# McKinsey & Company

**Pharmaceuticals & Medical Products Practice**

# Using digital tech to support employees' mental health and resilience

Poor mental health takes a heavy toll on individuals and businesses. New digital solutions can help employers provide personalized support and make well-being a strategic focus for their organization.

*by Jacqueline Brassey, Anna Güntner, Karina Isaak, and Tobias Silberzahn*

**More than half** of the populations of middle- and high-income countries are likely to suffer from at least one mental condition during their lifetime.[1] Since the start of the COVID-19 pandemic, some 42 percent of employees globally have reported a decline in mental health.[2] Symptoms of burnout are increasing among employees and leaders alike, according to press reports.[3]

A mental-health condition manifests itself in workplace absenteeism, presenteeism, and loss of productivity. The World Health Organization estimates that depression, anxiety disorders, and other conditions cost the global economy $1 trillion per year in lost productivity.[4] But mental health is a continuum from wellness to acute illness, including substance-use disorders (Exhibit 1), and even people without a recognized condition may struggle because of stress, external circumstances, or other reasons.
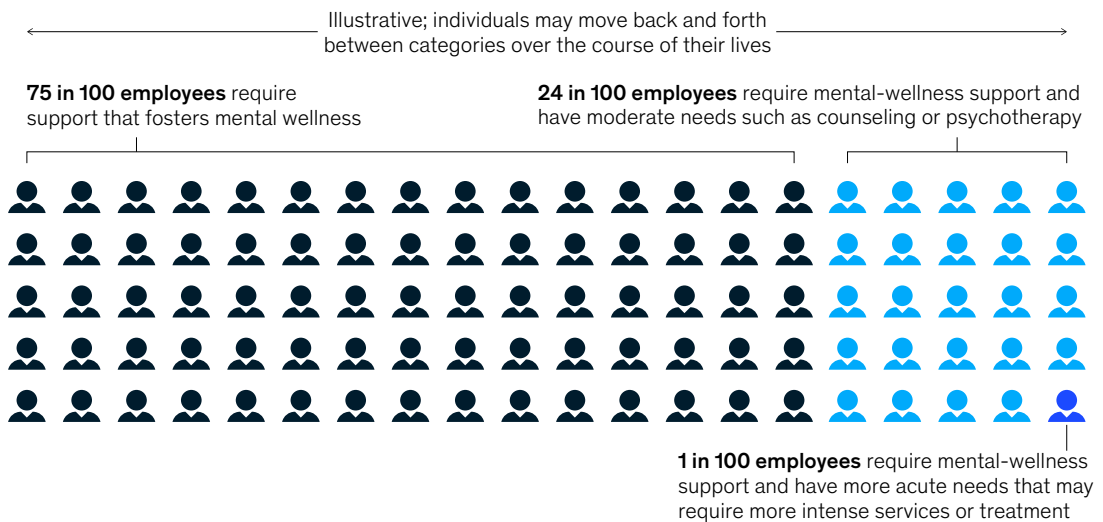
The good news is that addressing employee well-being pays off. A meta-analysis shows that for every dollar companies spent on wellness programs, their healthcare costs fell by approximately $3.27 and their absenteeism costs by about $2.73.[5] With the ubiquity of personal digital devices—smartphones, fitness trackers, tablets, and so on—many wellness programs have moved to digital or virtual formats, which now account for the majority of employer-sponsored health offerings.

As more digital solutions are launched and demands from employees increase, more organizations are investing in building a healthy and resilient workforce. To gain a better understanding on the role of digital technology in supporting employees' mental health and resilience, we recently interviewed several experts in this area for their insights.

Exhibit 1

## Mental health is a continuum ranging from mental wellness to acute illness.

**Breakdown of support employees require**



Illustrative; individuals may move back and forth between categories over the course of their lives

**75 in 100 employees** require support that fosters mental wellness

**24 in 100 employees** require mental-wellness support and have moderate needs such as counseling or psychotherapy

**1 in 100 employees** require mental-wellness support and have more acute needs that may require more intense services or treatment

Source: Definitive Healthcare (2019); Enrollment Projection Tool; Truven commercial data set (2018); McKinsey analysis

---

[1] Jürgen Rehm, Sebastian Trautmann, and Hans-Ulrich Wittchen, "The economic costs of mental disorders," *EMBO Reports*, September 2016, Volume 17, Issue 9, pp. 1245–49, embopress.org.
[2] Kelly Greenwood and Natasha Krol, "8 ways managers can support employees' mental health," *Harvard Business Review*, August 7, 2020, hbr.org.
[3] Edward Segal, "Leaders and employees are burning out at record rates: New survey," *Forbes*, February 17, 2021, forbes.com.
[4] *Mental health in the workplace*, World Health Organization, who.int.
[5] Jennifer Liu, "Training for this workplace skill is up nearly 4,000% in 2020," CNBC, November 30, 2020, cnbc.com; Katherine Baicker, David Cutler, and Zirui Song, "Workplace wellness programs can generate savings," *Health Affairs*, February 2020, Volume 29, Number 2, healthaffairs.org.

Digital solutions can offer therapeutic approaches or support positive behavioral change on a large scale. They are accessible at any time and from anywhere, providing help on demand without the long waits often needed for in-person therapy. They are also convenient, easy to use, and anonymous.

These attributes also help to overcome much of the stigma that continues to be associated with mental-health issues. Geoff McDonald, a global advocate, campaigner, and consultant for mental health, observed that "We are still at base camp in breaking stigma. Even though progress has been made, a lot needs to be done." Manuel Ronnefeldt, founder and CEO of 7Mind, a meditation app, noted that "People still seem not to want to admit that they might be stressed or dealing with mental-health issues." However, he said, this reluctance can be addressed with a thoughtful approach: "Employees are more likely to use solutions when they are positively framed—for example, as a way to boost well-being and performance." Eva Haussmann, head of personal resilience at Swiss Re, also spoke of the importance of removing any stigma: "Our vision is to put mental health on a par with physical health. It needs to become a topic of conversation and be given the same care and concern. With this, we trust that people will seek help earlier and less people drop out. And for those that do get sick, we want to give them the time and space to heal and come back without fear of repercussions."

Another advantage of digital mental-health solutions is that they allow the individual employee to decide how they engage with a therapeutic approach. In our interview with Hanne Horvath, founder and vice president of business development at HelloBetter, a digital mental-health provider, she commented, "From our experience, a lot of patients struggle to seek help for a long time because they try to solve their problems on their own. The magic of digital solutions is to give patients that opportunity, empower them and reach them early." An individual can also take steps to improve their own mental

well-being before an issue becomes acute. In addition, Annastiina Hintsa of Hintsa Performance, an organization for high-performance coaching, noted: "Digital tools make mental-health support more accessible and have the benefit of a low threshold to start dealing with mental-health challenges."

Recent research has demonstrated that e-health interventions can be effective in improving employees' mental health and effectiveness.[6] For instance, cognitive-behavioral therapy over video and apps with programs for treating depression and anxiety have both been reported to reduce symptoms.[7] Other common digital formats include chatbots and gamified exercises.

## The role of digital tools

From our conversations with members of the McKinsey HealthTech Network—a global community of more than 850 digital health companies—and other companies active in mental health and well-being, we have identified six main types of digital offerings that could be helpful for companies implementing an employee well-being strategy (Exhibit 2). These offerings fall into three groups:

— *Wearables and digital biomarker apps* can be used to collect physiological data via a range of different methods. For instance, an employee can use their smartphone to self-report their mood or record their voice as a means to gauge their emotional state, or use their smart watch to track their heart rate, skin temperature, and electrodermal activity to assess their well-being. Innovative forms of data collection like these can be integrated into broader offerings; for instance, if an employee reports persistent low mood, a digital solution may suggest they take a few days off or point them to personalized coaching or therapy. Such interventions can be made without the disclosure of an individual's personal details; the employer sees only anonymized aggregate

[6] Stephany Carolan, Kate Cavanagh, and Peter R. Harris, "Improving employee well-being and effectiveness: Systematic review and meta-analysis of web-based psychological interventions delivered in the workplace," *Journal of Medical Internet Research*, July 2017, Volume 19, Issue 7, e271, jmir.org.

[7] Per Carlbring et al., "The efficacy of app-supported smartphone interventions for mental health problems: A meta-analysis of randomized controlled trials," *World Psychiatry*, October 2019, Volume 18, Issue 3, pp. 325–36, onlinelibrary.wiley.org.

Exhibit 2

## Employers can use a range of digital offerings as part of their mental-health-support schemes.

**Digital offerings and their purposes**   ● Primary purpose   ● Secondary purpose

| | Wearables and digital biomarker apps | | Prevention and treatment solution | | | Analytic tools |
|---|---|---|---|---|---|---|
| | Wearables | Digital biomarker applications | Self-help, self-management, mindfulness as part of a holistic approach focused on mental health | Generalized virtual practice for mental health | Specialized virtual practice | Analytics and remote insights |
| Data collection | ● (primary) | ● (primary) | | ● | ● | ● |
| Prevention | ● | ● | ● (primary) | ● (primary) | | |
| Treatment | | ● | | ● (primary) | ● (primary) | |
| Analytics | ● | | | | | ● (primary) |
| Diagnostics | | | | | ● | |
| Integration with other tools | | | ● | ● | ● | |
| Digital biomarker applications | | | ● | | | |

data. As these data are more accurate than those gathered by conventional surveys, employers can use them to identify and address pain points in the workplace, and to provide employees with objective measures of their well-being at an individual, team, or organization-wide level. George Eleftheriou, CEO of Sentio Solutions, which develops biomarkers and digital therapeutics for mental health using data from wearables and mobile devices, noted that, "We expect that by 2025, measures of mental health can be taken as easily as glucose levels today. Physiological data from wearables, as well as speech, text, and interactions with one's smartphone, will pave the way."

— *Prevention and treatment solutions* are likely to form the core of employee resilience and mental-health programs. They offer various degrees of human touch, from prevention chatbots to in-person psychotherapy, and use a range of techniques from meditation and hypnosis to cognitive-behavioral therapy. Some focus exclusively on mental health; others also cover sleep, nutrition, and other aspects of physical health to create a more comprehensive picture of employee well-being. Employers can use them to provide employees with a range of personalized offerings from resilience training to clinical help, in conjunction with support from external professionals or trained employees as appropriate. Large employers could work with a solutions provider to tailor content to their needs; smaller employers could allocate well-being budgets for individual employees to spend on their preferred form of support. Employers could also use third-party solutions providers to help them train employees as first responders, conduct surveys on the well-being of their workforce, and aggregate data on the effectiveness of support offerings. As Patrick Burke, head of healthcare at Happify Health emphasized, "Life is episodically challenging. Instead of putting people in silos, solutions need to offer variable support tailored to the person's current psychological situation."

— *Analytic tools* are often deployed in conjunction with remote data collection using the output from wearables and digital biomarkers. They can alert individual employees when they should consider taking time to recharge, for instance, or notify leaders when teams seem to be experiencing high levels of stress. On a broader scale, employers could work with solutions providers to measure well-being across their workforce and use sophisticated prediction algorithms to link these findings to productivity. At an individual level, employers could use analytics solutions to help identify employees at risk and, with their agreement, refer them to internal or external support services.

When introducing digital mental-health solutions, it is important for employers to emphasize that participation is purely voluntary and that an individual's data will be treated confidentially and in accordance with data-protection regulations. Employers also should explain that data are used exclusively to increase employee well-being and describe how individuals are expected to participate in data gathering. In addition, it may be important to monitor the use of new digital tools to ensure they don't limit or hinder real-life interactions.

## Practical considerations

Employers should weigh heavily whether the healthtech company they plan to work with can tailor its offerings to suit their organization's context and culture. They should also consider onboarding best practices, such as making implementation fully digital and anonymous, and reinforcing it with campaigns and personalized support. To be effective, digital solutions can play an important role in the broader organization-wide shift toward valuing employee well-being; as one executive commented, "Mindfulness won't help if the motivation system is broken."

Senior management should also consider the important influence they can have as role models—for example, by opening up about their own struggles—to help employees overcome stigma and address well-being. Lindsay Crittendon, senior strategy director of Headspace for Work, a mindfulness-based employee mental-health solution, noted that, "If a company wants true behavior change, it starts at the top. Executive and stakeholder partnership from the beginning is absolutely critical for any mental well-being and mental-health employee program to be successful." To ensure that digital solutions are trusted and perceived as safe to use, employers will need to explain why they are being introduced, how they work, and how they fit into the organization's broader efforts to promote well-being at work.

Another significant challenge in introducing digital solutions is understanding the quality and reliability of individual offerings, and how different tools compare on key criteria. In the interests of market harmonization and transparency, the European Commission has commissioned the European Committee for Standardization (CEN) to make a standard for quality and reliability in health and wellness apps. The initiative went global in its cooperation with ISO and is expected to be published before the end of 2021.[8] Independent app-assessment organizations will help evaluate health apps with the quality requirements conformity assessment that was drafted with an international Delphi consensus study coordinated by the National eHealth Living Lab (Leiden University Medical Center, The Netherlands).

## Taking the first steps

Companies that find themselves in horizon 1 or 2 when it comes to nurturing their employees' mental well-being can take a few key steps to move toward horizon 3 (see sidebar, "Supporting employees' mental well-being: A framework for evolution"). A good start is to define your ambition for your employees' mental health in the context of your broader organizational strategy and goals. Then consider what foundations you need to put in place to realize your ambition. What partners and tools do you need? How can you align your ambition with your company's purpose and values?[9]

---

[8] *CEN-ISO/TS 82304-2: Health software - Part 2: Health and wellness apps—quality and reliability*, International Organization for Standardization, 2021, iso.org; "What makes a health app effective and reliable," NEN, nen.nl.
[9] Arne Gast, Pablo Illanes, Nina Probst, Bill Schaninger, and Bruce Simpson, "Purpose: Shifting from why to how," *McKinsey Quarterly*, April 22, 2020, McKinsey.com.

# Supporting employees' mental well-being: A framework for evolution

**Many organizations** have recognized the need to improve resilience and mental well-being among their employees. A recent study indicated that 44 percent of companies have implemented personal well-being and enrichment programs, and 52 percent offer mental-health and bereavement counseling.[1] Our conversations with experts in the field indicate that some industries—such as financial institutions and professional-services firms—have advanced further than others in the employee support they provide. A few organizations have started to employ chief wellness officers to reflect the importance they place on taking care of their people.[2] But for the most part, initiatives are still fragmented rather than integrated into a broader mental-health support strategy.
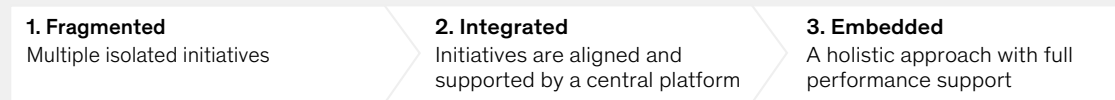
The main challenge for employers is to figure out how best to respond to the rising demand for mental-health support from employees and improve the resilience of their organizations. We have identified three horizons that companies can move through, from offering fragmented solutions—the starting point for most businesses today—to an optimal approach in which mental health and resilience are embedded within the organization with strong employee engagement, capability building, and performance support. The three horizons provide employers with a broad framework against which they can diagnose their own stage of development and consider options for progression (exhibit):

Exhibit

## An organization's approach to mental health and resilience can be characterized in terms of three horizons.

**Stages of approaches to supporting mental health**

| 1. Fragmented | 2. Integrated | 3. Embedded |
|---|---|---|
| Multiple isolated initiatives | Initiatives are aligned and supported by a central platform | A holistic approach with full performance support |

**Factors for success and what they can develop to**

| | From | To |
|---|---|---|
| **Ambition and strategy** | Implementation of employee-support initiatives is patchy and local | Initiatives are centrally defined, agreed on, and cascaded throughout |
| **Purpose and values** | Initiatives are not mentioned in company purpose and values statement | Initiatives are fully integrated into the corporate vision and employees are well aware of them |
| **KPIs and governance** | Some local tracking is done but there are no centrally agreed on definitions and processes | KPIs are defined, agreed on, and integrated into business reporting |
| **Tool kit and road map** | Decentralized local pilots are not aligned with central IT and tech agendas | Digital mental-health tools are embedded into IT and tech plans |
| **Evolving ecosystem** | Integration into Employee Assistance Programs | Integration into day-to-day workflows and systems for supporting performance and health |

[1] Kweilin Ellingrud, Mekala Krishnan, Alexis Krivkovich, Kathryn Kukla, Ana Mendy, Nicole Robinson, Sandra Sancier-Sultan, and Lareina Yee, "Diverse employees are struggling the most during COVID-19—here's how companies can respond," November 17, 2020, McKinsey.com.
[2] Colleen Reilly, "The rise of the chief wellbeing officer," *Forbes*, July 7, 2020, forbes.com.

# Supporting employees' mental well-being: A framework for evolution (continued)

— *Horizon one: fragmented.* Most organizations have been hard at work setting up initiatives to support employees with mental-health issues in response to rising demand during the pandemic. Typical examples include designating "first responders"—volunteers trained to recognize and respond to emotional distress among coworkers—and rolling out virtual programs for employees in areas such as mindfulness and stress management. Many of these organizations are now starting to think about how to integrate employee health and well-being into their people strategy, and how to start measuring and reporting on their progress.

— *Horizon two: integrated.* A few organizations have integrated mental health and resilience into their people strategy and appointed a leader and team to drive this work forward. They invest in digital platforms to enable them to provide a single source of tailored support for employees, and in some cases designate personal budgets for individuals to spend on their well-being. These organizations incorporate definitions of mental health and resilience into their metrics, performance-review systems, employee-engagement surveys, leadership-development frameworks, and onboarding programs, and use regular employee surveys to identify pain points, which they address through structural changes. For example, when a global bank found that one of its standard performance measures was a key driver of mental distress among its employees, it stepped in to adjust the measure as part of its mental-health program. Senior business leaders support all these efforts by sharing stories and leading by example.

— *Horizon three: embedded.* In the third stage of development—one that few, if any, companies have yet reached—the organization regards employee well-being as a key asset and a strategic enabler. Leaders have agreed on a clear ambition and strategy for supporting employee mental health and well-being that the board has ratified. Such organizations set expectations for the impact of their interventions on employee well-being and business performance, clarify what leaders are accountable for delivering, and define key performance indicators for internal and external reporting. They use key enablers to integrate mental-health support into their ways of working: for instance, IT platforms enable proactive diary management to free up time for recovery breaks and take account of periods of optimum productivity. These organizations also improve their mental-health responses by collaborating with external healthcare and insurance providers where employee confidentiality and privacy laws allow.

Ensure that your business leaders are engaged and aligned, and define how you will measure progress and hold yourself accountable. The journey between one horizon and the next takes time, but you can harness grassroots energy to accelerate it through simple bottom-up initiatives such as getting employees to talk to one another about their mental state or well-being. And you don't have to work alone: one group of organizations recently united on a leadership pledge to create a community to advance mental health in the workplace.[10]

Some organizations have been tackling mental health systematically for some time. At Lloyds Banking Group, a well-being campaign is having long-lasting impact, as Edward Thurman, director of group payments partnerships, explains: "Six years ago we started encouraging colleagues to talk about mental-health issues. Once the opportunity was there, people readily opened up and shared stories. Today the bank has over 2,100 employees trained to have supportive conversations, and signpost their colleagues to professional support when they need help."

---

[10] *The leadership pledge*, The Global Business Collaboration for Better Workplace Mental Health, betterworkplacemh.com.

"Training is also a priority at SAP, as the company's chief mindfulness officer Peter Bostelmann observed: "A lot of our work is demystifying mindfulness and well-being. We primarily take a training approach to mental health. Educating as many employees as possible is key to tackling this topic broadly."

———————

Evidence is accumulating that digital tools can play a useful role in addressing mental-health challenges in the workplace. Employers seeking to improve the well-being of their teams will benefit from learning about the solutions available and identifying suitable examples to integrate into their broader workplace support and wellness offerings.

**Jacqueline Brassey** is a global director of learning in McKinsey's Amsterdam office and affiliate leader of McKinsey's Center for Societal Benefit through Healthcare; **Anna Güntner** and **Karina Isaak** are consultants in the Berlin office, where **Tobias Silberzahn** is a partner.