The Business Case for Stress Management
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What Employers Can Do About It

Job stress comes with a hefty price tag, costing American businesses more than $300 billion a year. That's according to reports from the American Psychological Association. ¹

Just how do all those dollars add up? Stress impacts our ability to perform, leads to workplace turnover, and is a direct contributor to medical and insurance costs.

According to the Center for the Advancement of Health, studies indicate a significant correlation between on-the-job stress and mental, emotional, and physical problems, such as heart disease and mental, immune, and musculoskeletal disorders. ²

Naturally, any of these conditions would impact an organizations' health costs as well as its workers' ability to conduct their jobs.

In 1999, a study from Rutgers University found that 44 percent of American workers felt that their jobs were “very or extremely stressful.” ³ Those findings were substantiated in 2002 when the National Institute for Occupational Safety and Health (NIOSH) concluded that 45 percent of workers felt high levels of stress. ⁴ And most recently, a 2009 survey from work-life services provider Work Options suggested that 72 percent of employees found their job stressful.

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Every job has frustrations. And most of us want some challenges at work—enough to keep the job interesting and provide a proving ground for advancement. The problem occurs when stress becomes a prominent fixture in our work life. Stress triggers a fight-or-flight response in the body. Our heart rhythms become chaotic, driving biochemical changes in the brain. Those signals—sent from the heart to the brain—scramble our thinking.\(^5\) In the short-term, that creates safety, creativity and productivity issues. But over time, the impact builds up and causes long-term damage to the body.

The brain is built to deal with stress that lasts about 30 seconds, not long-term stress, writes Dr. John Medina, developmental molecular biologist and author of *Brain Rules: 12 Principles for Surviving and Thriving at Work, Home, and School*. Under certain stress conditions, he says, “you can actually watch parts of the brain atrophy.”

“Chronic stress hurts memory, concentration, mathematical ability, language processing—almost every kind of learning you can measure,”\(^6\) Medina reports.

Remember those old public service ads with the egg and the frying pan? This is your brain. This is your brain on drugs. Ad Council reps could just as well have been speaking to the over-stressed American workforce. We’re literally killing ourselves with stress.

**Stress and health**

Stress weakens the body’s immune system. In fact, health care expenditures are nearly 50 percent greater for workers who report high levels of stress.\(^7\)

The American Heart Association acknowledges a strong relationship between stress and heart disease.\(^8\) While researchers cannot yet say that stress is an independent risk factor for heart disease, they have found links between stress and smoking, drinking, poor diet\(^9\) and inactivity\(^10\)—all factors in heart health.

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\(^8\) “Stress and Heart Disease.” American Hearth Association. 8 June 2009 <www.americanheart.org>.


In one study, researchers found that women who took a vacation once every six years or less were nearly eight times more likely to develop coronary heart disease or have a heart attack than those who took at least two vacations a year.  

“It shows how the body reacts to a lifestyle of stress, said Elaine Eaker, the study’s co-author, in an interview with the New York Times. “This is real evidence that vacations are important to your physical health.”

Another study followed 12,000 men at high risk for coronary heart disease. Those who didn’t take annual vacations were 21 percent more likely to die from all causes and 32 percent more likely to die of a heart attack.

But stress impact goes far beyond the heart. As indicated by Dr. Medina above, extreme stress can literally kill brain cells. Some health experts even suggest that an estimated 75 percent to 90 percent of visits to primary-care physicians are for stress-related complaints.

Examine the direct financial impact on business. More conservative data indicate that 22 percent of group health insurance costs are stress related and that psychosocial stress has been estimated to be responsible for 33 percent of worker compensation costs.

What’s more, stress has been indicated in some of the leading causes of both short- and long-term disability including recognized links between stress and back problems (11 percent of long-term disability cases), cardiovascular issues (9 percent) and depression (5 percent).

Whether you choose conservative numbers or are willing to accept the extreme, the link between stress and health is undeniable. Mitigating the related expenses provides opportunity to cut costs and improve productivity, while simultaneously creating better quality of life for your employees.

**Stress and safety**

Long-term health affects aside, employees who suffer from stress are more likely to be injured on the job or to cause others to be injured. Stress affects how people think and react, making them more vulnerable to accidents and injuries.

In a study commissioned by Air New Zealand, researchers tracked the sleep quality and reaction time of people on a seven to 12 day vacation. During vacation, reaction time increased by 80 percent. After the trip, reaction time was still 30 to 40 percent better than before. 16 We're more focused after we've had a break.

Memic, a workplace safety consultancy, has outlined 10 ways stress contributes to workplace accidents including an increased tendency to rush, stiff muscles, poor concentration and decreased physical coordination. Perhaps surprisingly, the company points to several ways stress triggers anti-social behaviors such as defensiveness and irritability. 17

“Stress can also lead to a rebellious, defiant attitude of ‘I’m going to do it my way, regardless of what you say!’ because stress often makes people regress psychologically. In this regressed state, a normally responsible, reasonable adult can start responding like a rebellious teenager,” says company literature. 18 These kinds of attitudes lead people to ignore safety advice or warnings.

Other literature supports this claim. According to a literature review conducted by Dr. Lyle Miller, stress causes rigidity, loss of team perspective and a decreased likelihood to help others. 19

So one employee’s stress is not just a risk to his or her own health. It’s a risk to organizational culture and, critically, the vitality of those around them.

Stress and productivity

We all know stress junkies who suggest they work well under pressure … the divine inspiration that comes from finishing that presentation at the last minute … that macho, superpower feeling that comes from being so in-demand, so necessary.

And to some extent it’s true. There is a sweet spot in which mild stress boosts performance. 20

But research shows that extreme or prolonged stress stifles creativity, limiting our ability to think flexibly and solve complex problems. The culprit is cortisol. During times of

stress, the body secrete cortisol. Low levels of cortisol have a positive affect on memory and can lower our sensitivity to pain. It’s part of the body’s protective fight-or-flight response.

But too much cortisol can “wreck havoc,” says Brain Rules author Dr. Medina. The hippocampus is the part of the brain associated with human memory, and it is studded with cortisol receptors “like cloves in a ham,” explains Medina. When stress is too severe or too prolonged, it “disconnects neural networks, stops the hippocampus from creating new neurons, and even destroys brain cells,” he says.

Again, we think eggs. Scrambled this time. Creative thought requires peace and clarity—what David Allen calls “mind like water” in his classic tome on organization. There’s science behind those Zen principles. Our brains literally can’t think clearly when bombarded by too much stress.

**Stress and turnover**

A 2007 survey by the American Psychological Association found that 52 percent of employees considered looking for a new job, quit their job, declined a promotion or didn’t seek advancement because of stress.  

About that same time, in a study for Watson Wyatt and WorldatWork, researchers surveyed 13,000 employees at 946 midsize to large companies and found almost 40 percent of employees cited stress as the primary reason for resigning from a job.

The employers in that study, however, underestimated the impact of stress on turnover, ranking it fifth behind issues of pay and career advancement, among other perceived causes. A worrisome gap, said study sponsors.

One stress expert has found measurable success fighting that trend. Dr. Bruce Wilson is a cardiologist and president/CEO of HeartMatters.MD, an educational company that teaches people not only how to manage stress, but how to avoid the stress response.

After teaching stress reduction tools to the employees of a large hospital system in Colorado, Wilson was able to substantially increase employee job and customer

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satisfaction. Overall annual employee turnover was decreased from 22 percent to 9 percent, resulting in a calculated savings of $3.9 million to the employer during that first year.

Stress management
By this point the case for stress management should be abundantly clear. But just how to alleviate that stress is a no small issue.

Reams of magazine articles are filled with pithy platitudes that suggest people talk through issues with a friend, get plenty of sleep and “take time out for yourself.”

But such common sense self-care advice provides little, if anything, in the way of meaningful advice as it fails to get at the root cause of stress—very often the workplace.

But reducing stress doesn’t necessarily correlate just to workload. According to Dr. Medina, occupational stress is at its worst when two factors are at play: 1) a great deal is expected of you, and 2) you have no control over whether you will perform well.

The biggest part of successful stress management, he suggests, involves getting control back into your life.

The consultants at Medina agree, citing literature which shows that people, who have more control over their work experience greater job satisfaction, produce higher quality work and have less stress.

“Giving employees control,” suggests Medina’s literature, means “giving them the power to make job-related decisions, the flexibility to organize their work in the way they find optimal, and the authority to make improvements in how their job is done.”

Work-life proponents have long touted workplace flexibility as a means to boost productivity, and numerous studies prove that theory. The connection, it seems, is that stress lowers productivity, but that flexibility decreases the prevalence of stress. Flexibility (or control over your work life) thereby allows employees to accomplish the same amount of work without the negative impacts.

Case in point: In one comprehensive review of telecommuting literature, researchers from Penn State University analyzed 46 studies of telecommuting and concluded that telecommuting is good for both employers and employees, resulting in, among other things, beneficial effects on reducing stress.  

In a study by Rutgers University, workers said the ability to balance work and family was more important than any other job factor including job security, quality of working environment, and relationships with coworkers and supervisors. Notably, those workers placed the highest importance on receiving the flexibility in their work schedules to address family needs, such as emergency time off (91%), unpaid leave (90%) and flexible hours (87%). In other words, to balance work and family, they wanted control over their time.

Flexibility is just one stress reduction tool. Other times, employees need help remembering to unplug.

Remember the links between vacation, health and focus? Consider making vacation a mandatory requirement. That’s what Terri Luebke does at Inspired Training Institute, based in Green Bay, Wisconsin, requiring her team members to take one week off every quarter to recharge.

At PricewaterhouseCoopers in New York, management monitors vacation days and encourages employees to use their allotted time. Among the organization’s other efforts to encourage healthy work-life balance—a small pop up message appears when employees check mail over the weekend, reminding them to take time out.

Finally, additional benefits can be gained by teaching employees to manage stress. Coaching, counseling and in-house yoga sessions are all viable tools for stress reduction. Recall Dr. Bruce Wilson of HeartMatters.MD, and the massive turnover reduction after he taught stress reduction methods to the company’s employees?

Wilson is one of the primary advocates behind HeartMath, a heart-focused breathing technique that is a kind of active meditation in which participants purposefully recall positive emotions and stop the biological stress barrage.

In another example, at GlaxoSmithKline, management began offering stress reduction seminars and rolled out a program called Team Resilience, meant to increase staff’s ability to mitigate job stress. Within five years, the company realized

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a 60 percent global reduction in work-related behavioral health issues and a 29 percent drop in days lost because of mental health issues related to work.  

Stress education can make a measurable difference.

**Taming the beast**

Worker stress figures are skyrocketing. Right now it’s the economy and personal financial pressures that are creating the greatest amount of tension, but the source is somewhat irrelevant. As Dr. Medina points out, a person only has one brain, and the stress you experience at home will be the same stress you experience at work.

Employee stress is a serious drain—a drain to finances, a drain on customer service, and a drain on innovation. There are real costs to stress including health costs, safety, turnover, absenteeism and presenteeism (the ability to be engaged and focused at work).

Finding ways to mitigate that stress means finding ways to do more.

Stress management doesn’t have to cost a lot, and in the case of workplace flexibility options it doesn’t have to cost anything at all. Let your employees work from home one day a week. Set core hours in the middle of the day, but bend on start and end times. Recognize that giving your employees control over when and where work gets done can be one of the best and lowest cost stress reduction tools in your arsenal.

Stress reduction has a positive impact on the bottom line. And if you’re the altruistic type, it makes a huge difference on someone’s quality of life and the quality of a family’s life. And that, of course, has larger societal impacts which could also, one day, affect the bottom line.

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