



# Mental Health in Organizations: Theoretical Analysis and Proposal of the Author's Concept of STEP-Method of Supporting Mental Well-Being of Employees

Olena Derkach, CPHR, SHRM-SCP

Human Resources Specialist Focus on Employee Mental Health, Winnipeg, Canada.

## Abstract

*This article examines the theoretical underpinnings of mental health in organizations and proposes the author's STEP Method—Strategy, Training, Engagement, and Prevention—as an integrated framework for promoting employee well-being. The discussion begins with an overview of contemporary definitions and classifications of mental health, highlighting the continuum from flourishing to diagnosed mental disorders. It then addresses key organizational factors such as leadership style, stigma reduction, and psychosocial interventions, underscoring the impact of mental health on absenteeism, presenteeism, and turnover. Drawing on current research and best practices, the article demonstrates how the STEP Method situates mental health initiatives within a broader corporate strategy. By embedding training modules for both leaders and employees, fostering continuous engagement, and prioritizing prevention, STEP offers a holistic approach that extends beyond traditional individual-level solutions (eg, Employee Assistance Programs). It is argued that this structured, systemic orientation not only mitigates work-related stressors but also cultivates a supportive culture in which employees are empowered to seek help proactively. The author concludes that STEP may serve as a cornerstone for building resilient, adaptable organizations well-positioned to address evolving mental health challenges.*

**Keywords:** Workplace Mental Health; Organizational Well-Being; Stress Management; STEP Method; Employee Assistance Programs; Leadership Engagement; Stigma Reduction; Prevention.

## INTRODUCTION

The topic of workplace mental health has garnered increasing scholarly and practical attention due to its significant influence on employee well-being, organizational effectiveness, and broader social outcomes. Recent investigations show that one in four adults may experience a diagnosable mental disorder annually, including mood, anxiety, and stress-related conditions [18, 22]. Untreated or poorly managed mental health issues often lead to heightened absenteeism, reduced productivity, and elevated turnover, imposing considerable costs on employers [6]. In contrast, organizations that foster a mentally healthy environment benefit from improved work engagement, higher morale, and lower strain-related outcomes [14].

The growing interest in workplace mental health aligns with contemporary social and economic shifts, as rapid organizational change and intensified job demands have contributed to an upsurge in employee-reported anxiety and depressive symptoms [21]. Moreover, societal recognition of

the pervasive stigma around mental illness [1] has sparked initiatives aimed at reducing barriers to care, enhancing leadership engagement, and expanding workplace-based interventions [9, 11]. Such developments underscore the importance of theoretical and practical frameworks that guide organizations in creating supportive psychosocial environments.

Given the scale and complexity of mental health challenges, the primary goal of this study is twofold:

1. Analyze theoretical approaches for managing and promoting mental well-being among employees, focusing on the interplay of organizational culture, leadership, and evidence-based interventions.
2. Substantiate the conceptual foundations of the author's STEP Method, arguing that its integration into organizational processes can bolster mental health outcomes and reduce stigma.

The novelty of this work lies in articulating how the STEP

**Citation:** Olena Derkach, "Mental Health in Organizations: Theoretical Analysis and Proposal of the Author's Concept of STEP-Method of Supporting Mental Well-Being of Employees", Universal Library of Business and Economics, 2025; 2(1): 37-42. DOI: <https://doi.org/10.70315/uloap.ulbec.2025.0201007>.

Method—emphasizing Strategy, Training, Engagement, and Prevention—fills critical gaps in existing paradigms, thereby supporting continuous improvement of employees' psychological well-being.

Substantial research has detailed the incidence, costs, and effects of mental health concerns in the workplace, highlighting a continuum of mental states from flourishing to clinical disorders [13, 20, 22]. Current organizational best practices include robust benefits for mental health treatment, leadership training, and policies aimed at mitigating stressors while building a culture of open communication and inclusivity [9, 11]. In particular, interventions focusing on prevention and early detection of distress—such as improved employee assistance programs, resilience-building, and stigma reduction—have shown promise [2].

Within this evolving landscape, the STEP Method emerges as a potential keystone solution for systematically integrating mental health support into organizational strategy and daily operations. By incorporating Strategy (holistic assessment and planning), Training (upskilling leaders and employees), Engagement (continuous feedback and peer support), and Prevention (proactive approaches to stress reduction and mental illness risk), STEP aligns with and extends prevailing best practices. The present article examines these dimensions in detail, situating them within leading theoretical models and providing a conceptual argument for STEP's relevance in contemporary workplaces.

## Theoretical Analysis of Mental Health in Organizations

A growing body of literature underscores the critical role of mental health in the workplace, not merely as an absence of illness but as a continuum spanning from thriving and flourishing states to acute mental disorders [13, 20, 22]. This section examines the main conceptual frameworks surrounding mental health and illness among employees, while also reviewing existing organizational programs aimed at addressing mental health challenges. Throughout, emphasis is placed on the complex interplay of

organizational culture, leadership practices, and evidence-based interventions.

Mental well-being in the work context is commonly conceptualized as a dynamic interplay between personal resources (eg, resilience, self-efficacy) and environmental factors (eg, job design, leadership style) that can help employees manage stress, maintain positive motivation, and achieve higher productivity [14, 15]. By contrast, mental health disorders—such as anxiety, depression, or burnout—reflect more severe or chronic reactions to stressors that often lead to deteriorating job performance, increased absenteeism, and presenteeism [6]. Crucially, stigma around mental health conditions can further impede help-seeking behaviors, contributing to the underutilization of available services [4].

Recent data indicate that up to one in four adults in working populations may experience a diagnosable mental health issue within a given year [18, 22]. The financial implications of unmanaged stress and mental illness are sizable, driving up direct healthcare expenditures and indirect costs. Organizations often incur losses through absenteeism (employees missing work due to distress) and presenteeism (employees working while impaired), which collectively erode organizational efficiency [9, 11]. Yet studies also highlight how investments in effective mental health initiatives can yield significant returns, manifested as reduced turnover, stronger morale, and greater innovation [14].

Among the principal factors shaping employee mental health are work conditions, organizational culture, psychosocial stressors, and individual coping skills [15, 21]. Supportive work arrangements—such as fair workload distribution, role clarity, and opportunities for career growth—provide protective buffers against emotional distress. By contrast, job insecurity, low decision latitude, and interpersonal conflict serve as potent stressors. Furthermore, a psychologically safe climate—characterized by openness, mutual respect, and freedom to raise mental health concerns—positively correlates with employees' willingness to seek early interventions [4].

**Table 1.** Selected factors influencing employee mental health and their outcomes

Factor	Positive organizational outcome	Negative organizational outcome
Work environment (e.g., ergonomic design, safety)	Lower incidence of injury, better morale	Chronic musculoskeletal issues, elevated stress
Leadership style (e.g., transformational leadership)	Enhanced job satisfaction, team cohesion	Reduced trust, fear of retaliation or stigma
Organizational culture (e.g., open communication)	Greater engagement, early help-seeking	Heightened presenteeism, underuse of EAPs
Stress management skills (e.g., resilience, coping)	Improved well-being, lower turnover	Burnout, emotional exhaustion
Social support (e.g., peer networks, supportive colleagues)	Faster recovery from distress, robust mental health climate	Isolation, interpersonal conflicts

Recognizing the profound impact of psychological factors on organizational effectiveness, many companies employ a variety of strategies to promote mental health and respond to emerging issues:

1. **Employee Assistance Programs (EAPs).** EAPs traditionally offer confidential counseling services and referrals to external providers. When robustly publicized and embedded in organizational culture, they address a broad spectrum of challenges—from clinical disorders to financial or legal concerns that aggravate stress [2, 11]. Despite their potential, EAP utilization remains low where stigma and lack of awareness prevail [6].
2. **Training for employees and leaders.** Workshops on stress reduction, mindfulness, and resilience help individuals understand and manage their mental health risks [15]. In parallel, leadership training fosters early detection and supportive supervision, which are vital in mitigating workplace stressors and encouraging help-seeking [8]. Empirical findings underscore how managers who proactively address mental health issues can reduce absenteeism and turnover within their teams [10, 16].
3. **Anti-stigma and awareness campaigns.** Many organizations have instituted educational outreach to dispel misconceptions about mental illness [4]. Such campaigns are typically accompanied by policies emphasizing respectful interactions, confidentiality, and prompt response to discrimination or harassment complaints [9].
4. **Stress management initiatives.** Techniques such as cognitive-behavioral therapy (CBT), mindfulness meditation, and relaxation training have been shown to reduce anxiety and depression symptoms among employees [19]. When combined with organizational changes—like flexible work hours or reconfigured job tasks—stress management programs demonstrate enhanced efficacy by tackling root causes rather than merely alleviating symptoms [12].
5. **Flexible scheduling and work arrangements.** Offering flexible schedules or remote work options can help employees balance personal and professional demands, mitigating stress and potential burnout [10]. Although not universally feasible, such approaches are frequently associated with improved mental well-being and higher retention.

A consistent finding is that organizational culture—shaped by top management values, policies, and communication norms—profoundly affects how mental health practices are adopted [14, 21]. Leaders who demonstrate compassion, actively advocate for well-being resources, and model healthy behaviors encourage employees to voice concerns and seek assistance early [9]. Conversely, an environment where psychological distress is dismissed or perceived as a

personal failing can exacerbate emotional strain and deter employees from utilizing available resources.

In addition, leadership engagement can serve as a powerful enabler of sustainable improvements in mental health outcomes. Evidence suggests that supervisory support significantly predicts employees' readiness to participate in interventions and maintain acquired coping skills [17]. Leadership thus operates as both a structural and relational resource, shaping everything from workload allocation to psychological safety [5].

Assessing mental health initiatives often involves a mix of quantitative and qualitative measures. Surveys capturing employees' perceptions of stress, burnout, and organizational climate can be complemented by standardized psychological scales such as the Patient Health Questionnaire (PHQ-9) for depression or the Generalized Anxiety Disorder (GAD-7) questionnaire [7]. Metrics such as turnover rates, absenteeism records, and EAP utilization provide additional insights into whether the interventions translate into tangible organizational benefits [2].

Some companies adopt comprehensive scorecards that track multifaceted outcomes, including employees' self-reported well-being, job satisfaction, and the usage of preventative services [23]. Other programs align metrics with broader corporate goals, such as productivity targets, safety incidents, or performance evaluations, thereby demonstrating the strategic value of investing in mental health [6].

At a more advanced level, organizations also monitor cultural indicators—for instance, perceived stigma, trust in leadership, and openness to discussing personal difficulties at work. High-quality data in these domains make it easier to refine mental health policies, expand training efforts, and maintain leadership accountability. In effect, the more accurately an organization can gauge shifts in employee mindset and behavior, the more effectively it can tailor interventions to promote enduring mental health improvements.

### **STEP Method as an Author's Concept for Supporting Mental Well-Being**

The development of the STEP Method originated from a pressing need to create a systematic yet flexible approach for promoting mental health in organizational contexts. Although many organizations already offer individual-focused interventions—such as employee assistance programs (EAPs), cognitive-behavioral trainings, or mindfulness sessions—research indicates that these measures, in isolation, often lack the structural and cultural embeddedness required for sustained impact [2, 11]. Consequently, the STEP Method addresses the overarching processes and policies within an organization, ensuring that mental health initiatives are not merely add-ons but integral components of the corporate strategy [21, 23].

The method takes its name from four core elements—Strategy (S), Training (T), Engagement (E), and Prevention (P)—each representing a distinct area of organizational action and capability-building. Developed to align with theoretical models of stress management [15] and positive organizational scholarship [14], the STEP Method

encourages organizations to move beyond remedial or “one-off” programs toward a culture of openness, empowerment, and continuous learning about mental well-being.

Below, Table 2 provides an overview of the four components of the STEP Method, highlighting their underlying rationale and core action points.

**Table 2.** The four components of the STEP method

Component	Core rationale	Key action points
S – Strategy	Integrate mental health into overall business strategy	– Conduct needs assessment – Develop frameworks with clear objectives – Ensure legal compliance in mental health initiatives
T – Training	Equip leaders and employees with the necessary skills to identify and address mental health issues	– Train managers in early recognition of distress – Provide specialized skills workshops (stress management, mindfulness) – Run anti-stigma campaigns
E – Engagement	Foster ongoing communication, peer support, and stakeholder involvement	– Maintain continuous feedback loops – Encourage peer mentoring or support networks – Communicate clearly about available resources
P – Prevention	Emphasize proactive approaches to reduce risk factors and prevent chronic conditions	– Promote work-life balance – Offer easily accessible mental health services – Establish early screening and intervention policies

The central pillars of STEP align closely with well-established theoretical perspectives. Strategy resonates with the job demands-resources (JD-R) framework, emphasizing how planned, top-down interventions can reduce strains and enhance resources [3]. Training echoes transactional stress theory [15], equipping individuals with the cognitive and behavioral competencies to appraise and cope effectively. Engagement integrated insights from social support models that highlight the protective role of open communication and collaborative culture [14]. Finally, Prevention is consistent with the continuum-based view of mental health [13], urging organizations to move upstream and tackle potential

risk factors long before they manifest as absenteeism or psychological crises [22].

Comparisons to existing offerings—such as EAPs or standalone well-being apps—suggest that STEP offers a broader and more holistic scope [11]. EAPs, for example, often focus on counseling and referrals but may lack the structural integration needed to address pervasive cultural stigmas or realign managerial practices [2]. By contrast, STEP embeds mental health concerns within leadership mandates and strategic objectives, ensuring that resources are known, accessible, and reinforced through ongoing engagement. Table 3 summarizes key differences between STEP and other widely used interventions.

**Table 3.** Comparison of STEP method and common mental health initiatives

Initiative	Focus	Strengths	Limitations
Traditional EAP	Confidential counseling; short-term problem-solving	– Professional support for personal/work issues – Often included in employee benefits	– Low utilization if stigma persists – Limited emphasis on organizational culture
Individual resilience training	Enhancing personal coping skills through workshops	– Direct skill-building (stress management) – May show short-term improvements	– Rarely addresses structural stressors – Impact can diminish without organizational support
STEP Method	Four-pillar, systemic integration: Strategy, Training, Engagement, Prevention	– In-depth alignment with HR and leadership – Proactive culture shift – Continuous feedback loops	– Requires executive-level buy-in and resources – Implementation can be more complex

Integrating the STEP Method within an organization offers several theoretical and practical advantages. At the individual level, employees benefit from transparent communication channels, skill-building opportunities, and an environment that destigmatizes help-seeking [4]. On the corporate scale, organizations that systematically adopt STEP are better positioned to reduce interpersonal conflicts, bolster morale, and develop a sustainable framework for preventing mental

health crises [6]. By embedding mental health awareness into strategic goals, companies can track metrics such as absenteeism, presenteeism, and utilization of mental health resources, thereby demonstrating accountability to stakeholders [17].

Moreover, these outcomes resonate with existing literature on best practices for enhancing mental health in the workplace. For instance, Wu, Roemer, Kent, Ballard, and Goetzel [23]



highlight how comprehensive initiatives—encompassing leadership buy-in, robust policies, and open dialogue—tend to have more durable effects than isolated measures. STEP's structured approach is thus compatible with recognized strategies like flexible scheduling, job redesign, or evidence-based intervention programs; it effectively layers onto established processes while offering a blueprint for holistic coordination [21].

Ultimately, the STEP Method's systematic orientation—not only focusing on individual coping but also reshaping the organizational setting—reflects contemporary perspectives that mental health must be integrated into the entire ecosystem of work [14]. Far from superseding existing services such as EAPs, STEP strengthens them by situating these services within an overarching framework of supportive leadership and proactive risk management. As subsequent empirical testing and field evaluations will demonstrate, STEP holds promise as a vital tool for organizations aiming to cultivate a resilient, high-performing workforce well-equipped to handle evolving psychosocial demands.

## CONCLUSION

The growing recognition of mental health as a critical component of organizational success underscores the need for integrated and sustainable strategies. Through a comprehensive review of theoretical foundations, this article has illustrated how the continuum of mental health intersects with various workplace factors—including culture, leadership, and stress management practices. While existing interventions, such as Employee Assistance Programs and resilience trainings, offer important benefits, their effectiveness can be amplified when anchored in a broader structural framework.

The proposed STEP Method responds to this necessity by embedding mental health considerations into the very core of organizational strategy, training, engagement, and prevention. By aligning with established theoretical models and existing best practices, STEP aims to address root causes of psychological distress while fostering a culture where help-seeking is not only accepted but encouraged. Early insights suggest that organizations employing STEP could see enhanced employee satisfaction, reduced burnout, and lower incidence of conflicts, translating to quantifiable gains in productivity and social cohesion. Although further empirical research is warranted, this framework holds promise for advancing both scholarly discourse and practical interventions dedicated to workplace mental health.

## REFERENCES

1. Am. Psychiatr. Assoc. (2013). *Diagnostic and Statistical Manual of Mental Disorders* (5th ed.). American Psychiatric Association.
2. Attridge, M. (2009). Resources for employers interested in employee assistance programs: A summary of EASNA's Purchaser's Guide and Research Notes. *Journal of Workplace Behavioral Health*, 25(1), 34–45.
3. Bakker, A. B., & Demerouti, E. (2018). Multiple levels in job demands-resources theory: implications for employee well-being and performance. In E. Diener, S. Oishi, & L. Tay (Eds.), *Handbook of Well-Being* (pp. 1–13). DEF Publishers.
4. Brohan, E., & Thornicroft, G. (2010). Stigma and discrimination of mental health problems: workplace implications. *Occupational Medicine*, 60(6), 414–420.
5. Carleton, R. N., Korol, S., Mason, J. E., Hozempa, K., & Anderson, G. S. (2018). A longitudinal assessment of the road to mental readiness training among municipal police. *Cognitive Behaviour Therapy*, 47(6), 508–528.
6. Dewa, C. S., Goering, P., Lin, E., & Paterson, M. (2002). Depression-related short-term disability in an employed population. *Journal of Occupational and Environmental Medicine*, 44(7), 628–633.
7. Dimoff, J. K., & Kelloway, E. K. (2019). With a little help from my boss: the impact of workplace mental health training on leader behaviors and employee resource utilization. *Journal of Occupational Health Psychology*, 24(1), 4–19.
8. Gayed, A., Milligan-Saville, J. S., Nicholas, J., Bryan, B. T., LaMontagne, A. D., et al. (2018). Effectiveness of training workplace managers to understand and support the mental health needs of employees: a systematic review and meta-analysis. *Occupational and Environmental Medicine*, 75, 462–470.
9. Greenberg, L., & Barling, J. (1999). Predicting employee aggression against coworkers, subordinates and supervisors: the roles of person behaviors and perceived workplace factors. *Journal of Organizational Behavior*, 20(6), 897–913.
10. Hammer, L. B., Demsky, C. A., Kossek, E. E., & Bray, J. W. (2016). Work-family intervention research. In T. D. Allen & L. T. Eby (Eds.), *The Oxford Handbook of Work and Family* (pp. 349–361). Oxford University Press.
11. Hargrave, G. E., Hiatt, D., Alexander, R., & Shaffer, I. A. (2008). EAP treatment impact on presenteeism and absenteeism: implications for return on investment. *Journal of Workplace Behavioral Health*, 28(3), 283–293.
12. Holman, D., Johnson, S., & O'Connor, E. (2018). Stress management interventions: improving subjective psychological well-being in the workplace. In E. Diener, S. Oishi, & L. Tay (Eds.), *Handbook of Well-Being* (pp. 754–766). DEF Publishers.
13. Keyes, C. L. (2002). The mental health continuum: From languishing to flourishing in life. *Journal of Health and Social Behavior*, 43(2), 207–222.

14. Kelloway, E. K., Dimoff, J. K., & Gilbert, S. (2023). Mental health in the workplace. *Annual Review of Organizational Psychology and Organizational Behavior*, 10(1), 363-387.
15. Lazarus, R. S., & Folkman, S. (1984). *Stress, Appraisal, and Coping*. Springer.
16. Milligan-Saville, J. S., Tan, L., Gayed, A., Barnes, C., Madan, I., et al. (2017). Workplace mental health training for managers and its effect on sick leave in employees: a cluster randomized controlled trial. *The Lancet Psychiatry*, 4(11), 850-858.
17. Nielsen, K., Nielsen, M. B., Ogbonnaya, C., Käsälä, M., & Saari, E. (2021). Workplace resources to improve both employee well-being and performance: a systematic review and meta-analysis. *Work & Stress*, 31(2), 101-120.
18. NIMH (National Institute of Mental Health). (2022). Mental illness. <https://www.nimh.nih.gov/health/statistics/mental-illness>
19. Richardson, K. M., & Rothstein, H. R. (2008). Effects of occupational stress management intervention programs: a meta-analysis. *Journal of Occupational Health Psychology*, 13(1), 69-93.
20. WHO (World Health Organization). (2016). *World health statistics 2016: Monitoring health for the SDGs*. WHO.
21. WHO (World Health Organization). (2019a). Mental health in the workplace: information sheet. [https://www.who.int/mental\\_health/in\\_the\\_workplace/en/](https://www.who.int/mental_health/in_the_workplace/en/)
22. WHO (World Health Organization). (2022). *Mental disorders*. <https://www.who.int/news-room/fact-sheets/detail/mental-disorders>
23. Wu, A., Roemer, E. C., Kent, K. B., Ballard, D. W., & Goetzl, R. Z. (2021). Organizational best practices supporting mental health in the workplace. *Journal of Occupational and Environmental Medicine*, 63(12), e925-e931.