

What is impacting workplace productivity? Stress's impact on the workplace.



Stress is impacting workplaces in a massive way. Although there's an assumption that stress and pressure push employees to perform better and faster, the truth is that this approach ends up costing the company more than they ever expected. It is related to:

- Diminished workplace productivity
- Reduced workforce wellbeing
- Employee disengagement
- Onset of chronic diseases
- Work-related injuries & accidents

When you add up the cost of all 5 factors, it's an estimated **2.2 trillion dollars annually**, or 12% of our GDP (Cooke, 2020; Deloitte Insights, 2020).

First, **60% to 80% of workplace accidents are attributed to stress**, and it's estimated that more than 80% of doctor visits are due to stress. Workplace stress has been linked to health problems ranging from digestive issues to cardiovascular disease and death (Seppala & Cameron, 2015). Every year, we're spending more than the previous year on health; it's growing almost twice as fast as our global economy (Cooke, 2020). This has a direct financial impact on the company in health insurance claims, short- and long-term disability, & costs related to employee turnover (Deloitte Insights, 2020).

Second is the cost of disengagement. Studies show that disengaged workers had:

- 37% higher absenteeism
- 49% more accidents
- 60% more errors and defects

This **costs businesses \$483-\$605 billion per year** in lost productivity (Gallup, 2013).

Furthermore, health care expenditures at high-pressure companies are nearly **50% greater** than at other organizations. The American Psychological Association estimates

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that **550 million workdays are lost each year** due to stress on the job (Seppala & Cameron, 2015). Distressed workers are significantly less productive than those who aren't, spending a third of their worktime unproductively, and losing nearly one additional day per month to absenteeism (Deloitte Insights, 2020).

Finally, lack of loyalty is costly. Research shows that workplace stress leads to an increase of almost **50% in voluntary turnover**. People go on the job market, decline promotions, or resign. And the turnover costs associated with recruiting, training, lowered productivity, lost expertise, and so forth, are **approximately 20% of the lost employee's salary**.

Because of this, many companies have established a wide variety of perks from working from home to office gyms. However, research shows that, even when workplaces offered benefits such as flextime and work-from-home opportunities, **employees prefer a positive workplace to material benefits** (Seppala & Cameron, 2015).

Wellbeing comes from one place, & one place only — a positive culture. Unfortunately, stress is a culture! Work, stress, health, and wellness are all very interconnected. We've created a culture where personal care and overall wellbeing have taken a backseat (Cooke, 2020).

Companies can benefit financially and culturally by creating a positive and healthy environment for your team. Primarily, this involves the corporation's communication style starting with the organization's leadership (Cooke, 2020). As a leader, you have a huge impact on how your employees experience the workplace. Demonstrating a connection & commitment to your workforce by showing that you prioritize their wellbeing is important in **developing trust** (Deloitte Insights, 2020). When an employee knows a leader is committed to his or her wellbeing, he or she sets the tone for the entire organization.

When leaders are **empathetic**, their employees are inspired to become more loyal and committed themselves. Consequently, they are more likely to go out of their way to be helpful and friendly to other employees, thus creating a self-reinforcing cycle.

Productivity improves 20-25 percent in organizations with connected employees (McKinsey Global Institute, 2012). Employees of empathetic leaders are more cooperative because they trust their leaders more. Not surprisingly, this improves employee performance and creates a culture of safety in the workplace.

Research suggests that leaders who demonstrate compassion toward employees foster **individual and collective resilience** in challenging times (Seppala & Cameron, 2015). Developing resilience, or the ability to bounce back after a challenging experience, within your workforce can enable a level of **stability within the company** that allows it to move forward productively during challenges and protect the investment already made in your workforce and, therefore, in your business (Deloitte Insights, 2020).

In sum, a company that works to **mitigate stress and build resilience** among its employees is more productive, and therefore more successful, over time. When organizations develop safe, empathetic cultures, they achieve significantly higher levels of organizational effectiveness — including financial performance, customer satisfaction, productivity, & employee engagement (Seppala & Cameron, 2015).

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To learn more about how to mitigate stress, develop organizational trust, lead with empathy, and build resilience in your employees so that your business's productivity improves, contact our Well to Work program for a free organizational assessment. Call 260-422-6441 and ask for Brian White, or email him directly at bwhite@MHANortheastIndiana.org.

Well2Work is a program of



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