

The Silent Crisis: Mental Health in Corporate India

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Abstract

India has taken significant strides in becoming an economic giant, having surpassed Japan's GDP to emerge as the world's 4th largest economy in 2025, and is projected to become the 3rd largest by 2030 once its GDP crosses that of Germany. Our demography, with a young population, gives India a decisive competitive edge. But the very workforce powering India's growth is staring at an unprecedented mental health crisis in the corporate sector. The Corporate sector has taken steps to address this growing challenge, with limited results. Does the increased spending and initiatives by Corporates actually produce tangible results with better mental health for the workforce? Or have our largest organisations failed to meaningfully address deeper systemic issues? This is the question that this paper will seek to tackle. Along with a paradigm shift within corporate management, legislative measures are explored as a means to ensure better mental health outcomes for employees to bring about enduring change.

Keywords: Corporate India, Mental Health, Employee Assistance Programs (EAP), Wellness Washing, Burnout, Right to Disconnect Bill, Workplace Culture, Productivity Loss, Psychological Safety.

Introduction

The Hidden Crisis behind India's Rise

India's demography, with its young workforce, has been a key factor in powering India's growth in the last few decades. Nearly 65% of our population falls in the working-age bracket (defined as being between the ages of 15-64 years), with the median age being around 28 years. It is imperative for India to capitalise on this advantage, and for our policymakers to institute measures to secure their welfare. Indeed, there are several developed economies (like Japan, for instance) who are staring at the bleak prospect of an ageing population. The median age of the population in Japan is 50, in comparison to India's 28. Economies with an ageing population face the challenge of labour shortages, and increasing healthcare costs without enough productive members to foot the bill and grow economically. India, for the coming few decades, has a key economic advantage by virtue of its demography. It is imperative for our policymakers to not take this fact for granted. India's rise economically has brought to surface a troubling fact: the very youth behind our economic success now faces a mental health crisis. Policy makers have acknowledged this problem too, with the Economic Survey 2024-25 noting it for the first time. The government's commitment to mental health was further demonstrated in the recent Union Budget 2026-27, which recognised the importance of mental health and allocated funds for the establishment of NIMHANS (National Institute of Mental Health and Neurological Sciences) in Northern India, and increased funding for various mental health measures, among other initiatives. Clearly, our government has recognised the need to address this problem.

Another important factor which brought this issue to public consciousness was the COVID-19 crisis. The pandemic may have come to an end, but its psychological effects are felt to this day. Take for instance the fact that counselling utilisation has risen by 22 percent year-on-year, because of chronic stress, anxieties around careers and future prospects, and a work culture that calls for employees to stand connected at all hours. (1to1help, 2025). The tragic case of Anna Sebastian Perayil is emblematic of the toxic work culture that persists in many organisations. (Mutha, 2024)

By some estimates, nearly 86% of employees deal with mental health issues, lifestyle risks or toxic work environments at their workplace. (The Federal, 2025). What makes this problem even harder to tackle is the fact that mental health issues remain largely invisible. An employee dealing with a physical health condition might easily seek the help and understanding of his colleagues. Another employee dealing with severe work stress might not receive the same empathy in a culture that rewards overwork and is dismissive of mental health concerns. The very youth powering our corporations suffer disproportionately due to this crisis: Gen Z and Millennials have reported the highest level of anxiety and distress regarding their careers and future prospects. It is distressing to note that women are particularly hit hard: constantly juggling their professional commitments with the societal expectation of meeting household responsibilities. The corporate rhetoric around diversity and inclusion is of little consolation: only 43% of women feel that their workplace has sufficient resources for their mental health. A majority (nearly 66%) fear that being transparent about their mental health issues would impact their careers and future prospects. (Deloitte, 2024)

The facts only confirm the scale of the crisis and loss of productivity: employees whose mental health needs are not met are a lot more likely to miss work, taking far more leaves than their peers. This translates to a loss of nearly \$14 billion every year. Furthermore, many employees may be physically present at their jobs, but not be meaningfully engaged due to their mental health, and such costs can be hard to estimate. (Bharatsure, 2025)

Organisational Response: The need for Internal Reforms

In an encouraging sign of changing times, Corporate India has started taking steps in the right direction. The usual dismissive attitude which dominated management is slowly making way for a much more proactive approach which regards addressing mental health concerns as an important strategic imperative. The well-being of the employees is slowly being recognised as a positive good: and as a key measure to retain the best people and reduce risks.

Large enterprises, as one would expect, are leading the way. Employee Assistance Programs (EAPs) have been introduced with the aim of providing confidential counselling services and to intervene during times of crisis. Beyond this, an entire architecture has been adopted to cover wellness leave policies, and offer meditation and yoga sessions, and even rather creatively introduce initiatives like pet therapy. Corporates are increasingly adopting discretionary wellness days as well, leading credence to the long-ignored fact that psychological fatigue impacts performance, and is a valid basis for rest just like physical illness (Wakefit.co, 2022)

In an encouraging sign of this change in perspective, capital too has flowed to reflect this commitment by a majority of corporations. Over 70 percent of organisations reported an increase in their well-being budgets, moving away from ad-hoc interventions to better designed, comprehensive and technology-driven ecosystems (People Matters, 2026). The reasoning is clear: a healthier workforce is a more productive workforce. According to the World Health Organisation (WHO), for every one dollar allocated to mental health initiatives, organisations get a \$4 benefit.

Corporates no longer shy away from mandating an increase in wellness initiatives, as the economic benefits become increasingly clear. Organisations that prioritise mental health will not only do better in retaining talent, but will also have an edge in attracting new talent.

From Lip-Service to Meaningful Change

To meaningfully address the mental health crisis in our organisations, mere rhetoric or lip-service would not do. The increase in initiatives and capital outlay needs to be accompanied with a real commitment to increase the employees' well-being. There is an unfortunate paradox that persists in our corporations: psychological health continues to deteriorate and outcomes do not automatically follow with an increase in programs, applications, helplines and wellness facilities. The fact that intentions and investments do not necessarily lead to better outcomes can be explained by what can be called 'Wellness washing' (a concept similar to greenwashing).

Wellness washing is when corporations institute half-hearted, superficial well-being programs which only cover up for a deeper malaise, and do not address systemic organisational challenges in improving mental health. An example might be providing access to mindfulness or meditation applications, while keeping the expectation that employees be available 24*7 to respond to work or emails. When initiatives are not accompanied by the right spirit, no enduring changes can take place, and this contradiction between stated-objectives and the lack of meaningful action only creates grounds for contradictions and conflict. In such a scenario, mental-health challenges are merely papered over, and these poorly-implemented programs only mask the real issues. In essence, the message that reaches the employees is: "We see that our way of working is flawed, here's a little something to make up for it."

Nowhere is this contradiction more apparent than the expectations around extended work hours. In recent times, prominent business leaders have argued and pushed for prolonged working hours for the youth, deeming it necessary for India to develop and cement its position as an economic giant. (The Economic Times, 2024) This glorification of 'hustle culture' is at odds with the simultaneous push for the wellness initiatives, often promoted by the same corporations. Such a culture frowns upon the human need for rest as laziness, and dismisses burnout as a lack of resolve or resilience. The unfortunate consequence of such an attitude is that organisations can resist any calls for responsibility and instituting reforms, shifting the burden to the already-struggling employee and insisting that they change to fit in a flawed system. This lack of initiative prevents organisations from creating an environment where employees have genuine opportunities to grow and contribute to the growth of their organisations.

The present interventions and initiatives, while undoubtedly a step in the right direction, leave a lot to be desired, and the proof is in the pudding: 80% of large corporations offer these initiatives, but only 5-10% of employees choose to use these services (Times of India, 2024). There is a trust deficit between employees and management that needs to be bridged for these initiatives to bear fruit. Employees fear that accessing such services would make them vulnerable in a highly-competitive labour market, and that they may be perceived to be unreliable, which may negatively impact their future prospects or employment security. This stigma is not merely culturally pervasive, it is also structurally inherent as most corporations currently function. As long as loyalty is determined by being perpetually available for the organisation's need, accessing support systems would be seen as weakness.

The Way Ahead: Bringing about Legislative and Governance Reform

This article has thus far examined the necessity of addressing mental health challenges in our corporate culture, and how current approaches have thus far proven to be inadequate. What then, can be the way ahead? One suggestion of this examination is that corporate mental health in India must move away from merely being a 'benefit-provision model' to a 'governance-based' model. Simply offering support has yielded limited results, so organisations must take a determined effort to examine the structures that create distress in the first place.

A notable development in this regard is the 'Right to Disconnect' bill: a legislative reform to help in addressing corporate India's mental health crisis. Introduced in the lower house of the Parliament (Lok Sabha), the Bill calls to extend legal protections to employees and proposes that employees face no ramifications for not responding to communications around work outside of their mandated hours (Parliament of India, 2025). It is uncertain if the bill will become the law of the land, but its mere introduction marks a significant breakthrough in bringing this issue to the forefront of our culture. Importantly, it recognises the harm of the perpetually connected 'hustle culture,' and instead of glorifying such practices, correctly casts them as a violation of labour rights.

In addition to this, current trends point to promising new paradigms, an important one being the integration of mental health into Environmental, Social and Governance (ESG) frameworks. It is not hard to imagine that future regulatory frameworks may require organisations to report on their 'psychological footprint,' with metrics measuring burnout prevalence, stress-related turnover and wellness leave utilisation (just as current regulatory frameworks mandate reporting to assess an organisation's carbon footprint). Such a regulatory framework would encourage transparency in organisations, and elevate employee wellness to a board-level risk metric, instead of a mere human resources engagement activity.

Conclusion

There has been much talk and a flurry of initiatives around mental health initiatives in recent times among India's corporates. But their actual impact on employees' well-being has been a lot more

limited. The introduction of EAPs and wellness initiatives, while sound at first glance, has proven to be woefully inadequate to mitigate the stress caused by overwork and traditional managerial paradigms.

A strong economy needs a strong, resilient workforce. It is imperative for our culture, our corporations and our government to value the well-being of our working population. And this must reflect in the ways our organisations function, and the legislative measures of the state. The facts paint a distressing picture, but facts also show the competitive edge corporations gain by valuing the mental health of their employees. Change must start internally, by a shift in corporate culture with management valuing mental health and being sensitive to the needs and well-being of employees. While virtues like empathy cannot be mandated or taught through force, they must be seen as an important consideration in management decisions. These internal changes must be complemented by proactive measures by the legislative, such as the 'Right to Disconnect' Bill, which values work-life balance and provides legal protections to the workforce.

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