

LEADERSHIP

What Can Leaders Do To Ease Money-Related Stress?

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Financial stress is the leading cause of stress outside work GETTY

Inflation. An energy crisis. The likelihood of rocketing interest rates. It's no surprise that financial pressure is now the leading cause of stress outside work for U.K. professionals, according to new research.

A report by employee wellbeing platform [Champion Health](#) found that over a third (34%) of U.K. employees feel stressed about their finances, with 15% employees reporting that the worry is affecting their productivity.

Furthermore, the report highlighted that financial stress is intrinsically linked to mental health. More than half (52%) of those experiencing clinical depression reported financial stress. The research also correlated financial stress with lower levels of sleep quality and energy.

Leaders may consider financial wellbeing to be a personal issue, but as the cost-of-living crisis worsens it will inevitably impact on the workplace. So, what can leaders do to support their teams through this challenging time?

1. Provide financial education

“Financial stress is intrinsically linked to employee wellbeing and productivity, so improving financial wellbeing should be a priority,” says Harry Bliss, CEO of Champion Health. “The one key practical thing all companies can do to tackle this crisis is ensure that they offer high-quality financial education and support to staff. This can include providing confidential access to financial help and also making better use of technology to ensure all employees can access independent, impartial and trustworthy financial advice.”

Professor Sunita Malhotra, who teaches on the [CEMS Master in International Management](#) at Louvain School of Management in Belgium, supports this view. She says: “Often employers spend money on wellbeing initiatives such as yoga or wellness when this is not getting to the heart of the issues – namely that many people don’t know how to manage their finances.”

Malhotra recommends that companies bring in independent experts to give advice on budget planning, how to prioritize spending and innovative ways to save money. “They can also run practical courses or ‘lunch-and-learns’ on how to manage resources such as energy or water and the latest changes in the market – for example the refinancing of a home loan – which might help to lessen financial stress.”

She adds: “At the end of the day the cost of hiring a financial consultant or running a financial education course is justified, because productivity and engagement will increase, with huge benefits for both the company and employees.”

2. Look out for stressed staff

“People don’t leave their personal stress and anxiety behind them when they walk through the door at work,” says David Liddle, CEO of [The TCM Group](#), founding president of the Institute of Organizational Dynamics and author of *Transformational Culture*. “If someone is under financial pressure and worrying how they are going to pay their bills and feed their family, they will very likely struggle to concentrate on the job and be more sensitive and irritable than usual. This can soon tip over into conflict with colleagues, with small niggles that would usually go unnoticed escalating into major fall-outs.”

Managers need to look out for signs that a team member may be unusually stressed or distressed. Have they become withdrawn or less communicative, for example, or are they like a powder keg, quick to anger and impatient with others? “If this is the case,” argues Liddle, “try and initiate a dialogue so you can get a sense of what is underlying the behavior and reassure them that you are willing to listen.”

Liddle says it's also essential to find out what sources of help and advice exist, so that you can signpost them appropriately. "Showing care and compassion is vital at a time when many people – even those you might not expect – will be struggling," he says. "Sometimes just the chance to talk it out can help."

3. Break the taboo around money

Leaders and managers are in a good position to identify those who are impacted by financial wellbeing issues, says Dr Tanya Boyd, learning experience architect at development expert [Insights](#). As a result, they can make those people aware of possible avenues of support. She adds: "Leaders can also help break the taboo around money talk by asking questions and sharing stories to let employees know they are not alone, and that it is ok to talk about their financial challenges."

To take on this role, leaders need to demonstrate "other awareness", argues Boyd. This is awareness of other people's strengths, challenges, values, hopes and dreams. "Most leaders already know the power of self-awareness for leadership effectiveness, but today it is a leader's ability and willingness to activate their awareness of others that defines excellence," she says. "Two skills are needed to do this well: the ability to ask good questions, and the ability to truly listen to the answers."

Note: This article has been corrected to say: More than half (52%) of those experiencing clinical depression reported financial stress.

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