

BEYOND HR:

The Case for a Chief Mental Health Officer in Cultivating High-Performance Teams

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A chief mental health officer can enhance employee performance; improve workplace culture; facilitate psychological health and safety programs; reduce costs from presenteeism, disability leaves and turnover; and signal to job candidates that the organization values employee well-being. The author explores their vital role in guiding leadership and strengthening organizations.

Workplace mental health has gained recognition as a crucial component of organizational health and sustainability, a shift accelerated by the pandemic. Research consistently demonstrates that workplace mental health concerns impact employee productivity and engagement, costing organizations across North America billions of dollars annually. A recent *American Journal of Preventive Medicine* study estimates that employee burnout alone costs U.S. employers \$4,000-\$21,000 per worker per year.¹

The burden employees carry has not eased since the pandemic; it has been compounded by global conflict, political and economic instability, financial stress and growing concerns about job security. As a result, many employees arrive at work emotionally strained.

Amid a growing global awareness, the emergence of psychological health and safety provides invaluable, actionable insights for creating healthier work environments. In safety-sensitive industries, this approach helps eliminate fear from work cultures, strengthening the internal responsibility systems (IRS) to operate more effectively within occupational health and safety (OHS).

In this evolving landscape, the chief mental health officer (CMHO) is emerging as a strategic asset, an opportunity to bring specialized expertise to help stabilize workforces and foster conditions where employees can thrive and perform at their best.

The CMHO role may be structured as either a fractional or full-time position, but its success depends on a well-defined scope of responsibilities and the trust of the executive team. With that foundation, CMHOs can deliver

real impact by improving employee performance; strengthening organizational culture; and reducing costs tied to presenteeism, disability claims, lost tacit knowledge and turnover. Their presence also signals prospective hires that the organization prioritizes employee well-being, psychological safety and a positive workplace experience.

Mental Health's Importance in the Workplace

Poor mental health has a well-documented impact on organizational performance. In the U.S., employees with fair or poor mental health are estimated to have nearly 12 days of unplanned absences annually, compared with 2½ days for all other workers, an estimated cost of \$47.6 billion annually in lost productivity.²

Beyond these tangible costs, research increasingly recognizes the connection between employee mental health, engagement and productivity. A recent Boston Consulting Group study estimated that improving mental health could boost productivity by 13%, raising gross domestic product per employee from \$108,000 to \$122,000 and increasing the

average profit per employee in Canadian businesses from \$21,000 to \$24,000.³

Google's Project Aristotle reinforces the importance of psychological safety—a team environment characterized by interpersonal trust and mutual respect—as fundamental to high-performing teams.⁴ This research emphasized the importance of cultivating a workplace where individuals feel safe to express their concerns and seek help.

Despite ongoing discussions about mental health, stigma remains a significant barrier to employee engagement. Many still fear that disclosing mental health challenges may lead to professional repercussions, which discourages them from seeking support. Leadership plays a crucial role in dismantling this stigma by openly discussing mental health issues and demonstrating a commitment to employee well-being. A CMHO can be a catalyst for change, advocating for mental health, promoting awareness and fostering mental wellness as a core organizational value.

CMHOs play a key role in helping organizations differentiate between mental health and mental illness, while emphasizing the critical influence of

Takeaways

- The success of a chief mental health officer (CMHO), whether part-time or full-time, relies on clearly defined responsibilities and executive team trust.
- CMHOs are uniquely positioned to influence organizational health by fostering a culture of safety, inclusion and support. Their efforts enhance employee engagement and drive stronger financial outcomes.
- Research demonstrates that investing in mental health initiatives yields strong returns, including higher morale, productivity and efficiency. Organizations prioritizing mental well-being experience lower absenteeism, reduced turnover and an improved workplace culture—leading to greater profitability and innovation.
- Integrating the CMHO role is a strategic move that highlights the importance of mental health investment in today's competitive landscape. Creating this position showcases an organization's commitment to supporting its workforce, positioning mental health as a fundamental pillar of progressive and resilient businesses.

the workplace environment on employee well-being. A helpful analogy is that of a fish tank: It isn't enough for the owner to feed the fish; the owner must maintain a clean environment for the fish to thrive. Similarly, in the workplace, isolated wellness initiatives are insufficient. A thoughtful psychological health and safety program promoting mental health and reducing mental harm is essential for enhancing the employee experience and cultivating high-performing teams.

An effective CMHO brings a holistic view of the organization, advising the chief human resources officer (CHRO) and senior leadership on strategies that span leadership development, performance management, succession planning, recruitment, policies, organizational culture and workload. By addressing these interconnected areas, the CMHO helps reduce unnecessary stressors, build employee resilience and foster the conditions necessary for success.

The Strategic Role of a Chief Mental Health Officer

The CMHO plays a multifaceted, cross-functional role, collaborating across departments, navigating workforce dynamics and implementing best practices to foster a supportive workplace. While CHROs also play a vital role in managing people, many lack the behavioural science and mental health expertise a CMHO provides. With deep psychological health and safety knowledge and a strong understanding of organizational systems, CMHOs bridge academic and clinical expertise to practical workplace applications, making it relatable and actionable for senior leadership.

- *On-Demand Resource:* A skilled CMHO can support executives by serving as a coach to navigate stressful situations involving their work and teams. They can screen for mental health risks and refer leaders to appropriate support. They can assist the CHRO in selecting effective leadership and human capital training initiatives to create a positive employee experience.
- *Cross-Department Collaboration:* CMHOs collaborate with human resources, OHS, and learning and development departments to integrate mental health considerations across the organization, ensuring a unified and supportive employee experience.
- *Guide Psychological Health and Safety (PHS) Programming:* CMHOs design and implement PHS programs and initiatives, addressing psychosocial risk factors such as excessive workloads, subpar psychological safety, poor work-life balance and workplace conflict. Utilizing a Plan-Do-Check-Act framework, they guide PHS program activities such as developing policies, enhancing crisis readiness, implementing prevention and support programs, and providing knowledge and skilled training to mitigate mental harm and build organizational resilience.
- *Support High-Performing Teams:* By promoting psychological safety and resilience, CMHOs enhance team performance. They conduct training sessions for leadership on adaptive management; improve team dynamics; and encourage environments where all team members feel valued, respected and empowered to contribute.

Financial Benefits of the CMHO Role

A CMHO can use organizational data to build a strong business case for mental health investment and demonstrate the costs associated with inaction. They should be equipped to evaluate programs, track key metrics and performance outcomes, and develop return on investment (ROI) case studies for senior leaders seeking evidence of impact and measurable results.

- *Cost Savings Through Prevention:* Effective mental health programs can significantly reduce disability claims, benefits usage and absenteeism. CMHOs ensure these initiatives align with organizational goals and deliver measurable outcomes.⁵
- *Proven ROI From Case Studies:* Research from Deloitte and the Canada Standards Association (CSA) suggests that improvements in employee experiences and mental health can drive ROIs in psychological health and safety.^{6,7}
- *Measurable Impact Through Metrics:* CMHOs help organizations establish key performance indicators to assess program effectiveness. These may include turnover rates, disability costs, productivity per full-time equivalent, engagement scores and absenteeism levels.
- *ROI on Short-Term and Long-Term Disability (STD and LTD) Costs:* Mental health-related disability claims can impose significant costs on organizations annually; a single STD or LTD claim may cost tens of thousands of dollars annually. For example, by identifying psychosocial risk factors early and implementing preventive programs, a CMHO facilitates action and decisions

that can reduce the percentage of incidences by as much as 2-4% over a reasonable period, generating both cost savings and increasing performance opportunities. This kind of cost avoidance and upside offers compelling ROI. It reinforces the CMHO's value, demonstrating that investing in mental health is a prudent business decision, not merely a feel-good initiative.

Thriving employees who feel psychologically safe are likelier to show up engaged, motivated and ready to contribute their best daily work.

Enhancing Organizational Culture and High-Performance Teams

The CMHO cultivates a workplace culture prioritizing mental health and well-being, leading to high-performing teams.

- *Creating a Positive Workplace Environment:* The CMHO plays a key role in shaping a psychologically healthy workplace by leading or supporting mental health and safety initiatives. This includes updating existing policies or creating new ones based on employee feedback to enhance their overall experience. By fostering an encouraging culture, the CMHO empowers employees and boosts morale, engagement and productivity, creating a positive cycle of well-being and performance.
- *Fostering Psychological Safety and Resilience:* To build resilient, high-performing teams, the CMHO is critical in implementing prevention and support programs, encouraging effective employer and employee behaviours and habits. The CMHO's role is to encourage actions that help eliminate fear and stigma and promote an environment where employees feel safe to speak up and learn from challenges. Resilience is a shared responsibility reinforced through strategic decisions and actions, promoting learning and accountability.
- *Driving Customer Satisfaction Through Employee Well-Being:* Engaged and supported employees are likelier to deliver exceptional service, directly contributing to higher customer satisfaction rates. Research consistently links employee engagement and well-being with better customer experiences, increased loyalty, higher sales and stronger organizational performance.

Through these efforts, the CMHO fosters, with the support of senior leadership, a psychologically safe and inclusive

workplace that enhances employee engagement, customer service and organizational success.

Collaborating for Success

Establishing strong collaborative relationships with other leadership roles is essential for a successful CMHO.

- *Leading by Example:* The CMHO should model empathy, compassion and collaboration while addressing conflict directly and challenging the status quo when needed. As a champion of psychological health and safety, the CMHO must uphold organizational values, reducing mental harm and promoting well-being.
- *Strategic Alignment With Leadership:* The CMHO collaborates closely with the CEO, CHRO and chief financial officer to develop mental health strategies aligned with the organization's business objectives. This ensures mental health initiatives are integrated into the organizational culture and recognized as essential to employee well-being and performance.
- *Advisory Role:* Beyond implementation, the CMHO advises senior leadership by providing actionable strategies to promote psychological health and safety. Clear expectations around reporting frequency and metrics help maintain accountability and optimize efficacy.
- *Integrated Approach:* The CMHO advocates for an integrated approach to psychological health and safety to ensure it is not done in isolation and connects to the employee experience. Collaborating with human resources, OHS, operations and employee support, the CMHO aligns wellness initiatives with strategic goals to enhance employee experiences and organizational performance.

The Strategic Value of the CMHO

The value of a CMHO becomes evident when calculating the costs associated with presenteeism, disability claims, turnover rates and lost productivity due to workplace conflicts and disengagement. The CMHO doesn't possess a magic wand; they are skilled executives who guide leadership teams in making strategic decisions that enhance the employee experience.

As mental health becomes a recognized organizational priority, and regulations evolve around employers' expectations (e.g., changes in OHS, human rights, labour standards), the CMHO emerges as a linchpin in promoting psychologi-

cal health and safety and driving high performance. A key performance indicator for the CMHO is assessing and presenting the “cost of doing nothing” at the outset of their role and revisiting this analysis annually. This ongoing assessment demonstrates impact and identifies areas for improvement.⁸

In a rapidly evolving workforce landscape, prioritizing employee PHS, mental health and well-being is not optional. Organizations that embrace the CMHO role are better equipped to navigate challenges and foster a thriving workplace environment. The future of PHS and workplace mental health success will benefit from ensuring the organization has expertise that understands psychological health and safety and how to facilitate evidence-based impact. The purpose of this article is to encourage CEOs and CHROs to leverage the CMHO function to guide organizations on how to embed PHS into business strategy, instead of as an add-on.

Ultimately, investing in mental well-being is an investment in an organization’s greatest asset: its people, who make the foundation of a thriving, resilient and future-ready organization. 🌱

Endnotes

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BIO

Bill Howatt, Ph.D., Ed.D., RP, RTC,

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