

# Integrating Mental Health and Employee Wellbeing into Strategic Human Resource Management

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## Интеграция ментального здоровья и благополучия сотрудников в стратегическое управление человеческими ресурсами

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**Аннотация.** В глобализованном, технологически ориентированном рынке молодые таланты обеспечивают конкурентоспособность благодаря своей инновационности, энергии и адаптивности. Эта статья рассматривает проблемы управления их карьерным ростом, уделяя особое внимание ожиданиям быстрого продвижения, гибкости и значимой работы. Опираясь на данные отчета ACCA Global Talent Trends 2025, статья анализирует их высокую мобильность, предпочтение внешних карьерных переходов и барьеры, включая стресс на рабочем месте, проблемы с психическим здоровьем, недостаточные вознаграждения и ограниченные возможности для продвижения. Предлагается система управления талантами, включающая оценки на основе SMART и структурированное коучинговое сопровождение для развития навыков, ментального благополучия и культурной интеграции. Преодоление культурных и психологических барьеров в регионах с иерархической структурой имеет ключевое значение для повышения вовлеченности, удержания сотрудников и устойчивого успеха организации.

**Ключевые слова и словосочетания:** Ментальное здоровье, благополучие сотрудников, молодые таланты, человеческие ресурсы, управление талантами, коучинг, оценка эффективности

## Մենթալ առողջության և աշխատակիցների բարեկեցության ինտեգրումը մարդկային ռեսուրսների ռազմավարական կառավարման մեջ

**Շահնազարյան Գագիկ Հ.**

*Մարքեթինգի և բիզնեսի կազմակերպման ֆակուլտետի բիզնես վարչարարության ամբիոնի դասախոս, Հայաստանի պետական տնտեսագիտական համալսարան (Երևան, ՀՀ)*

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**Ամփոփագիր.** Գլոբալացված և տեխնոլոգիապահ շուկայում երիտասարդ տաղանդները մրցունակության շարժիչ ուժն են՝ իրենց նորարարությամբ, էներգիայով և հարմարվողականությամբ: Այս հոդվածը ուսումնասիրում է նրանց կարիերայի աճի կառավարման մարտահրավերները՝ շեշտադրելով արագ առաջխաղացման, ճկունության և իմաստալից աշխատանքի հանդեպ ունեցած ակնկալիքները: Հենվելով ACCA Global Talent Trends 2025 հաշվետվության վրա՝ այն վերլուծում է նրանց բարձր շարժունակությունը, արտաքին կարիերային անցումների նախընտրությունը, ինչպես նաև խոչընդոտները, ներառյալ

աշխատանքային սթրեսը, մենթալ առողջության խնդիրները, անբավարար վարձատրությունը և սահմանափակ առաջխաղացման հնարավորությունները: Առաջարկվում է տաղանդների կառավարման համակարգ, որը ներառում է SMART սկզբունքների վրա հիմնված գնահատումներ և կառուցվածքային մենթորություն՝ հմտությունների զարգացումը, հոգեբանական բարեկեցությունը և մշակութային ինտեգրումը խթանելու համար: Մշակութային և հոգեբանական խոչընդոտների հաղթահարումը տարածաշրջաններում, որտեղ գերիշխում է բարդ հիերարխիկ համակարգերը, կարևոր է ներգրավվածության, պահպանման և կազմակերպության կայուն հաջողության ապահովման համար:

**Հանգուցաբառեր և բառակապակցություններ՝** Մենթալ առողջություն, աշխատակիցների բարեկեցություն, երիտասարդ տաղանդներ, մարդկային ռեսուրսներ, տաղանդների կառավարում, մենթորություն, կատարողականի գնահատում

The 21st century is marked by rapid technological change, the rise of knowledge-based production, and increasingly collaborative and innovative workplaces. In this dynamic environment, human resource management (HRM) has become more essential – and more complex – than ever before. According to the Oxford Learner’s Dictionary, the term “human resources” refers to “people’s skills and abilities, seen as something a company, an organization, etc. can make use of [8].” This definition underscores the strategic value of human potential in achieving organizational goals. In this context get more importance effectively manage human resources, to implement HRM system. The term Human Resource Management has been interpreted in various ways by different authors. Gary Dessler views it as a process focused on acquiring, training, appraising, and compensating employees while ensuring fairness and safety within the workplace [4]. In contrast, David A. DeCenzo and Stephen P. Robbins describe HRM as a strategic tool that enables organizations to achieve their goals through effective staffing, training, and development of personnel [3].

Entities that harness the potential of their employees – by motivating them, evaluating performance effectively, and offering opportunities for growth and promotion – achieve significantly better results than those that overlook HRM. An effective human resource management system is not just beneficial; it is crucial to a company’s long-term success.

In this context, the contemporary workplace is experiencing a significant transformation, shaped by rapid technological innovation, shifting employee expectations, and the enduring effects of global disruptions such as the COVID-19 pandemic. In this dynamic environment mental health and employee wellbeing have emerged as critical drivers of organizational success, transcending their traditional roles as peripheral concerns to become central components of Strategic Human Resource Management (SHRM). According to Cambridge Dictionary The term “mental health” is described as the condition of someone’s mind and whether or not they are suffering from any mental illness and term “wellbeing” – as the state of feeling healthy and

happy [7]. As organizations navigate the complexities of hybrid work models, digital transformation, and a heightened focus on diversity, equity, and inclusion, prioritizing mental health and wellbeing is no longer optional – it is a strategic imperative.

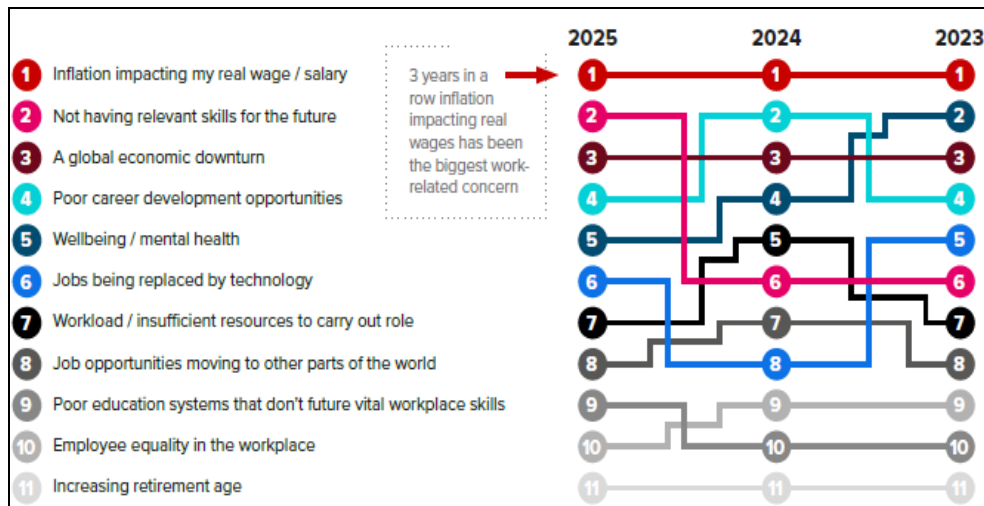
Mental health and wellbeing directly influence employee performance, organizational culture, and long-term sustainability. Arianna Huffington (founder of Thrive Global) advocates for redefining success to include wellbeing, arguing that burnout is a serious threat to productivity and innovation [2]. Poor mental health, characterized by stress, anxiety, or burnout, can lead to decreased productivity, higher absenteeism, and increased turnover, costing organizations billions annually. For instance, studies indicate that workplace stress contributes to significant economic losses due to reduced efficiency and healthcare expenses. Robert Kegan & Lisa Lahey (authors of *An Everyone Culture*) propose that organizations should become “deliberately developmental,” where personal growth and mental resilience are built into the company’s DNA [5]. Organizations that proactively support mental health and wellbeing report higher employee engagement, improved job satisfaction, and stronger retention rates. In the new era, employees increasingly seek workplaces that prioritize their holistic wellbeing, valuing flexibility, purpose, and mental safety over traditional incentives alone. This shift reflects a broader societal recognition of mental health as a cornerstone of personal and professional fulfillment.

The integration of mental health and wellbeing into SHRM aligns with the evolving expectations of a multigenerational workforce. Millennials and Gen Z, who form a significant portion of today’s talent pool, prioritize employers who demonstrate a genuine commitment to their emotional and physical health. This includes access to mental health resources, flexible work arrangements, and inclusive cultures that foster belonging. Moreover, the rise of remote and hybrid work has blurred the lines between personal and professional lives, amplifying the need for organizations to address work-life balance proactively. By embedding mental health and wellbeing into SHRM, organizations can create environments where employees feel supported,

empowered, and motivated to contribute to organizational goals.

The ACCA Global Trends 2025 [1] report provides critical insights into the evolving landscape of mental health and employee wellbeing within the accountancy and finance profession, with a particular focus on the challenges faced by younger workers and the role of organizational support in driving workplace satisfaction. In its third edition, the report identifies the key issues facing finance professionals during 2025, drawing on compelling data, insights, and perspectives gathered from over

10,000 respondents across 175 countries. It sheds light on the transforming world of work and the emerging career aspirations shaping the profession today [6]. Drawing from a comprehensive survey of professionals, the report highlights persistent mental health concerns, the impact of workplace pressures, and the urgent need for strategic interventions to foster a healthier, more engaged workforce. This analysis delves into the report’s key findings on mental health and wellbeing, supported by relevant figures, and offers conclusions to inform Strategic Human Resource Management (SHRM) practices.



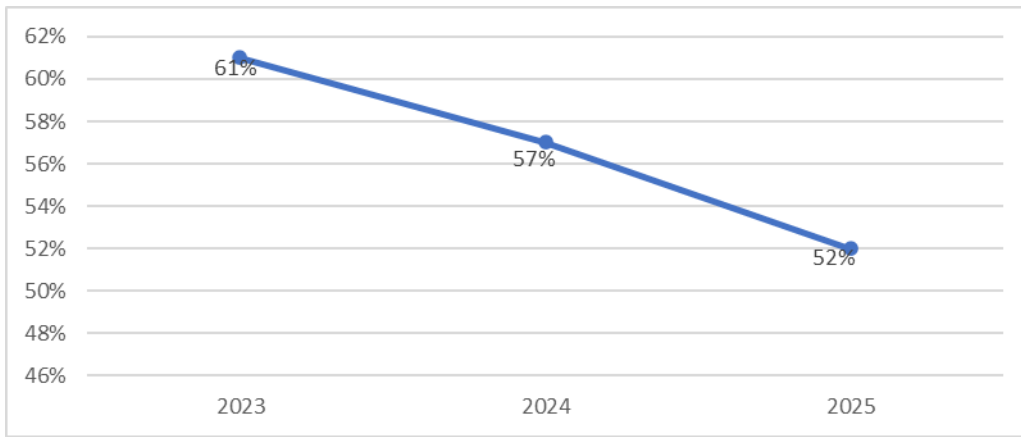
**Picture 1.** The biggest work-related work concerns for the *future* [1, p. 29]

The cost-of-living crisis remains the leading workplace concern, topping ACCA’s Workplace Fears Index for the third consecutive year and placing considerable strain on organizations as they manage salary expectations. Although headline inflation has eased – largely due to tighter monetary policies adopted by central banks in major economies since 2023 – many respondents continue to report that their current compensation does not adequately reflect rising living costs. Across sectors and regions, the cost of living stands out as the most pressing workplace issue. Wellbeing and mental health rank fifth in the 2025 index, reflecting a modest improvement from fourth place in 2024 and second in 2023. While this upward trend may

appear encouraging, it does not represent a significant breakthrough. The report highlights ongoing challenges: stress, anxiety, and burnout continue to impact employees across generations. These issues are further intensified by prevailing economic pressures – particularly the cost-of-living crisis – which remains the dominant concern for many professionals (picture 1).

**Persistent Mental Health Challenges**

The ACCA Global Trends 2025 report underscores that mental health remains a significant challenge within the accountancy profession, particularly in high-pressure environments like the Big Four accounting firms.



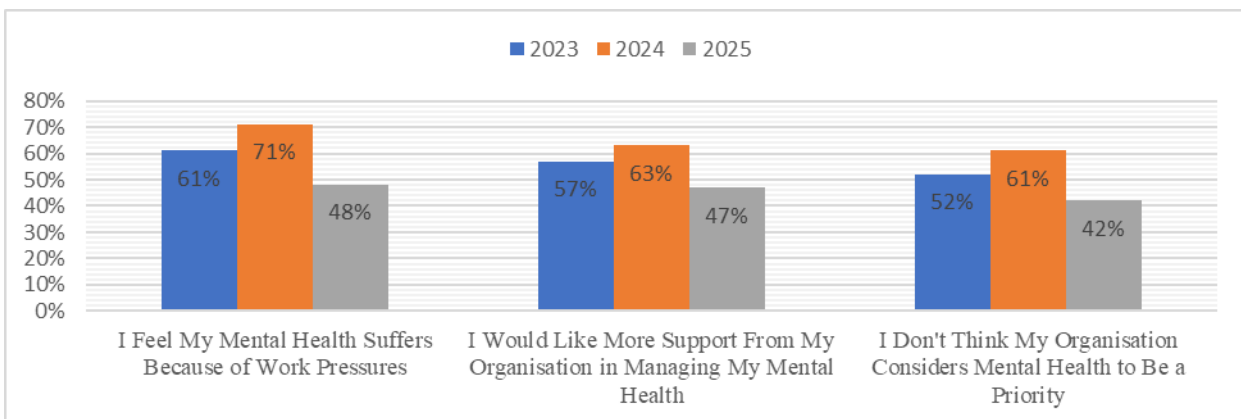
**Figure 1. Mental Health Indicators [1, p. 7]**

As illustrated in Figure 1, mental health issues stemming from workplace stress remain a serious concern across recent years. In 2023, 61% of respondents reported that their mental health suffered due to work pressures. This number slightly declined to 57% in 2024, indicating modest improvement. However, by 2025, despite continued advancements in mental health awareness and support, 52% of respondents still experienced negative mental health effects linked to work-related stress. In this context three factors stand out as being particularly correlated with workplace satisfaction when it comes to mental health:

- overall poor mental health impact from work
- individuals wanting more mental health support

• a perception that organisations are not doing enough to support mental health in the workplace. Flight risk is cited too as a key issue linked to mental health [1, p. 42].

Survey data shows a decline in respondents feeling their mental health suffers due to work (from 61% in 2023 to 48% in 2025) and wanting more support (from 63% to 42%), though 47% still feel their organization does not prioritize mental health (figure 2).

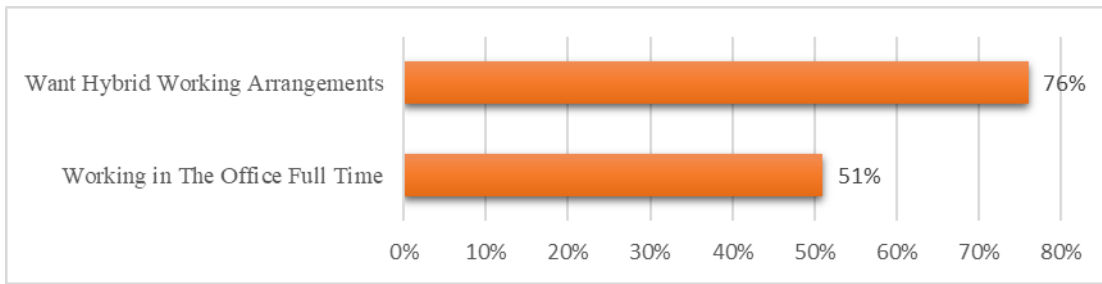


**Figure 2. Mental Health Indicators [1, p. 42]**

This figure reflects a pervasive issue, with work-related stress, long hours, and tight deadlines identified as primary contributors, especially in the Big Four, where respondents consistently report the highest levels of poor mental health over three years. The report notes that these firms face unique challenges due to their role as a key talent pipeline, amplifying the need for targeted interventions.

**Hybrid work preferences remain elusive for many**

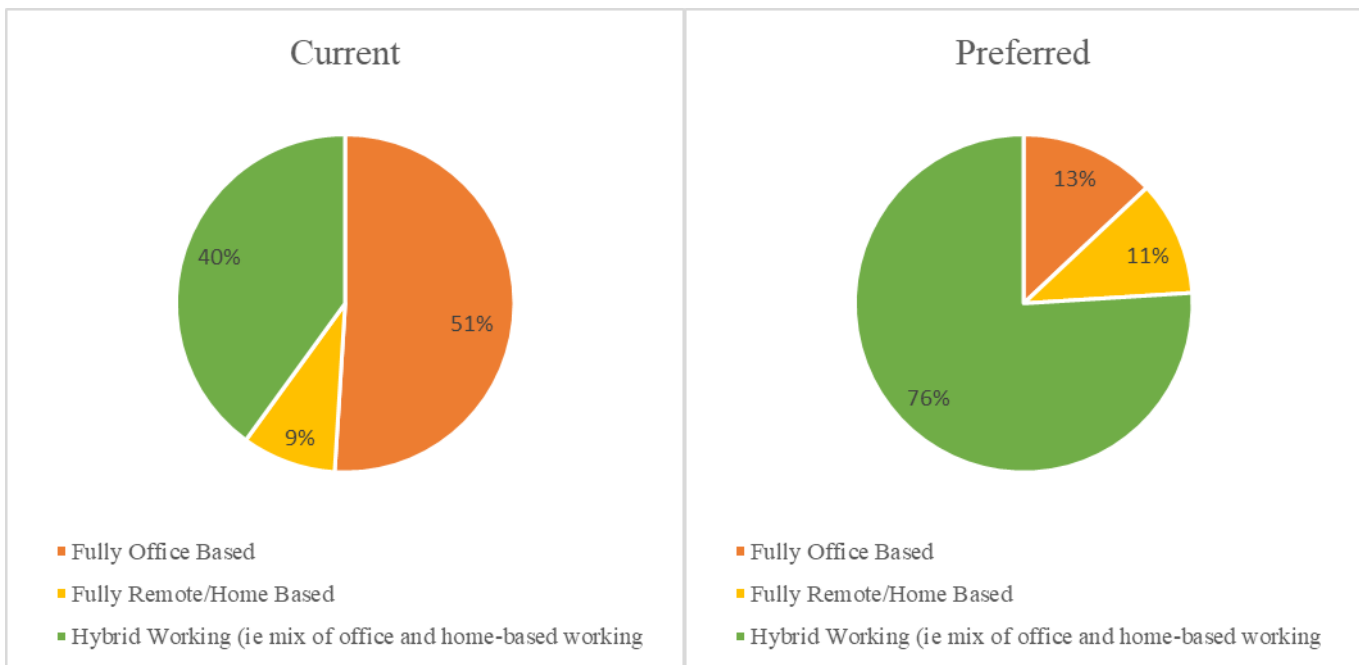
Three years of tracked data from ACCA annual Global Talent Trends survey indicate that worker demands for hybrid working continue to go unmet. Over three quarters of respondents (76%) desire hybrid working arrangements, yet over half (51%) remain working in the office full time (figure 3).



**Figure 3.** *Mental Health Indicators, 2025 [1, p. 5]*

This persistent discrepancy poses risks of poor engagement and employee dissatisfaction, while also presenting potential implications for skills development and mental health. The challenge is exacerbated by ‘in-office days’ policies that appear to be applied inconsistently.

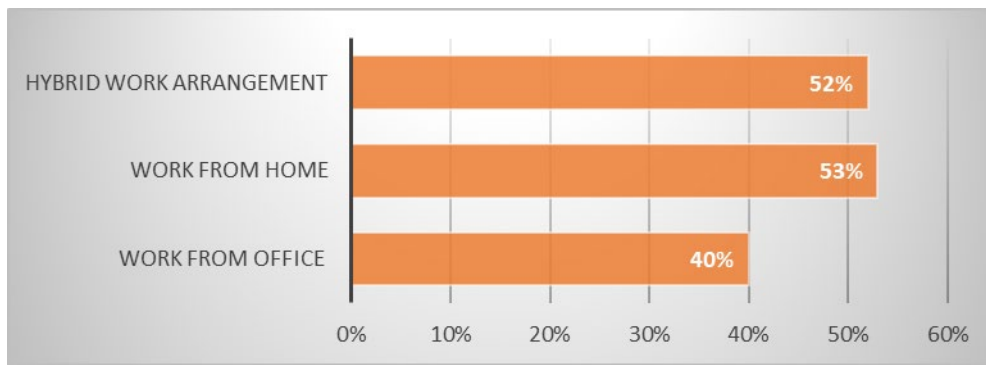
Workers’ demands for hybrid working are still not being fully addressed. There exists a notable gap between current working patterns and the preferences of employees, a trend mirroring patterns observed in previous years.



**Figure 4.** *Current vs preferred working pattern, 2025 [1, p. 17]*

As illustrated in Figure 4, currently, 40% of all respondents operate under hybrid arrangements, yet 76% would prefer to do so. Hybrid working is increasingly associated with more mature, developed economies. This workplace mismatch clearly fuels poor engagement, with data suggesting that hybrid and remote workers report higher satisfaction levels. These working arrangements are

frequently cited as key to enhancing work-life balance, a perspective supported by advocates who highlight greater control, reduced commuting stress, improved work-life balance, and lower costs. While working patterns are not the sole lever organizations can use to boost satisfaction, they significantly influence respondents’ experiences.



**Figure 5.** Job Satisfaction, 2025 [1, p. 17]

As illustrated in Figure 5, hybrid and remote workers consistently show greater satisfaction at work compared to those fully office-based, reinforcing the notion that “hybrid working is definitely the future.”

The *ACCA Global Trends 2025* survey highlights that mental health and wellbeing remain significant challenges for employees and organizations in the modern workplace. To address or mitigate these issues, the following evidence-based measures are proposed to integrate into Strategic Human Resource Management (SHRM) practices:

### 1. Implementation of a Mental Support System

Establish a comprehensive mental support framework, including access to professional counseling and mental health resources. Monthly feedback sessions should be conducted with employees to assess their mental health status, supplemented by cross-checked surveys to identify trends and concerns. If the mental health climate is deemed unacceptable, proactive measures should be introduced, such as organizing stress-relief events, workshops, and team-building activities. These initiatives should reinforce a sense of belonging by promoting company goals and fostering a family-like culture, ensuring employees feel valued and supported.

### 2. Risk-Based Approach with AI-Driven Analysis

Adopt a risk-based strategy where managers and employees provide regular feedback on mental health status, focusing on identifying overwork or inadequacy. Managers should promptly notify the HR department if an employee exhibits signs of excessive stress, triggering tailored interventions such as one-on-one discussions or participation in volunteering activities to reduce stress levels. The root cause of stress must be identified and addressed systematically. HR should maintain detailed records of stress-inducing incidents to inform high-level decisions, ensuring a holistic view beyond employee self-reports. An AI system should analyze feedback and surveys to generate a prioritized list of

employees and managers requiring support, enhancing efficiency and confidentiality.

### 3. Introduction of an Failure Board

Develop a web-based platform titled “**Failure Board**”, designed to allow employees – particularly younger staff—to anonymously share and reflect on their professional setbacks. The portal aims to foster a culture of mental safety, learning, and resilience by normalizing failure as a valuable component of growth and innovation. This initiative also aims to normalize setbacks, demonstrating that challenges are common and surmountable. Periodic sharing sessions by managers, detailing their own failures and recovery strategies, can inspire resilience and persistence. The message should emphasize that employees are not alone, lack inferiority, and can succeed with hard work, smart strategies, and guidance from coaches or team leaders, fostering a supportive and growth-oriented environment.

### 4. Weekly Mental Webinars

Integrate 30-minute weekly webinars featuring short guided meditations and relaxation techniques. These sessions provide employees with a brief respite from work pressures, promoting mindfulness and reducing stress. The concise format ensures accessibility and encourages consistent participation, contributing to a sustained improvement in mental wellbeing.

### 5. People Talk Service

Launch a confidential “People Talk” service where employees can discuss concerns, issues, or personal challenges with HR or a designated professional. Strict confidentiality must be maintained, with no disclosure of individual identities or content. At the end of each period, anonymized cumulative statistics should be shared to highlight trends (e.g., managerial issues), enabling discreet interventions without breaching trust.

### 6. AI Psychologist Integration

Deploy an AI-powered psychologist tool available 24/7 for employees to vent frustrations and seek advice. This system offers a safe, non-judgmental space, providing empathetic responses and practical suggestions to release emotional

"steam." Unlike human interactions, the AI ensures complete confidentiality, mitigating risks of misuse, and serves as a professional, reliable support option for employees hesitant to confide in colleagues.

### 7. Hybrid Working Arrangements with Office Incentives

Based on the ACCA Global Trends 2025 finding that 76% of respondents prefer hybrid working, implement flexible arrangements where feasible. To enhance office attendance, offer attractive benefits such as free fruit, ice cream, coffee, tea, and other refreshments. Additionally, provide a scoring system that rewards office-based work with higher assessment points (with a minimum attendance requirement), balancing hybrid flexibility with an appealing in-office experience.

In this new era, the strategic importance of mental health extends beyond individual employee outcomes to organizational resilience and competitiveness. Companies that integrate wellbeing into their HR strategies are better equipped to navigate disruptions, foster innovation, and maintain a positive employer brand. For example, organizations with robust wellbeing programs are more likely to attract top talent, as candidates increasingly evaluate potential employers based on their approach to mental health. Furthermore, a focus on wellbeing enhances organizational agility, enabling teams to adapt to change and uncertainty with greater confidence. By aligning mental health initiatives with business objectives, SHRM can transform workplaces into ecosystems of support, driving both employee satisfaction and organizational success.

### Conclusion

To remain competitive, organizations should move beyond reactive wellbeing programs and embed mental health strategies into their core HR practices. Initiatives like counseling services, team-building activities, and flexible work models not only address immediate mental health concerns but also enhance productivity, retention, and employer

branding. As the workplace continues to evolve, integrating mental health and wellbeing into SHRM will be a defining factor in attracting and retaining talent, particularly among younger professionals who prioritize holistic support in their careers.

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