helps ensure that awareness remains high throughout the year, not just during open enrollment.

4. Make Managers Benefit Translators

Managers are often the first point of contact when employees are struggling, yet many feel unprepared to guide those conversations. In fact, 45% of employees said stronger manager support or coaching would improve their confidence in their future with their current employer.¹

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Providing managers with simple, practical language can make a difference. A straightforward statement, such as, “If you’re dealing with something outside of work that’s affecting you, we have resources that might help,” can open the door without overstepping. Supporting this with a concise reference guide, like a benefits cheat sheet, helps managers direct employees to the help they need quickly and confidently.

Managers don’t need to have all the answers—and they shouldn’t feel expected to. What matters is giving them enough baseline knowledge to recognize when support may be needed and to confidently point employees in the right direction. With the ability to quickly self-serve and access key information, managers can better support both their teams and themselves without taking on the role of an expert.

TREND 3

Bridging the Gaps in Mental Health Care

Access to mental health care has improved in recent years, but access alone does not guarantee engagement. Many employees who have benefits available to them never take the first step toward using them.

Barriers to care tend to build on one another, creating a ripple effect across the entire experience. For many employees, the process begins with uncertainty or confusion about what services are covered and how to access them can make even the first step feel complicated, which often leads to delays. Compounded by practical challenges like limited availability and difficulty scheduling appointments, help can seem impossible to obtain.

Despite even partial insurance coverage, lingering cost concerns still deter them from following through. In fact, accessibility due to cost was the top reason people felt discouraged to seek mental health support. Moreover, according to Rula, approximately 19% stopped going to therapy because it became too expensive and nearly 16% experienced insurance changes or lost coverage and could no longer afford care.⁶ And while stigma has lessened over time, it continues to subtly reinforce hesitation at each stage.

Together, these interconnected barriers don't just exist in isolation; they accumulate, making it increasingly difficult for employees to seek and receive the care they need.

THE BREAKDOWN OF MENTAL HEALTH CARE

Awareness → “I don't know what's available”

Understanding → “I don't know how it works”

Activation → “I don't have time”/“It's too complicated”

Continuity → “I didn't stick with it”

⁶ Rula

Levers for Meaningful Change

1. Address the Hurdles to Access

The easier it is to start, the more likely employees are to engage. Simplifying access through single sign-on platforms and clearly defined entry points reduces the effort required to take the first step.

Rather than presenting employees with a long list of options, organizations can guide them through a curated starting point that helps them quickly identify the most relevant resource. This reduces decision fatigue and accelerates action.

2. Integrate Proactive Nudges

Employees often delay seeking support until challenges escalate. Proactive communication can help shift this behavior.

Trigger-based outreach, such as check-ins following time off or during high-stress periods, provides timely reminders that support is available. Personalizing these messages based on role or life stage increases their relevance and effectiveness. This approach helps create a more consistent pattern of engagement rather than reactive usage.

3. Train Managers as Frontline Support

Managers are not expected to act as mental health professionals or benefits specialists, but they are expected to recognize when support may be needed. And because they are often the frontline support for employees, ensuring they are equipped with the tools, resources, and support to successfully identify and assist their employees is critical.

Training should focus on helping managers identify signs of distress, initiate conversations appropriately, and guide employees toward available resources. Clear escalation pathways ensure that managers understand when to involve HR or external support, reducing hesitation and uncertainty.

4. Measure What Matters

Tracking utilization does not provide a complete picture. Organizations need to understand how quickly employees can access care, whether they continue using services, and how they evaluate their experience.

Short, frequent pulse surveys can provide more actionable insight than annual surveys. Combined with operational metrics, such as time-to-first appointment, this data allows organizations to continuously refine their approach.

TREND 4

Addressing the Robot in the Room

AI is rapidly reshaping the workplace, influencing both how work is performed and how employees perceive their roles within an organization. This shift is introducing a new layer of complexity to mental health.

Concerns about job displacement are widespread, particularly as machines and AI start doing work that usually requires critical thinking and expertise, not just physical labor. At the same time, employees are navigating the pressure to continuously learn and adapt, increasing cognitive load and contributing to stress.

In fact, 35% of benefits leaders say AI is already driving employee stress and job anxiety,³ highlighting how quickly these pressures are being felt across the workforce. Alongside these challenges, AI-powered mental health tools are gaining traction, offering new ways to access support. This creates a dual dynamic in which AI is both a source of anxiety and a potential tool for support.

THE IMPACT OF AI ON MENTAL HEALTH⁴

23% of employees report reduced sense of control over their future due to AI

24% of employees say AI has worsened their mental health due to information overload

Levers for Meaningful Change

1. Acknowledge the Fear Directly

Avoiding conversations about AI creates uncertainty, which can then lead to breakdowns in trust and overall employee experience. Research shows that 44% of employees said they wouldn't recommend their employer to others due to lack of trust in leadership.¹

Organizations should create space for open dialogue through forums, Q&A sessions, and leadership communication. Providing clarity on how AI will be used—and how it will not be used—helps build trust and reduces speculation.

³ Lyra Health

⁴ [Spring Health](#)

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2. Position AI as Augmentation

Employees are more likely to embrace AI when they understand how it supports their work rather than replaces it. Transparency into how AI makes decisions or recommendations was among the top employee responses when asked what would help increase their trust in AI at work.¹

Highlighting use cases where AI reduces administrative burden or improves access to resources can shift perception. In mental health care, this might include faster matching to providers or immediate access to support tools.

3. Introduce AI Thoughtfully

Rolling out AI solutions gradually allows employees to build familiarity and trust. Starting with lower-risk applications, such as guided check-ins or resource navigation, creates a smoother entry point.

Clear communication around data privacy is essential, ensuring employees understand how their information is used and protected. Thirty-one percent of employees said they want assurance that their personal and employment data is secure to improve trust in AI at work.¹

4. Reinforce Human Connection

Technology can improve access, but it cannot replace human relationships. Organizations should continue investing in peer connection, mentorship, and team-building opportunities. These interactions play a critical role in creating a sense of belonging, which remains a foundational component of mental health at work.

In fact, 70% felt positively about training and education around different cultures, identities, and backgrounds, as well as employee resource groups (ERGs) or affinity groups (62%).⁵

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⁵ Mind Share Partners

Where Do We Go from Here?

The future of workplace mental health will not be defined by how many benefits an organization offers, but by how effectively those benefits are experienced and used. Although awareness has grown significantly, it does not drive substantive impact. Likewise, access has expanded, yet without genuine engagement, it rarely leads to better outcomes. And although investment continues to rise, without strategic alignment, it falls short of delivering real results.

Organizations that make intentional progress in this space approach mental health as a core business function. They design benefits based on a clear understanding of employee needs, make support easier to access, and create systems that reinforce both accountability and care. They also recognize the importance of balancing technological advancement with human connection, ensuring that efficiency does not come at the expense of trust and belonging.

Expectations for mental health in the workplace have already moved beyond the basics. Awareness, access, and investment are expected but rarely delivered in ways that truly resonate. The real differentiator is the ability to balance thoughtful implementation with personalization to create a better employee experience.

Organizations that stay ahead of workplace trends, cultivate intentional cultures, and align their benefits with the diverse needs of their people will be the ones that consistently deliver the mental health support employees use and value.

ABOUT LIZZ FORTH

With a bachelor's degree in Creative Writing and a master's degree in Psychology, Lizz brings a unique blend of storytelling and behavioral insight to her work. Her career spans the full spectrum of marketing, including social media management, editing, proofreading, and content strategy across a variety of industries. For the past seven years, she has specialized in the HR and PEO space, developing content that supports both organizational growth and employee well-being.

In addition to her professional experience, Lizz holds certifications in Mental Health First Aid, artificial intelligence, and marketing. She is deeply committed to mental health advocacy, with a particular focus on driving meaningful change in the workplace. Through her writing, she aims to bridge the gap between business objectives and human-centered practices, promoting healthier, more supportive environments for individuals and organizations alike.

Connect with Lizz

[Writing Portfolio](#) | [LinkedIn](#)

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