

# Showing How Work-Related Stress Harms the Bottom Line

Work-related stress has been around for as long as workplaces themselves. But recognition of stress as an occupational hazard is a product of modern times. Unfortunately, not all CEOs have gotten the message. As a safety director, you must persuade your CEO that stress really is a problem to take seriously. The best way to do that is to relate the problem to dollars.

Here's how to educate your CEOs to the dangers of workplace stress and gain their support for programs to combat it. Here's a [Model Worksheet](#) you can use to calculate the financial impact of stress on *your* company.

## The Business Case for Preventing Workplace Stress

The case is a simple one: Workplace stress hurts profits because it increases absences and cuts productivity. 'Want some good hard data that you can use to make this point? According to a press release from the World Congress on Health and Safety at Work, of the 40.2 million working days annually lost by businesses worldwide, 13.4 million are from stress, anxiety and depression, the representatives found.

To put these numbers into perspective for your CEO, relate stress to more "familiar" hazards. According to one of the delegates, "in the U.S. alone, stress is creating a workplace hazard every bit as damaging as chemical and biological hazards."

## Demonstrating the Hidden Costs of Stress

These statistics should help you capture the CEO's attention. But you'll probably need to drill deeper to make your case. To persuade your CEO to invest company resources, you must clearly explain exactly *how* workplace stress hurts the business. This is tricky because stress isn't a line item cost listed on the typical profit and loss statement. It's a bundle of hidden costs. There are five elements in this bundle that you should point to:

## 1. Higher Injury & Illness Rates

The more stress workers experience at work, the more likely they are to engage in unsafe behavior. The result is more incidents involving personal injury and/or damage to equipment and machinery. The link between stress and incidents isn't just a matter of common sense; it's well documented. If you want a good study to cite, see F. Gordon & D. Risley (1999) "The costs to Britain of workplace accidents and work-related ill health in 1995/96, Second Edition," HSE Books, London; and P. Dorman (2000), *The Economics of Safety, Health and Well-being at Work: An Overview*, International Labour Organization, Geneva.

## 2. Increased Absenteeism

Studies confirm that workers under stress are more apt to call in absent—either because they're genuinely ill or they're feigning illness to avoid having to go to work.

## 3. Higher Turnover

Stress at work also causes people to leave the company. In addition to losing good people, companies incur high administrative costs in seeking replacements. And, replacement costs tend to rise to the extent that the company gains a reputation for being a stressful place to work.

## 4. Premature Retirement

Stress causes older and more senior workers to retire before they're ready. **Result:** High replacement costs and in many cases lump sum and pension payments.

## 5. Reduced Productivity

Workplace stress harms workers' productivity and performance. The effect of stress on productivity is hard to measure; but it is real.

## Conclusion

There's nothing mystical about workplace stress. It can be

managed. For example, Employee Assistance Programs have proven very effective at reducing stress on the job. But these solutions cost money. And time. The only way to secure the necessary resources is to persuade your CEO that workplace stress poses a serious threat to your workers and your company's bottom line.