Workplace Stress – Getting Management to Take It Seriously

Safety Management Tools – Workplace Stress

Getting Management to Take It Seriously

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 companies have gotten the message. That leaves it to safety directors and supervisors to persuade management 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 company's "bigs" to the dangers of workplace stress and gain their support for programs to combat it. There's also a Model Worksheet below 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 or CFO, 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 management's attention. But you'll probably need to drill deeper to make your case. To persuade management 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.

HOW TO CALCULATE THE COST OF WORK-RELATED STRESS: TURNOVER COSTS

Use this worksheet to calculate how much turnover caused by workplace stress cost your business last year.

STEP 1: CALCULATE EMPLOYEE TURNOVER COST

(Number of employees lost in the last year: _____) X (Average Salary/Benefits Package Layout: Put Average Salary/Benefits right on top of each other]) X 150 percent =

* Total stress-related employee turnover cost $_____

STEP 2: CALCULATE SUPERVISOR TURNOVER COST

(Number of supervisors and middle managers lost in the last year: _____) X (Average Salary/Benefits Package Layout: Put Average Salary/Benefits right on top of each other]) X 200 percent =

* Total stress-related supervisor turnover cost $_____

STEP 3: CALCULATE SR. MANAGER TURNOVER COST

(Number of senior managers lost in the last year: _____) X (Average Salary/Benefits Package Layout: Put Average Salary/Benefits right on top of each other]) X 250 percent =

* Total stress-related senior manager turnover cost $_____

STEP 4: CALCULATE TOTAL TURNOVER COST

Add up the totals from Steps 1, 2 and 3 above:

* Total turnover cost $_____

STEP 5: CALCULATE PERCENTAGE OF TURNOVER COST DUE TO STRESS

Total turnover costs (from Step 4) X 0.4

* Total stress-related turnover cost $_____