

# Understanding the science of well-being

Beyond the hype

# An introduction

One of the most radical workplace shifts of recent years is in the areas of employee well-being and mental health. Not only is well-being now considered the foremost human capital priority, but it has become a key strategic imperative for Boards, Chief Experience Officer's, and Government Leaders alike. According to the World Economic Forum,<sup>(1)</sup> there is increased awareness of how well-being links to "business performance, operational resiliency and sustainability."



**Unlike other HR and organizational trends that come and go, a focus on well-being must lie at the heart of the employee experience.**

Prioritizing well-being goes well beyond popular HR jargon and business rhetoric. For most employers, organizational and HR leaders, the past few years have been a wakeup call. Fueled by global events ranging from the disruption of the COVID-19 pandemic, to steering difficult economic and business headwinds, to record breaking resignations in the face of the Great Reset, to the current labor market shortages, no organization, big or small, has been left untouched in recent years.



**Organizations are taking the opportunity to reset their People strategy to intentionally build more sustainable, more inspiring, less exhausting work models.**

Kate Bravery  
Senior Partner, Mercer



To build employee resilience, organizations will need to focus on ensuring that well-being is front and center of their people priorities. A recent survey found that seven out of ten senior HR leaders rated employee well-being and mental health as their most critical area of focus.<sup>(2)</sup> This has led to a burgeoning range of well-being solutions.

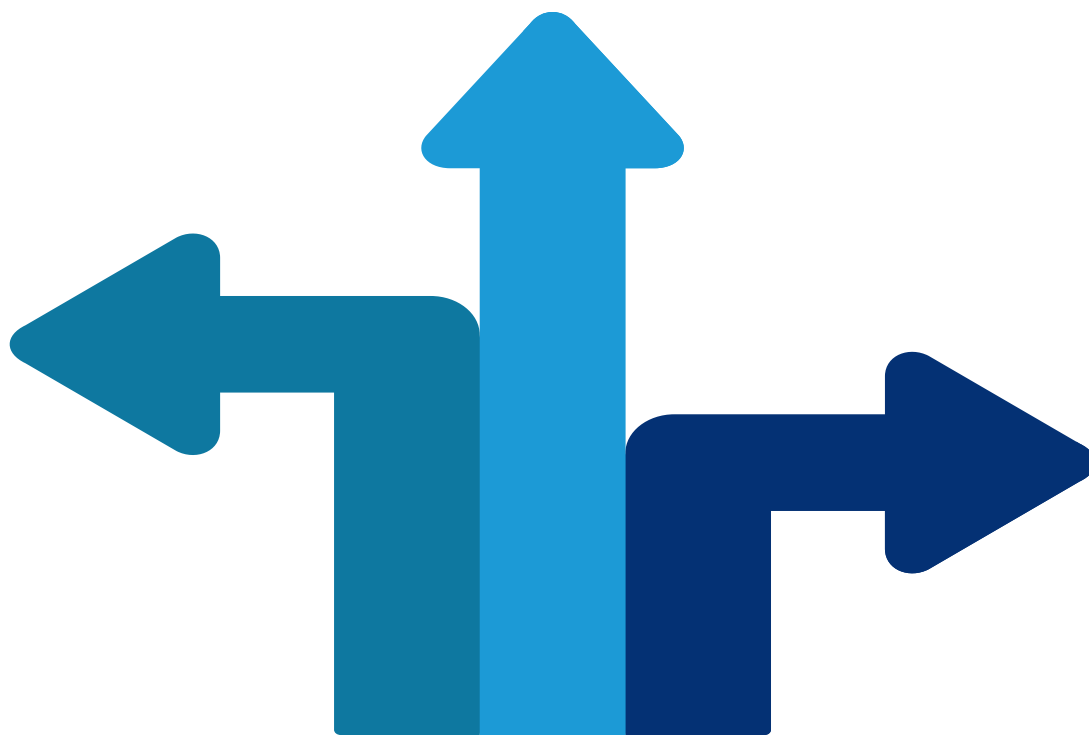
In the US alone, the corporate well-being market is estimated to be USD 20.4 billion, forecasted to grow to USD 87.4 billion in five years.<sup>(3)</sup> HR professionals have their work cut out for them to ensure that well-being is not seen as a fad or a trend, but a serious, significant and lasting change towards how we work and live. More than ever before, people are re-evaluating their lives and what matters most.

Research highlights that in the UAE, over 50% of candidates interviewing for a new role are inquiring about well-being and flexible working policies with their future employers.<sup>(4)</sup> More and more, employees are looking for a better quality of life and they want to work with an organization which supports the lifestyle they aspire to. Many talented workers are leaving to join workplaces that “align with their personal belief system and show an authentic concern for individual employee well-being. People want a good job and a life well-lived. It's not only about happiness and health but also about living life to its fullest potential.”<sup>(5)</sup>

Pre-pandemic, this wasn't expected to be the concern of employers. There were clearer boundaries between professional and personal, work and home. Many employees and organizations maintained these boundaries and most business and HR leaders did not believe it was their role or responsibility to involve themselves with the lives of people outside of work. However, the pandemic brought a sense of humanization and personalization at an unprecedented, global scale that cannot be rolled back.

The future is now, and not only do organizational and HR leaders need to keep up with the rapid changes, but readjust and recalibrate their people strategies. In the US alone, over four million Americans have quit every month for 11 months straight in the Great Resignation.<sup>(6)</sup> A recent study highlights that voluntary turnover is rising by almost 20% more than the average pre-pandemic.<sup>(7)</sup>

Along with the Great Reset, we are facing a great talent crisis. In the Middle East, we are seeing some of the fastest increases in employment in markets such as the United Arab Emirates and the Kingdom of Saudi Arabia.<sup>(8)</sup> Employers in the United Kingdom are facing the worst shortage of job candidates on record.<sup>(9)</sup> What worked in the past in terms of people policies, practices and ways of working are out of sync with the shifting tides of today.



# Understanding well-being

Well-being may be defined as ‘feeling good and functioning well’.<sup>(10)</sup> From an organizational lens, the experience of feeling good may imply that your employees are happy and engaged, report higher levels of satisfaction with their life and work, have a sense of hope, purpose and meaning, a sense of gratitude, and connection to others.

Functioning well includes employees having the mental capacity and resources to experience the ups and downs of life, to manage on-going stress and work pressure, to be resilient and cope in times of adversity, challenges, and change. While both aspects, ‘feeling good’ and ‘functioning well’ are critical to well-being, it may be argued that the latter has a direct impact on how we cope with and experience life in general.



**When your employees are feeling good and functioning well, they will bring their best selves to work, leading to highly engaged, more collaborative, high performing workplaces.**

**The axis of responsibility towards driving change in this new world has truly shifted to HR. HR finally has its ‘seat at the table’ as organizations now look at HR leaders to take the lead in shaping a more rapidly agile, radically flexible, and inexplicably more human workplace.**



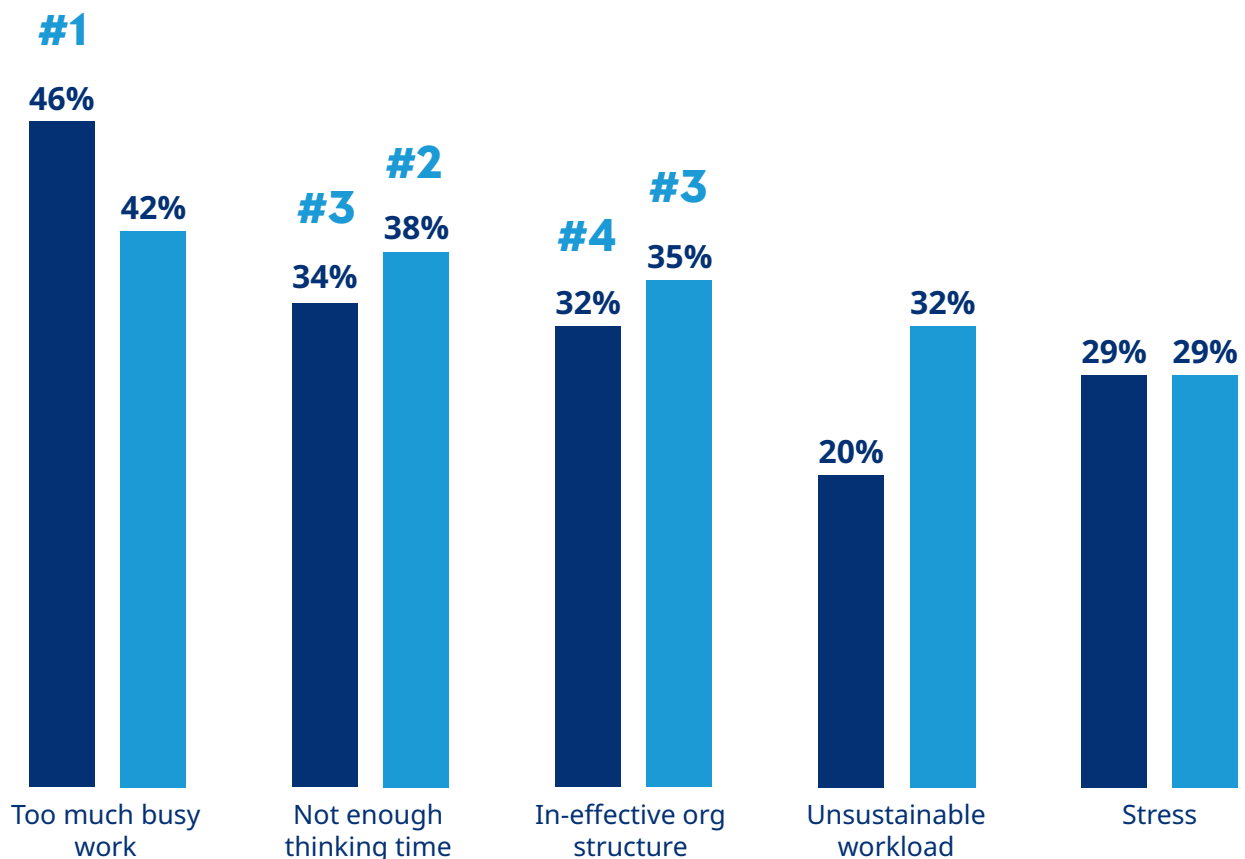
Enabling and sustaining well-being in any organization should lie front and center of your organizational and talent strategy. If your employees are not able to feel good or function well, any efforts to develop their skills and talent, their leadership capabilities, their capacity to work within teams, and their ability to perform, would remain incomplete. Hence, a general state of well-being and good mental health is essential to enable employees to realize their full potential, to develop and thrive, to be productive, and contribute to the organization.

A focus on well-being is no longer the 'nice' thing to do, but the 'smart' thing to do for business leaders and organizations across the world. It should not only be the immediate concern of CHRO's, Heads of Talent, Heads of Learning, but the entire C-suite, including the CEO and CFO, as it has a direct impact on productivity, engagement, retention, and business performance.

Well-being is also critical for retaining employees, as more and more employees and leaders are opting out of the workforce to focus on their well-being. This may be primarily attributed to workplace factors like overwhelming and unsustainable work.

## Improving productivity is the #1 transformation driver this year according to Mercer's Global Talent Trends 2024 report, but are we tackling what workers believe depletes it?

- Executives' views on what depleted productivity
- Employee' views on what keeps them from being productive



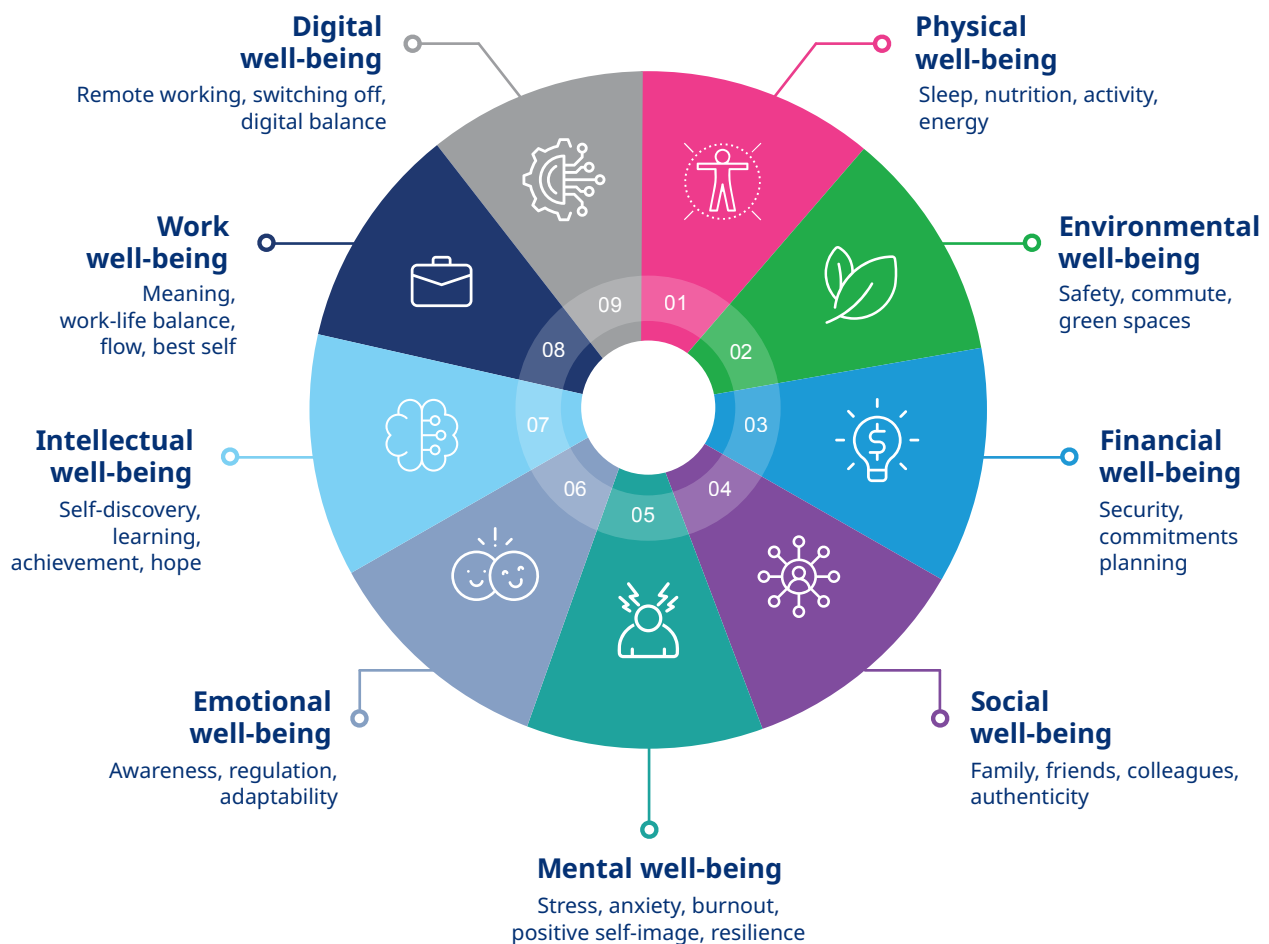
In a recent study, 68% of millennials and 81% of Gen Zs left roles for mental health reasons, both voluntarily and involuntarily.<sup>(11)</sup> The term subjective well-being is synonymous with positive mental health.

Fast forward to today, and the stakes have been raised even higher thanks to a greater awareness of the workplace factors that can contribute to poor mental health, as well as heightened urgency around the intersection well-being has with diversity, equity, and inclusion efforts. Demographics continue to play a strong role in workplace mental health, with younger workers and historically underrepresented groups still struggling the most with regards to their overall well-being.<sup>(12)</sup>

Mercer has been working in the area of well-being, mental health, and resilience since the company started more than a decade ago. Through our research and work with clients, Mercer has identified nine distinct dimensions or elements of well-being including physical and mental well-being, environmental and financial well-being, emotional and social well-being, intellectual and work well-being, and an increasingly critical aspect of well-being: digital health.

Each element of well-being of course impacts another. For example, mental health impacts physical health including aspects such as sleep, nutrition, and activity. It also impacts the quality of relationships, digital health as well as the ability to contribute to work. Lower financial health leads to lower mental, social, and emotional well-being and has a pervasive impact on almost every aspect of personal and professional choices.

## Mercer's workplace well-being framework



## Exploring the elements of well-being

While each of the elements of well-being are highly interdependent and inter-related, they are also individually critical in their own capacity in terms of enhancing and sustaining well-being. Based on personal situations, life, and work circumstances, levels of well-being may vary from time to time in each of these areas.

Therefore, for employers assessing employee well-being at a point in time, as well as over time, is essential to develop a true measure of well-being. Conducting a well-being survey once a year would be inadequate. Instead, organizations will benefit from more formal and informal pulse surveys and check-ins.

The elements are described below in more detail.



### Physical well-being

Being physically healthy, fit and active, including having the energy and stamina to endure. Quality of sleep and balanced nutrition are also critical to physical well-being.



### Environmental well-being

Having a positive connection to the environment, including clean air, a conducive working environment and access to green spaces.



### Financial well-being

Feeling financially safe and secure, being able to manage within one's means and planning for the future.



### Social well-being

Having meaningful, supportive relationships with family, friends and co-workers, while being their authentic self.



### Mental well-being

Having the psychological capacity to thrive and cope, having a positive self-image, being able to manage stress and anxiety, to be resilient.



### Emotional well-being

The ability to recognize and manage emotions, being able to regulate one's feelings and actions.



### Intellectual well-being

Feeling a sense of learning, growth and achievement from one's work and life in general. A sense of achievement and hope.



### Work well-being

Finding a sense of meaning and purpose through one's work, being able to be one's best and realizing one's full potential.



### Digital well-being

Navigating and using technology in a productive way, to find a balance between time spent online and offline and having the capacity to 'switch off'.

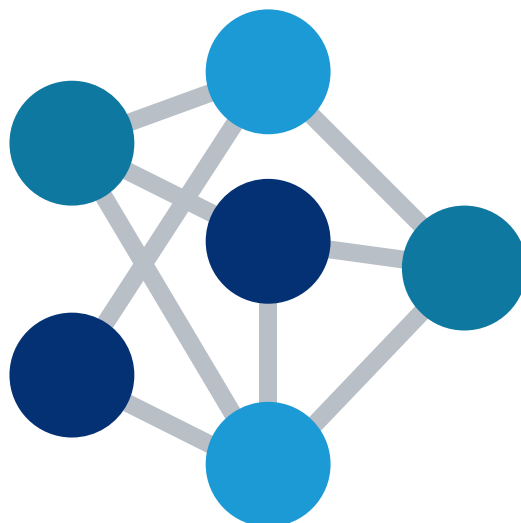


**There is a very clear association between all nine elements of well-being and some of the inter-relationships between some of the sub-elements are described below. To get a comprehensive picture of well-being within your organization, we recommend exploring all nine elements in detail as part of a well-being framework.**

- Better **nutrition** improves depressive symptoms, sleep disorders, learning problems, irritability, and anxiety.
- **Sleep** quality and sleep duration impacts subjective well-being. Lack of or poor-quality sleep relates to stress and increased risk of depression.
- **Activity** (whether light physical activity or moderate-to-vigorous physical activity) affects mood, self-esteem, cognitive functioning, sleep, and increases the risk of depression.
- Staying **fit** and exercising helps to cope with anxiety and feelings of depression, improves quality of life and reduces risk of obesity, diabetes, and cancer.
- Activities that build **endurance** help in staying healthy and fit, increase metabolism, and reduce risk of some cardiovascular diseases.
- Having effective **coping skills** and resilience promotes mental health and well-being.
- A strong **social support** system reduces stress, enhances emotional and psychological well-being, promotes health and life longevity.
- A sense of **life satisfaction** promotes health, trust in communities, and overall well-being.
- A sense of **meaning** improves life satisfaction, self-esteem, and better psychological health.
- **Hope** can lead to better health, sleep, life satisfaction, purpose, and social well-being.
- On-going **focus on learning** will boost confidence, personal values, concentration, memory, cognition, self-esteem, purpose, and meaning, leading to better physical and mental well-being.
- **Better environmental and digital well-being** will encourage more exercise and activity, leading to improved physical well-being.

# Where we are today

We have been closely tracking critical trends in well-being prior to the start of the pandemic with leading organizations across the GCC, Middle East, Levant, North Africa, Asia Pacific, UK, Europe, and a smaller subset of organizations in North America. This has largely been through Element X, Mercer's flagship well-being diagnostic and assessment tool, which was launched in 2021, along with additional data and insights through advisory work on well-being with clients.



## What makes employees thrive in 2024?

Source: 2024 Mercer Global Talent Trends Study



### Financial stability

- "My company helps me afford medical care."
- "My company helps me prepare for retirement."



### Psychological safety

- "I can bring my authentic self to work."
- ‡ "I feel empowered to make decisions independently."
- ‡ "Our work and work practices promote autonomy and dignity."
- ‡ "I can voice my opinion openly without fear of repercussion."



### Sense of purpose

- ‡ "I believe my work contributes to a worthwhile mission."



### Digital enablement

- "We have a digital-first culture."
- "I have access to the latest tech (e.g., Gen AI) to do my job."
- "My work experience is designed to bring out the best in me."



### Skills growth and job security

- "We have a digital-first culture."
- "I have access to the latest tech (e.g., Gen AI) to do my job."
- "My work experience is designed to bring out the best in me."

These are the conditions necessary for employees to thrive in the workplace. A lack of these conditions creates constraints and we must empower employees to continue performing and overcoming challenges. These conditions are crucial; if they are not met over prolonged periods or if there is a continuous imbalance between abilities and doing more, it can lead to early warning signs of mental health issues that need to be addressed.

**These 'early warning signs' are a critical signal to take immediate action to focus on and improve mental health and well-being. Mercer's research indicates that six out of ten employees have experienced these warning signs to 'some extent' over the last 12 months, and over 32% have experienced them to a 'large extent.'**

## **Some of the early warning signs of mental health issues reported by employees:**

### **Highest rated warning signs by employees**

- ‡ Extreme exhaustion or fatigue
- ‡ Feeling nervous or anxious
- ‡ Sleep problems
- ‡ Lethargy or general lack of energy
- Weight or appetite changes
- A shorter attention span / difficulty concentrating
- Feeling overwhelmed and unable to cope with daily problems or stress

### **Moderately rated warning signs by employees**

- More regular changes in mood / emotional outbursts
- Feeling confused and having difficulty making decisions
- Change in behavior or feelings
- Difficulty maintaining relationships with others

### **Lowest rated warning signs by employees**

- ‡ Constant guilt or worthlessness
- ‡ Having unrealistic thoughts and fears
- ‡ Feeling disconnected, withdrawn, or unable to experience positive emotion
- ‡ A general lack of interest in activities previously enjoyed
- ‡ Helplessness and hopelessness

From a demographic perspective, while the research found no significant differences by gender or age in terms of overall well-being, women, on average, report lower levels of physical well-being, including inadequate quality of sleep, lack of activity, and an inability to manage good nutrition. However, according to research, the pandemic has negatively impacted working women as they have had to navigate an even greater number of personal and familial responsibilities.<sup>(15)</sup> Many women considered or had to take a career-break or opted out of the workforce altogether to fulfill their work and home obligations.

As an example, during the pandemic in India, with school closures for over 18 months+ and extended lockdowns, women became the primary custodians of domestic life and were hit by a disproportionate burden of care. Women were seven times more likely to lose employment during the lockdown and 11 times more likely than men not to return to work after the subsistence of the crisis and restoration of assumed normalcy.<sup>(16)</sup> This was true of urban cities and white-collar roles in India, where the share of women in professional, technical, and managerial positions experienced a significant decline. Forty percent of women were negatively affected by the dual workload.<sup>(17)</sup> In the US, nearly 5.1 million women lost work since the start of the pandemic.<sup>(18)</sup>

**This reiterates that well-being cannot be separated or considered distinct from diversity, equity, and inclusion efforts. This includes all forms of diversity including gender, generational, and other underrepresented populations of the workforce.**

From a generational perspective, we found that mental well-being was lowest amongst those aged 18 - 30. Younger people also reported lower social well-being, including a sense of loneliness and a lack of social connectedness.

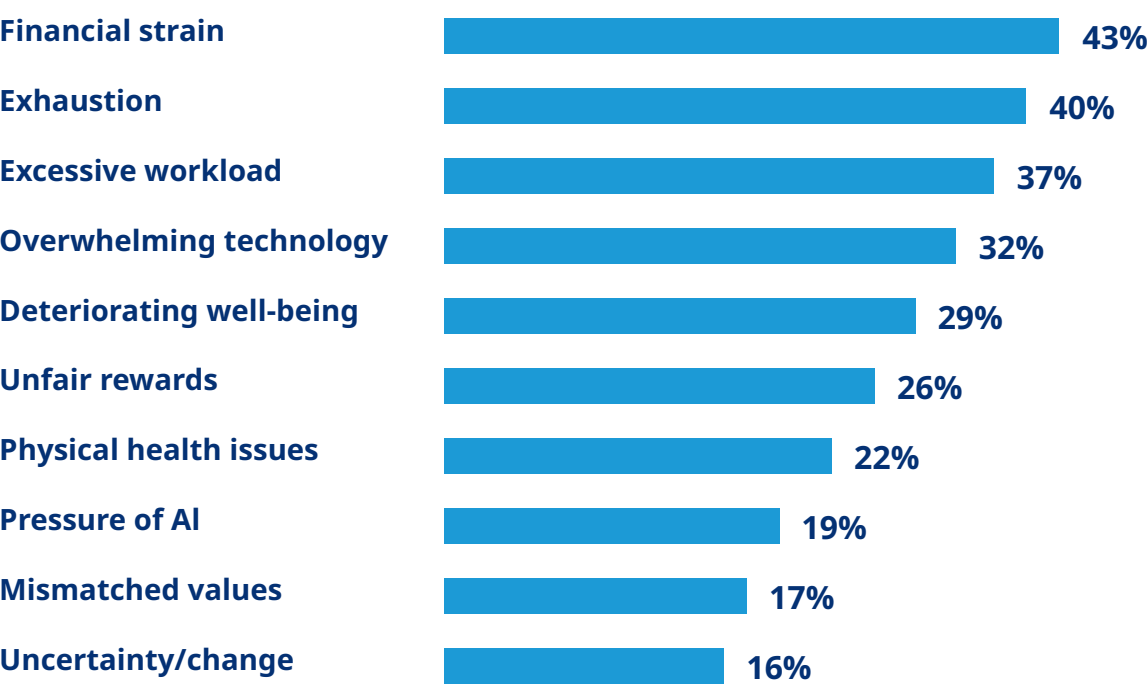


**We cannot talk about well-being without addressing the ‘elephant in the room,’ which is the undeniable and significant impact of work culture and leaders on employee well-being. Without making meaningful, sustainable, and often difficult changes to culture and the leadership mindsets, all other efforts and initiatives may be considered partial, incomplete, and superficial.**

Many employers have ventured into well-being, either willfully or out of obligation. Estimates indicate that six out of ten employers have programs or plans focused on well-being, wellness, or employee happiness. Many companies offer a variety of well-being initiatives and benefits, such as yoga, meditation app subscriptions, well-being days, fitness challenges, and training on time management, resilience, and productivity. However, it can be argued that these interventions only impact well-being at a surface level, focusing on remedial measures rather than addressing the root causes of what matters most regarding well-being—namely, work culture and leadership mindset. By primarily deploying these types of interventions, employers may overestimate the impact of their well-being activities and underestimate the critical role that a positive, empowered, and supportive work culture, along with an empathetic, human, and compassionate leadership style, plays in enhancing well-being.

**The evidence is undeniable. According to the 2024 Mercer Global Talent Trends Study, 82% of workers say they are at risk of burnout this year.**

**Top 10 reasons of burnout as rated by employees in the 2024 Mercer Global Talent Trends Study:**





The research clearly establishes that lack of flexibility, ongoing stress, unreasonable job demands, unrealistic and persistent workload, lack of clarity, lack of autonomy, continuous change, and lack of leadership and managerial support are the root causes of lower levels of well-being. **A toxic work culture is the single biggest predictor of burnout and disengagement.** Although we have overcome the Great Resignation, our leaders are still faced with increasing personal challenges and uncertainty impacting business continuity. According to the Global Talent Trends Study 2024, 50% of C-Suite and executive leaders are uncertain about their future and three out of ten leaders globally are considering leaving their organizations in the next 12-18 months. These fundamental issues cannot be reversed with ad hoc well-being initiatives and programs alone. Businesses need to invest in shifting mindsets and impacting long-term behavioral change at an individual level, while also driving systemic changes at the leadership, team, and organizational level.

## Top workplace factors rated by employees impacting well-being




Not only do these work-related factors lead to lower well-being, lack of engagement, reduced productivity, increased errors, safety concerns, and higher attrition, they impact the overall emotional, mental, and social health of employees. Most employees tend to take work pressure and stress back home. When this continues for a prolonged period, it becomes unmanageable and unsustainable. The lines between work and personal lives become blurred and it is no longer possible to separate the two. What happens at work affects life in general and vice versa. Personal and professional lives are more integrated and interdependent than ever before.

In 2019, the World Health Organization officially recognized burnout in its International Classification of Diseases (ICD).<sup>(19)</sup> Burnout is usually defined as chronic and severe work-related stress. It is a state of physical or emotional exhaustion that also involves a sense of reduced accomplishment and loss of personal identity.<sup>(20)</sup> Extreme and unrelenting pressure can lead to a debilitating level of burnout. While most people typically have the capacity to deal with ongoing stress and pressure, to some extent burnout usually occurs when stress levels become unmanageable and persistent, and there is an absence of resources to cope with it.

While burnout is typically attributed to work, it can also be caused by the 'mental, emotional, and physical fallout from accumulated stress in any sphere of life, whether that's work, parenting, caregiving, or managing chronic illness.'<sup>(21)</sup> This aligns with Mercer's research, which indicates that certain employee groups—such as single parents, those with underlying health conditions, caregivers for someone sick at home, and those who have recently experienced the loss of a loved one—may not always have the coping mechanisms to balance their personal, social, emotional, and work-related demands. Therefore, it's important to recognize that burnout can arise from challenging work conditions and life circumstances, particularly in navigating the trials and tribulations of an uncertain world.

Another key area to address is the impact of change on mental health and well-being. Most organizations are currently undergoing or have recently experienced transformations, restructuring, leadership transitions, and the adoption of new technologies. Pre-Covid, many employees were already experiencing change fatigue, defined as feeling apathetic towards or overwhelmed by too many organizational changes. This has worsened. A recent study found that an employee's capacity to cope with change is at only 50% of pre-pandemic levels.<sup>(22)</sup>

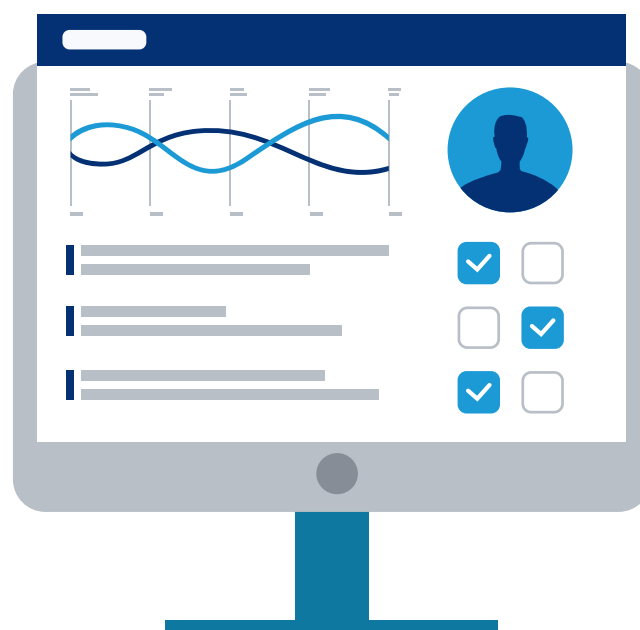


**When the speed of change outpaces the rate employees can learn and unlearn, it becomes a significant concern for employers to consider as part of their strategic transformation agenda, as change fatigue is detrimental to positive mental health.**

To conclude, while the definition of well-being ('feeling good and functioning well') may be deceptively simple, the process of increasing and sustaining well-being at the individual, team, organizational, and societal levels is highly complex, inter-related, and multifaceted. This should not deter any organization, whether large or small, start up or mature, from embarking on their well-being journey or from reflecting and reconsidering their current strategies and programs.

# Where do we go from here?

The two most common questions we receive from leaders around the world in discussions about well-being are, 'Where do we start to make meaningful change?' and 'How do we measure our success?' While there is no silver bullet or magical solution, there are key actions that can be considered at the individual, team, organizational, and societal levels to improve well-being.



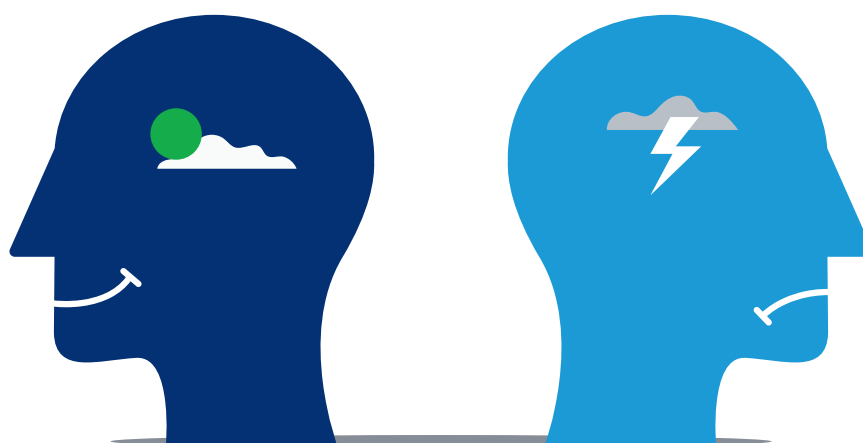
**While this paper has disproportionately emphasized the organization's responsibility in enabling well-being, it does not absolve each and every employee of their accountability to take better care of themselves.**

With over 400,000 employees worldwide, DHL has been one of the early adopters of employee well-being, aligning with its recognition as one of the best employers. Eva Mattheeussen, HR Head – Middle East & Africa, offers the following advice to companies looking to get started: "Listen to what your employees want, work with champions and senior leadership in the respective areas, do it consistently, and don't give up so easily".

**Well-being can be deeply personal, and each individual must take the driver's seat. It is essential to reflect on— and importantly, take action to improve and sustain— what matters most in life and at work, including physical, mental, social, financial, and digital well-being.**

## Adopting a behavioral change approach to well-being at an individual level

A recent article by the World Economic Forum recognized well-being as a skill for the future, emphasizing that “well-being is a skill that we can all learn and model....(It) is a daily intention that can be enhanced by elements including meditation, sleep, exercise, nutrition, community belonging, a spiritual connection, and more. Forward-thinking companies will embrace well-being not as a vague concept, but as an index of learnable actions and daily behavior.”<sup>(23)</sup> While Mercer is in complete agreement that individuals, teams, and organizations should adopt a learning and development approach to cultivate habits and practices around well-being, we believe there is a greater sense of urgency needed to shift individual mindsets, impact behavior, and sustain meaningful change.



**Well-being is not a skill for the future.  
It is a skill we need to build for today.**

Zuhoor Al Meqbaali,  
HR Director, Abu Dhabi Executive Office (ADEO)

Drawing from psychological theories, change management literature and behavioral change approaches, the first step toward individual change is to build self-awareness and create a sense of urgency. Forward-thinking employers have been using data insights to create meaningful shifts, including conducting physical health checkups, providing access to well-being apps and wearables to monitor indices such as sleep quality, activity, heart rate, etc., as well as deploying questionnaires and surveys to measure current well-being. In addition to analyzing results at an organizational level, employers must provide feedback and share these insights with each employee, allowing them to reflect on their own well-being results and commit to change.

Mercer has been working with several clients to identify and build an evidence-based approach to well-being, by establishing a starting point or baseline. This involves a mixed-method approach to data collection, including assessing objective data (such as information from health checkups and wearables), inferential data (such as reviewing leave and absence records, attrition information, and health insurance claims), and subjective data (such as self-report measures on well-being from Mercer's flagship Element X well-being assessment tool).

**Mercer's pioneering well-being diagnostic tool, Element X, measures nine distinct elements of well-being using a highly visual, gamified, immersive approach. Based on years of research and validation, Element X is the first and only well-being assessment tool of its kind to predict positive workplace outcomes such as life satisfaction, flourishing, and hope, as well as more clinical aspects of well-being, including anxiety, stress, burnout, and depression. While numerous other surveys and tools exist, Element X differentiates itself by providing a scientific and evidence-based approach to assessing well-being, grounded in positive psychology and the latest thinking in behavioral science. It provides individuals, teams, and employers an honest and meaningful reflection of well-being and what matters most.**

While not every organization may have the capacity, appetite, or budget to measure well-being in the same way, every leader and employer can start by asking simple questions such as 'How are you doing?', 'What steps can you (and we) take to improve well-being?' and 'What's getting in the way?' The key is to build greater self-awareness and ownership by promoting transparency, objectivity, and urgency in addressing well-being.

Once awareness and urgency have been established, organizations can implement a range of initiatives, programs, and tools to enhance well-being, such as communication and well-being awareness campaigns, fitness classes, access to mental health support, resilience and well-being training, financial well-being sessions, etc. From a behavioral change and health promotion perspective, it is often said that individuals continue to make irrational decisions about their health and well-being, such as smoking, despite its harmful side effects, or adopting unhealthy eating habits. Therefore, steps must be taken to change mindsets and cultivate healthier habits. As part of the behavioral change approach, it is critical to emphasize the importance of daily habits in enhancing well-being.

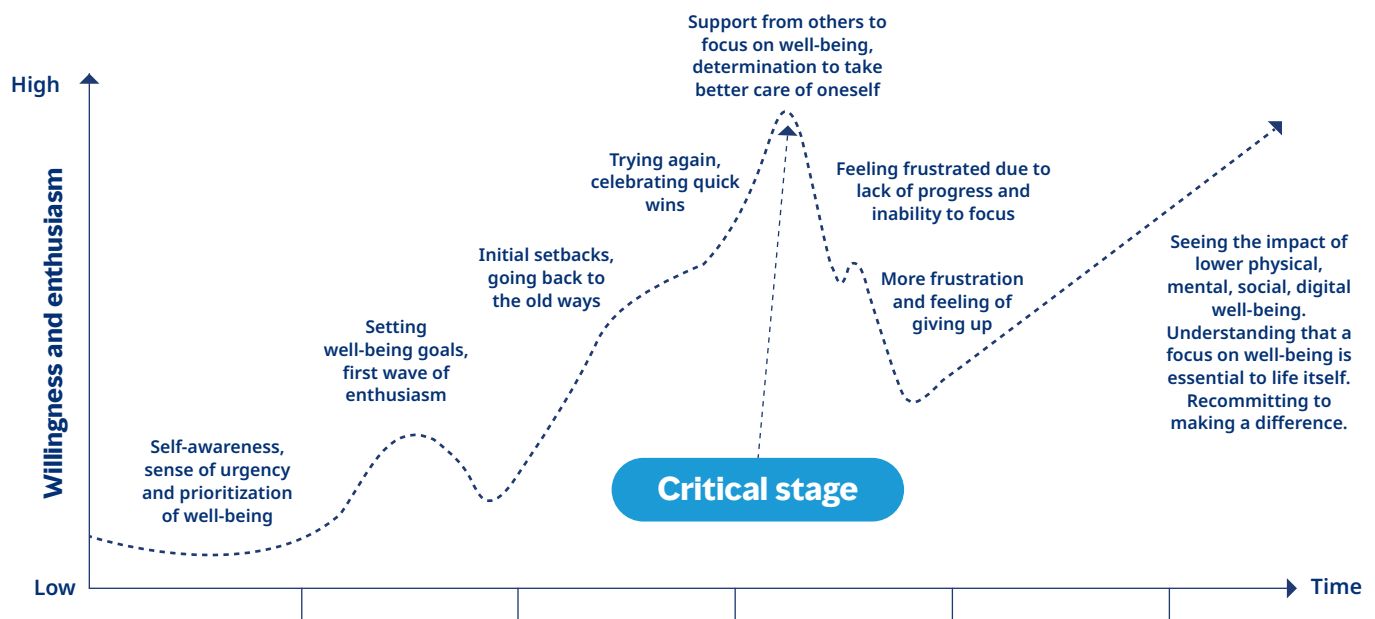
As an example, Jardines Matheson group head quartered in Hong Kong, with over 400,000 employees, actively promotes mental and physical well-being through their Step2Wellness program, including well-being awareness campaigns and introduction of well-being challenges.

How can this be accomplished? By revisiting the proposition that well-being is a skill to be learned, then just as we improve the capabilities and behaviors of employees to solve problems, collaborate, think strategically, lead change, and inspire others, the same principles and techniques can be adopted to enhance workplace well-being.

By deploying a personalized approach to increasing well-being, creating a sense of urgency and self-awareness, identifying well-being goals, providing ongoing coaching, mentoring, and access to role models, as well as continuous monitoring and feedback on progress, a meaningful difference can be achieved.

However, just like any other change, shifting mindsets and forming habits is not a smooth and linear process. There will be times when progress is made and other times when setbacks occur, along with the temptation to revert to old habits. The key is to keep trying to make meaningful shifts, starting with self-awareness, moving to acknowledgment, and then to action, until positive behavior toward well-being becomes habitual and firmly ingrained.

## The individual behavioral change curve towards well-being



**In addition to other learning and change approaches, one of the most exciting areas for impacting behavioral transformation toward well-being at work is the use of ‘nudge theory.’ This concept has significant implications in educational settings to instill healthier habits in younger people at an earlier stage in schools and universities, as well as in workplaces. Employers can implement physical nudges, such as encouraging more people to use the stairs or make healthier food choices, along with digital nudges, such as prompting employees to take short breaks between calls or be more mindful of their email habits. Numerous examples demonstrate how nudge theory has been successfully adopted at governmental and, policy levels and there are many innovative possibilities for employers to consider, especially with the adoption of digital apps and technology to track and nudge employees to positively change their behaviors.**

However, it is important to remember that, unlike other learning and change initiatives, an individual's physical, mental, financial, or familial health and well-being can be deeply personal and highly sensitive. Employees hesitate to share their struggles and personal circumstances at work, necessitating a significant level of confidentiality and discretion when focusing on well-being interventions. This is especially true for mental well-being, where hesitation and stigma continue to be attached to disclosing concerns related to psychological health. For example, while an increasing number of employers have expanded access to mental health services, such as offering third party Employee Assistance Programs (EAPs) and access to mental health helplines, research shows that almost 70% of employees do not utilize these services due to lack of awareness and a reluctance to show vulnerability and acknowledge mental health challenges.<sup>(24)</sup>

**Mercer's research found that nine out of ten employees in the Asia Pacific, Middle East, and Africa region do not feel comfortable talking about their mental health at work, compared to five out of ten employees in Europe and North America.**

The goal is to see a world where employees can share their struggles with anxiety, exhaustion, or inability to manage stress, as openly as they would discuss a headache or a physical injury. However, this requires a level of maturity and psychological safety not only at an organizational level, but also greater acceptance from societal and socio-cultural perspectives. From an organizational standpoint, leaders can play a significant role in destigmatizing conversations around mental health, by being more empathetic and authentic.

## The role of the leader

Without a doubt, leaders have a pervasive and significant impact on the overall well-being of the workplace. They shape the work culture and influence how 'things get done.' When leaders foster a high-performing culture over a high-pressure culture, they bring out the best in individuals and teams.

However, leaders often face the unenviable task of balancing conflicting work demands, business goals, stakeholder expectations, and changing priorities, which are often at odds with prioritizing the health and well-being of employees. They must constantly juggle their focus between tasks and people, sometimes being perceived as too harsh, and other times, as too lenient. In many ways, leaders and managers are expected to be superheroes, having all the answers and buffering the stress and pressure that employees may feel 'down the line.' They are expected to be strong for others, while navigating their own challenges, trials and tribulations.

**However, leaders are not immune to well-being and mental health risks and may in some ways be the most vulnerable. Research shows that over 68% of leaders feel overwhelmed and are reevaluating their priorities as part of the Great Reset. Additionally, four out of five managers do not feel fully equipped to have meaningful conversations with their teams about well-being.**

Most leaders reported experiencing at least four to five early warning signs of mental health issues. The most common concerns were lack of sleep, extreme stress, exhaustion, and burnout, and physical effects such as weight gain, changes in appetite, and frequent mood swings. Therefore, employers cannot take the health and well-being of their leaders for granted and must take meaningful steps to positively impact their well-being. Only by supporting leaders, can organizations thrive. Leaders need to know they have 'permission to be human,' to show greater empathy and compassion, to respect personal and work boundaries, and, most importantly, to be vulnerable and authentic about their own struggles with 'keeping it all together.' By supporting leaders, organizations can build greater acceptance of mental health concerns and promote a psychologically safe culture.



An article explains that “stigma can also be reduced by companies prioritizing mental wellness as critical for peak performance instead of rewarding overwork at the expense of rest and renewal—rewarding an “athlete” mindset instead of overemphasizing a “hero”. This can begin to shift the perception of signs of burnout or other mental health needs as indicative of a moral failing.”<sup>(25)</sup>



As a starting point, programs and interventions that support the well-being of leaders are crucial, allowing them to prioritize their own physical and mental health, as well as their social, digital, and emotional well-being. This will also equip them to lead by example as true role models of well-being.

DHL's flagship Fit to Lead program focuses on the well-being of its managers and leaders through a holistic approach of physical, mental, and financial well-being. Mercer is working with a prominent government organization to accelerate well-being by providing one-to-one well-being coaching for every leader, peer-to-peer coaching for the executive leadership team and departmental team coaching to cascade well-being efforts across the entire organization.

## The impact of the team

One of the most overlooked and underestimated factors of workplace well-being is the role of the team and how subculture, managerial style, and the team dynamics impact individual well-being. Encouraging and empowering teams to discuss, reflect on, and take action toward improving individual and collective well-being can rapidly accelerate efforts for change, rather than relying on a more typical top-down organizational approach.

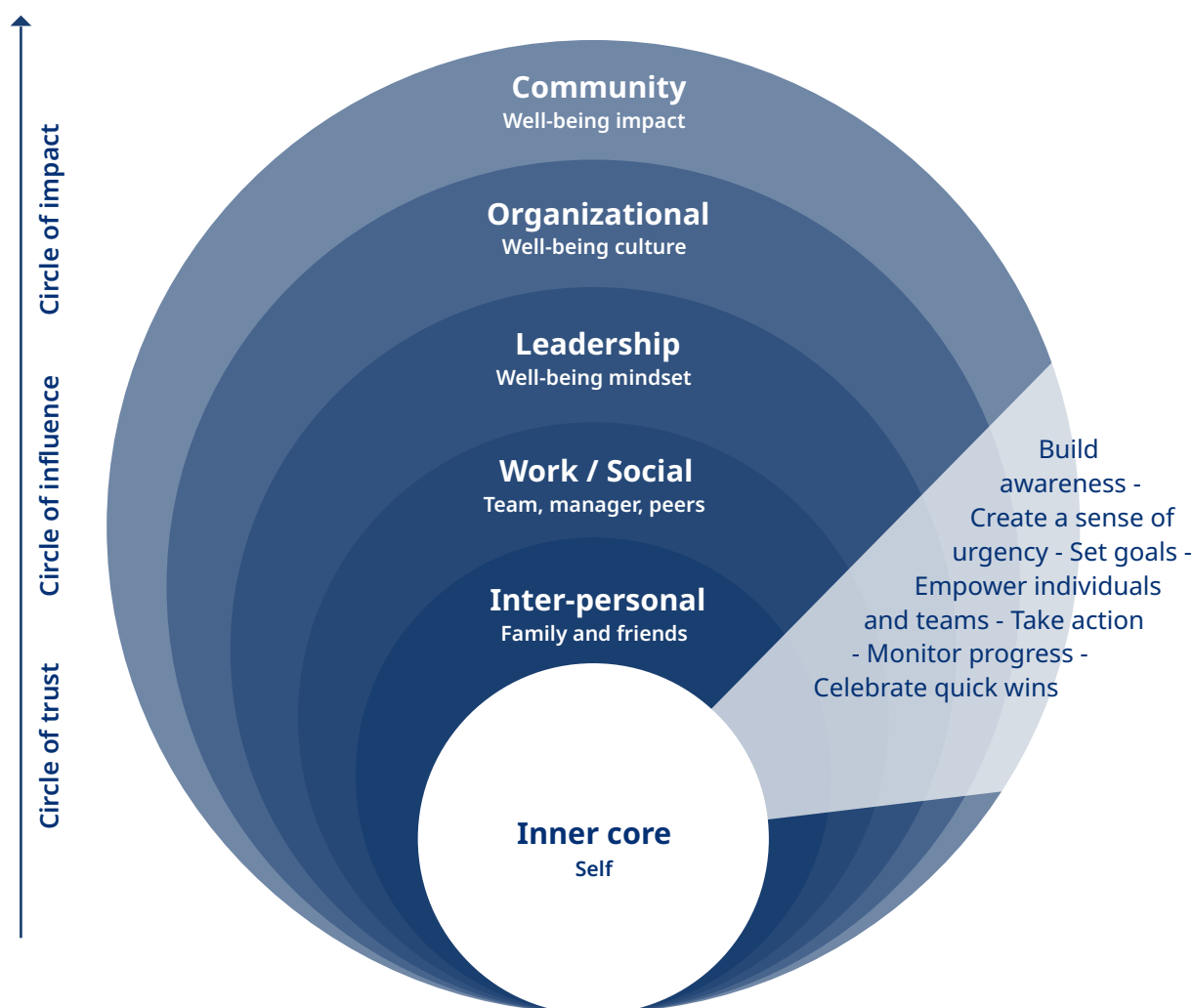
If decision-making to improve and sustain well-being is more decentralized, teams can discuss ideas and make changes at the ground level, feeling empowered, trusted, and accountable. If a team member has recently undergone surgery, is grieving the loss of a loved one, or is going through a separation, the team is best placed to offer the right support and care. Considering the analogy of sporting teams, teamwork is essential for navigating adversity, flourishing, and

winning together. This cannot be emphasized enough; a collective spirit and ‘sense of team’ are critical. On the other hand, when teams view adversity as something to be coped with alone, members can become isolated in their pain, fear, or anxiety. They may stop communicating, become more physically and socially distanced, and, in most cases, team functioning declines, often leading to mistakes and increased strife.

Promoting autonomy, establishing boundaries, and creating norms around communications, responsiveness, and urgency can significantly contribute to building a positive team culture. Regular discussions on mental health, well-being pulse checks, and the monitoring and sharing of ongoing well-being scorecards can be incorporated into team meetings, allowing the team to discuss and address concerns and risks and take action. For example, the team can set its own ground rules for managing high-pressure deadlines and priorities along with less demanding requirements, including agreeing on initiatives such as no calls during lunchtime, no emails after hours, focused work time, and designated no-meeting days. The capacity of each team member to operate at peak productivity and performance varies dramatically based on personal preferences and situations, which are best known at a smaller, more intimate team level. Employers can accelerate the rate of change and focus on well-being by empowering teams to take better care of themselves.

**Therefore, Mercer’s recommended change framework to increase and sustain well-being includes a systemic approach that focuses not only on the individual in terms of behavioral change, but also on making meaningful shifts at the team, leadership, organizational, and community level. This creates change from top-down and bottom-up perspectives.**





## Organizations as the final frontier of well-being

Employees who work for a toxic organization are eight times more likely to experience burnout symptoms.<sup>(26)</sup> Respondents experiencing burnout symptoms are six times more likely to report their intent to leave their employers in the next three to six months—ten times more predictive than compensation alone.

Not all organizations or work cultures are toxic, of course. However, considering the research findings that indicate 74% of employees report rising levels of stress at work and 90% of reported burnout and exhaustion can be directly attributed to work-related factors, organizations must take responsibility towards change. We now know that interventions targeting only individuals are far less likely to have a sustainable impact on employee health and well-being than systemic solutions, including team and organizational-level interventions. While the experience of burnout may be an intensely personal phenomenon, it takes place when there is an imbalance between the demands and pressures at work and the personal resources to cope with them. Therefore, organizations must engage in the hard work of reflecting on the overall work culture and how things get done, including reviewing the overall job design, delegation practices, and the classic ‘task’ versus ‘people’ focus within the organization. Organizations must also support and enable leaders and line managers to drive well-being.

**To start focusing on well-being at an organizational level, it is essential to identify what to change regarding the current culture, processes, stereotypes, assumptions, and shared beliefs.**

From a policy perspective, private sector employers often need to keep pace with their governments' focus on well-being. The UAE Government made global headlines by adopting a 4.5-day workweek, including four days for the Government of Sharjah. The state of Ontario has launched a new employment law known as the 'right to disconnect.' This 'right to disconnect' refers to employees not engaging in work-related communication, including emails, telephone calls, and video calls after work hours, allowing them to switch off.

Other countries such as Spain, France, and Portugal, have paved the way for these changes. The Portuguese government implemented labor laws making it illegal for employers to contact employees outside of working hours. Some forward-thinking employers are considering more radical changes, such as automatically deleting office emails while someone is away on holiday and setting up digital prompts to deter employees and leaders from sending emails and messages after work hours. As we transition to a more digital, remote working culture, issues like presenteeism and an inability to switch off have become more prevalent. Therefore, companies must review and adapt their policies regarding flexibility and better digital health to keep up with the times.



A number of organizations are investing in well-being training programs, that focus on topics such as emotional agility, physical and mental resilience, and effective coping strategies for managing stress at work. While there is merit in investing in adaptability and resiliency skill-building, it cannot replace the need to cultivate an adaptable and flexible work culture. An article highlights that “employees who are more adaptable tend to have an edge in managing change and adversity. Adaptability acts as a buffer against the impact of damaging workplace factors (such as toxic behaviors), while magnifying the benefits of supportive workplace factors (such as a supportive growth environment). Employees engaging in adaptability training experienced three times more improvement in leadership dimensions and seven times more improvement in self-reported well-being than those in the control group.”<sup>(28)</sup>

However, while adaptable employees are “better equipped to work in poor environments, they are less likely to tolerate them. Employees with high adaptability were 60% more likely to report an intent to leave their organization if they experienced high levels of toxic behavior at work than those with low adaptability (which may relate to a higher level of self-confidence). Therefore, relying on improving employee adaptability without addressing broader workplace factors puts employers at an even higher risk of losing some of their most resilient, and adaptable employees.”

Therefore, it is recommended that steps toward improving and sustaining well-being within organizations balance short-term programs and initiatives that create awareness and visibility for the importance of well-being, with programs to build resilience and coping skills, as well as longer-term systemic changes to organizational culture.



| Level 1:<br>Creating awareness | Level 2:<br>Building capability | Level 3:<br>Introducing policy changes | Level 4:<br>Fostering agility and flexibility | Level 5:<br>Embedding well-being into the organizational DNA |
|--------------------------------|---------------------------------|--|---|--|
|--------------------------------|---------------------------------|--|---|--|

Most organizations start here, with initiatives that are relatively easy to implement and achieve quick wins. However, these may only have a partial, surface level impact on well-being



Real change happens here, when organizations focus on building an enabling culture, where well-being is at the forefront of the employee experience

|   |  |  |   |  |
|---|--|--|---|--|
| Facilitating well-being days, talks by well-being 'gurus', yoga and barre classes, and mindfulness sessions | Conducting well-being masterclasses, and sessions on managing stress and burnout | Launching flexible benefits programs   | Adopting radical flexibility to support the work and personal situations of employees   | Ensuring psychological safety and trust, where conversations about mental health are normalized  |
| Focusing on physical health, activity challenges, competitions and fitness clubs                            | Delivering long-term physical and mental resilience training programs            | Developing rewards and incentive structures focused on well-being  | Ensuring equitable distribution of work, job redesign, and job crafting   | Empowering employees to be aware of and responsible for their own well-being   |
| Introducing corporate memberships to wellness apps, wearables, and gym passes                               | Facilitating sessions to support financial awareness and well-being              | Offering strategic partnerships with corporate insurance providers, EAP companies and other partners to enhance well-being offerings | Identifying the need for employees to disconnect and launching innovative programs such as the right to disconnect                                      | Encouraging and equipping managers to be more empathetic and compassionate towards the well-being of their teams                             |
|   |  |  | Incorporating data insights and technology to apply the latest thinking in behavioral changes, such as creating personalized prompts using nudge theory | Shifting leadership mindsets to lead by example and walk the talk in prioritizing employee well-being along with work demands and priorities |
|   |  |  |   | Embedding a culture of respect, trust and autonomy   |
|   |  |  |   | Ensuring rapidly agile, radically flexible, and inexplicably more human workplaces   |

The journey toward achieving more sustainable working practices is still in its early stages. While there is increasing evidence of change at an individual level through disciplines like positive psychology, health promotion models, and behavioral economics, there is not enough sufficient evidence at a systemic, organizational level regarding which programs, initiatives, and interventions have the largest impact on overall well-being.

**To conclude, a focus on well-being can no longer be considered optional, a nice-to-have, or a part CSR and part HR fleeting trend. How employees feel and function is fundamental to the very existence of organizations. The future depends on it.**



# About the authors



**Radhika Punshi** is the Partner and Managing Director at Mercer. As an organizational psychologist and HR expert, Radhika's key focus areas include talent assessment, leadership, well-being, and behavioral change. With an Ivy League education and two Masters Degrees in Organizational Behavior and Psychology, Radhika is the first person from the MENASA region to be awarded a degree in Positive Psychology. She served on the founding Board of Directors of the prestigious International Positive Psychology Association (IPPA) and is a Visiting Scholar at the University of Pennsylvania.

Radhika leads the well-being advisory practice at Mercer, working with public and private sector clients to develop well-being strategies and measurement approaches. She recently led a project to design the well-being curriculum for all public schools in the UAE in collaboration with the Ministry of Education and has developed a series of assessments and frameworks incorporating strengths-based approaches as well as well-being and happiness measures in the workplace.

Radhika is a published author, and her books include 'Unlocking the Paradox of Plenty' which highlights labor market opportunities in the region and the award-winning book on females in the Arab world titled 'Game-Changers'.





**David Jones** is the Partner and CEO of Mercer. With a background in labor market economics, David serves as a senior advisor to policymakers and organizational leaders on their most pressing human capital priorities. With over three decades of experience, David has worked with clients across 25+ countries and over 300+ organizations on a broad range of talent, leadership, assessment, performance, transformation, and inclusion projects.

David leads business growth and expansion efforts across global markets at Mercer. David leads Mercer's research and innovation efforts to identify future human capital priorities. Previously, David was the Chief Consulting Officer at Aon Hewitt MENA, and held senior HR leadership roles at Emirates Group, Dubai Civil Aviation, and KPMG.

A prolific speaker, David is a regular keynote speaker at conferences and summits worldwide and a frequent commentator in the press. David recently published his latest book, "The Future of Assessments" adding to his collection of books that include the best-selling 'Unlocking the Paradox of Plenty' and award-winning 'Game Changers'. He has also contributed to books such as 'Employment and Career Motivation in the Gulf States' by Gerlach, 'The Political Economy of Wasta' by Springer and 'Policy Making in the GCC' by IB Tauris. Other publications include research contributions to volumes on the changing social contract in Saudi Arabia; an international perspective on happiness and positive psychology; and an edited volume on 'The Future of Labour Market Reform in the GCC' by Gerlach Press.

# Mercer's well-being solutions

## Well-being assessment

Using Mercer's flagship well-being assessment tool, Element X, to measure individual, team, and organizational well-being across nine elements based on a gamified, immersive user experience.

## Well-being strategies


Working with private sector employers, governments and educational institutions to develop evidence-based well-being strategies based on positive psychology, behavioral science and systemic change approaches.

## Well-being programs

Designing and delivering behavioral change programs based on the science of well-being for youth, employees, and leaders, with a focus on resilience, coping, and emotional agility.

## Well-being coaching

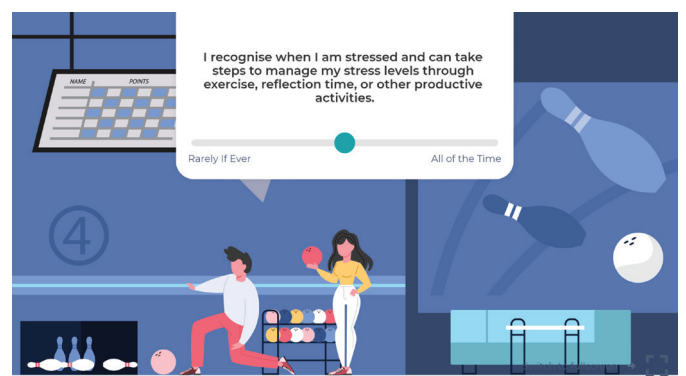
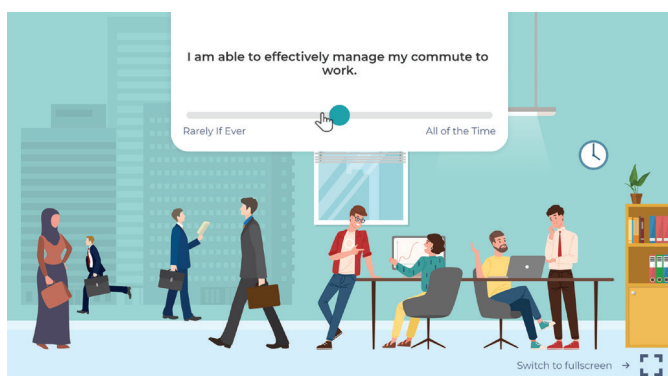
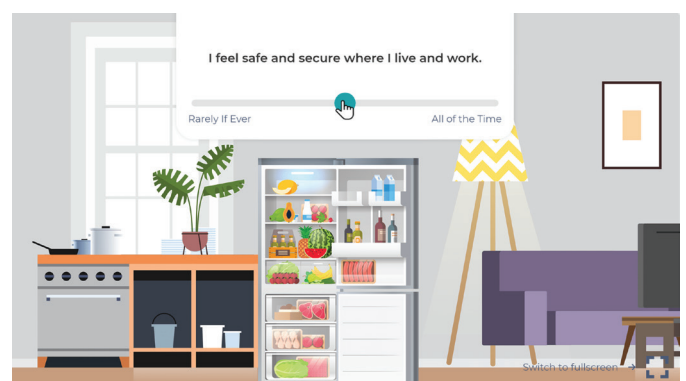
Working on large-scale coaching interventions for individuals, leaders, and teams to shift mindsets and make meaningful change toward well-being and mental health.



# A brief overview of Element X

Element X is a powerful, validated psychometric assessment that evaluates well-being at an individual, team, and organizational level across nine elements. Based on years of research, Element X is the first and only well-being assessment tool of its kind to predict positive workplace outcomes such as life satisfaction, flourishing, and hope as well as more clinical aspects of well-being such as anxiety, stress, burnout and depression. Element X differentiates itself by providing a scientific and evidence-led based approach to assessing well-being, grounded in positive psychology and the latest developments in behavioral science.

**Element X provides an extremely immersive and engaging experience for employees. It uses a unique visual survey flow that guides respondents through a journey to reflect on various elements of their work and personal lives, providing a comprehensive view of their levels of well-being.**



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