

Exploring & combating employee burnout



Burnout is widespread in the modern workplace, but it's an opportunity for meaningful change. In *The Burnout Epidemic*:

The Rise of Chronic Stress and How We Can Fix It, Harvard Business Review contributor Jennifer Moss reframes burnout not as a personal crisis but an organizational challenge we're capable of solving.

With nearly 76% of employees reporting burnout at least sometimes and 1 in 4 experiencing it often or always, the cost isn't just human—it's financial. Investing in your people is investing in your performance.

Traditional methods of compensation and recognition are failing to keep pace with evolving employee needs. Today's workforce craves support, balance, and appreciation—not just once a year, but consistently.

So, how can organizations turn this challenge into an opportunity? To begin with, we must reimagine how we establish the employee experience and how we reward and recognize employees.

Let's explore this promising approach with the goal of equipping your team to effectively combat burnout and build a more supportive culture in the years ahead.

What is workplace burnout?

Before we can tackle the problem of burnout, it's essential to be clear on what burnout actually is. Many erroneously perceive burnout as a one-size-fits-all issue. In reality, it's a highly internal and nuanced emotional experience that merits a thoughtful and strategic approach.

Burnout is a syndrome resulting from chronic work-related stress that has not been managed successfully. According to the American Psychological Association (APA), there are three dimensions to burnout:

1. A sense of depleted energy or emotional exhaustion
2. Increased psychological distance from and negative feelings toward work
3. Reduced sense of efficacy in one's role

These dimensions can manifest differently across individuals and workplace roles.



¹Moss, Jennifer. 2021. *The Burnout Epidemic: The Rise of Chronic Stress and How We Can Fix It*. 2nd ed. Harvard Business Review Press. <https://www.jennifer-moss.com/books>.

²Hemphill, E.Beth. "Uncomfortable (but Necessary) Conversations About Burnout." Gallup. December 6, 2022. <https://www.gallup.com/workplace/406232/uncomfortable-necessary-conversations-burnout.aspx#>

³"Employee Burnout: The Causes and Cures." Gallup. August 2, 2023. <https://www.gallup.com/workplace/508898/employee-burnout-causes-cures.aspx>.

⁴"Employers Need to Focus on Workplace Burnout: Here's Why." American Psychological Association. May 12, 2023. <https://www.apa.org/topics/healthy-workplaces/workplace-burnout>.

What causes burnout—and how to solve it?

Burnout doesn't have a single cause or solution. For example, common reasons for burnout include working too many hours (without adequate compensation), not receiving enough support from management, being treated unfairly, and having an unmanageable workload.

Whatever the reason, Marie Åsberg, psychiatrist and professor emerita at Karolinska Institute, calls what happens next an "exhaustion funnel." Work can gradually take over our lives and leave us with no room for other interests, leading to complete exhaustion.

Given the varied causes and manifestations of burnout, organizational leaders must offer

support that aligns with individual needs in addition to establishing a workplace culture that supports comprehensive wellness. Research suggests that stress management interventions and a quality performance management program are just a couple of ways to promote long-term wellness among employees.

Rethinking employee compensation and rewards is another piece of the puzzle. While traditional benefits packages are well-intentioned, they often fail to address the deeper, more personal needs that burnout demands. And with a growing emphasis on employee wellness and the emergence of innovative solutions, we're in an opportune time to make this right.



⁵Lorenzo, Nicholas, and Chad J. Snyder. "The Burnout Epidemic: Why Employers Must Address Work-Related Burnout." HRMorning. (May 2022). <https://www.hrmorning.com/wp-content/uploads/2022/05/Whitepaper-The-Burnout-Epidemic.pdf>.

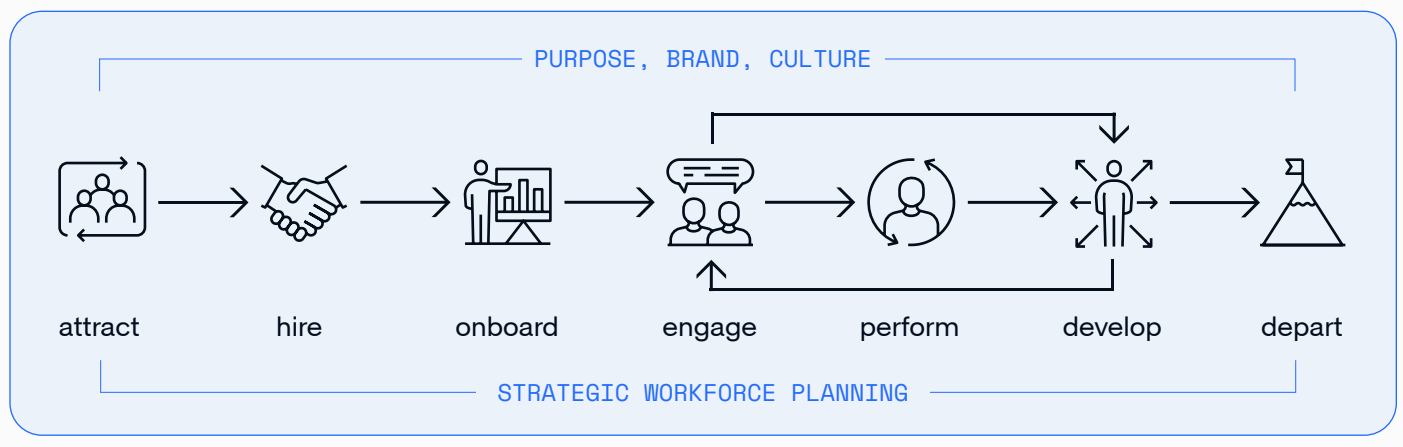
⁶Moss, Jennifer. 2021. The Burnout Epidemic: The Rise of Chronic Stress and How We Can Fix It. 2nd ed. Harvard Business Review Press. <https://www.jennifer-moss.com/books>.

Burnout merits organizational accountability

Burnout is not just an individual's burden—it's a systemic issue rooted in workplace culture, structure, and expectations. As Moss argues in *The Burnout Epidemic*, chronic stress and exhaustion aren't signs of weak employees; they're symptoms of broken systems. When employees are consistently overworked, undersupported, and left to navigate challenges alone, it's no wonder they become exhausted and disengaged.

The good news? Leaders have the power—and responsibility—to change this.

To meaningfully address burnout, leadership must look beyond surface-level perks or reactive measures. They must start by acknowledging that organizational policies, not just personal resilience, shape well-being. This means rethinking how support is embedded in the employee experience.



1. Redesign the workload and workweek

Overwork is a leading driver of burnout, and it can't be solved with yoga or a pizza party. Leaders must ensure employees' roles are manageable. Look at staffing models,

meeting loads, and expectations to ensure they're reasonable and identify opportunities for improvement.

Be sure to conduct check-ins with employees and gather their feedback, too. Hearing directly from employees is essential to understanding how manageable they find their workloads and where their biggest pain points are coming from.

2. Train managers as burnout buffers

Managers play a key role in supporting—or overwhelming—employees. Invest in leadership development that focuses on empathy, psychological safety, and communication.

Moss explains that good managers can spot the signs of someone struggling, including:

- Changes in work habits
- Behavioral shifts
- Frequent absences from work
- Complaints of physical symptoms (e.g., headache, nausea)

Addressing employee struggles before they spiral into burnout is key. Open communication and attentiveness to employees' needs and concerns can go a long way toward providing employees the support they need to thrive.

The data you gather through analysis and employee feedback can help you achieve a more reasonable workload distribution and even redesign the workweek to better suit employees' workflows, needs, and preferences.

3. Offer flexible, personalized support systems

Not every employee recharges the same way. That's why one-size-fits-all benefits often miss the mark.

Tools like lifestyle spending accounts (LSAs) let employees access resources that genuinely support their mental health and life priorities—from counseling apps to career coaching to creative hobbies.

Proactivity, personalization, and empathy are the new gold standards in workplace wellness—and LSAs are one way to bring that vision to life.



The problem with the current compensation model

To understand the true value of LSAs, we must first examine why current compensation strategies are falling short.

The idea behind compensation is a good old-fashioned trade. You give me your time, effort, or expertise, and I give you money. And while a decent paycheck used to be enough to retain employees, a competitive salary is now expected (along with healthcare).

Many companies have tried expanding their compensation to include fun benefits and perks beyond healthcare and insurance. However, things like healthy snacks, nap rooms, and ping pong tables invite issues of their own.

Many of these creative benefits are underused or underappreciated, and those who don't use them often view them as simple distractions. This one-size-fits-all approach to providing benefits is ill-suited to retaining individual employees or improving their lives.



Introducing lifestyle spending accounts

Rather than prescribing generic perks, LSAs offer flexible, personalized support that empowers employees to spend on what brings them balance, joy, or relief—from fitness classes to travel, hobbies, or even pet care. In short, LSAs give employees the autonomy to care for themselves in the way they need most. Organizations can boast that they offer free gym memberships, yoga retreats, or meditation apps, but that's merely a blanket statement that overlooks (and often invalidates) employees' own experiences. With LSAs, you give them the money, and they spend it how they see fit.

LSAs are a modern solution to outdated compensation models. Traditional pay structures and uniform perks often miss the mark, while LSAs offer choice, flexibility, and support tailored to each employee. More than a wellness perk, they address deeper drivers of burnout: lack of autonomy, misaligned benefits, and feeling undervalued.



LSA best practices

To that end, here are a few key best practices to follow when implementing an LSA:

- **Make it different from regular compensation.** Like we mentioned above, this compensation needs to be different from what an employee earns in salary. It's a gift from the employer to employees to show appreciation. We recommend providing this extra cash in the form of points on the Awardco platform.
- **Ensure every single employee receives something.** How you give out rewards and compensation is up to you. However, the ultimate goal of an LSA is improved employee well-being. If you don't provide an LSA to every employee, you won't boost well-being for every employee—it's as simple as that.
- **Give it out at regular intervals.** We recommend you distribute LSA funds on payday, but whether you decide to do something weekly, biweekly, or monthly, the point of this program is to provide people with something they can look forward to throughout the year.

How much should you give each employee?

This is a question each organization will have to answer independently, depending on its needs, objectives, and revenue. But Awardco's gold standard would be to dedicate 2% of payroll strictly to rewards and recognition and 3% to LSAs. We want to show employees that they really are the most important part of our business, and our goal is to retain and recruit the best talent we can.

Should every employee be given the same LSA amount?

Is it best to give everyone the same amount or base LSA amounts on tenure? Once again, this is a question you'll have to answer, but we'll just reiterate what we said earlier: Every employee should feel regularly valued. So, if you tie the amount to tenure, make sure those in their first year still get something, even if it's a lower amount.



The average tenure for Millennials is two years and nine months, and a little less for Gen Z (two years and three months). We're willing to bet that a good portion of your workforce comprises these two groups (Millennials alone comprise 36% of the U.S. workforce). If you're not rewarding employees early on, you risk disengaging a large portion of your team, potentially feeding into faster burnout and higher turnover.

Why LSAs are worth the investment

You may wonder whether LSAs are really worth it or where you're going to get the budget to offer them.

Let's work out a simple example to see the numbers more clearly. If you're a small business with 100 employees and have an average salary of \$45,000, you have a payroll of \$4.5 million.

To offer 3% of payroll for LSAs, you'll dedicate \$135,000 per year (if you pay every employee an equal amount monthly), which equals around \$100 a month per employee.

You may think that sounds excessive, but chances are, you've already budgeted for (somewhat ineffective) programs to boost employee satisfaction. Simply reallocating that budget and distributing it into LSAs means every employee is supported and rewarded regularly and fairly.

Even if the program requires a budget increase, in the long run, it will pay for itself. With regular recognition and rewards, you can boost employee engagement. This spurs a lucrative domino effect—high engagement brings in an 18% boost in productivity and a 23% increase in profitability.



⁸"Millennials or Gen Z: Who's Doing the Most Job-Hopping." CareerBuilder. Accessed May 5, 2025. <https://www.careerbuilder.com/advice/blog/how-long-should-you-stay-in-a-job>.

⁹"Changes in the U.S. Labor Supply." U.S. Department of Labor. Accessed May 7, 2025. https://www.dol.gov/sites/dolgov/files/ETA/opder/DASP/Trendlines/posts/2024_08/Trendlines_August_2024.html.

¹⁰"The Importance of Employee Recognition: Low Cost, High Impact." Gallup. January 12, 2024. <https://www.gallup.com/workplace/236441/employee-recognition-low-cost-high-impact.aspx>.

¹¹"What Is Employee Engagement and How Do You Improve It?" Gallup. Accessed May 5, 2025. <https://www.gallup.com/workplace/285674/improve-employee-engagement-workplace.aspx>.

Not to mention, investing in employees' well-being and reducing burnout means you'll reap the rewards of a healthier, more energized, and motivated workforce. With burnout costing companies thousands of dollars per employee per year, the value of effective measures to combat it couldn't be clearer.

Finally, reduced burnout means improved retention. Burned-out employees are almost three times more likely to be looking for another job—and the resulting turnover can have a major impact on your bottom line. Each

employee who quits costs up to one-half to two times their annual salary to replace. So, hiring and training a replacement employee making \$50,000 will cost you anywhere from \$25,000 to \$100,000.

Awardco can help you support employee well-being and avoid the human and financial costs of burnout with lifestyle spending accounts. Consistently recognize and reward each employee, and you'll create a more engaged, loyal, and productive workforce.

The bottom line

When you invest in supporting and rewarding your employees, you'll see huge dividends for your bottom line, and we're confident employees everywhere will appreciate this flexible addition to the benefits they already receive.

If you're interested in learning more about how LSAs can revamp, replenish, and reinvigorate your bonus structure, get in contact with us. We're more than happy to help you set up this feature to try it for yourself and answer any questions you may have.



¹² Martinez, Marie F., Kelly J. O'Shea, Mary C. Kern, et al. "The Health and Economic Burden of Employee Burnout to U.S. Employers." *American Journal of Preventive Medicine* 68, no. 4 (April 2025): 645–55. <https://doi.org/10.1016/j.amepre.2025.01.011>.

¹³ Here's How Bad Burnout Has Become at Work." SHRM. April 30, 2024. <https://www.shrm.org/topics-tools/news/inclusion-diversity/burnout-shrm-research-2024>.

¹⁴ Gandhi, Vipula, and Jennifer Robison. "The 'Great Resignation' Is Really the 'Great Discontent'." Gallup. July 22, 2021. <https://www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx>.