It should come as no surprise to learn that employees are stressed.

According to a recent survey from the American Psychological Association, nearly one-third of American workers reported feeling stressed or tense on a regular basis while at work.

This stress can stem from a lack of work/life balance; personal issues that may spill over into the workplace; feeling undervalued and under-compensated; and on the job stressors like tight deadlines, unclear expectations, and little or no feedback on performance, among many other factors.

Whatever the root causes, stressed workers tend to be fatigued, prone to mistakes and injuries, and are more likely to be absent. And most significantly, they incur health care costs twice as high than for other employees.

In total, the consequences of stress-related illnesses, from depression to heart disease, cost businesses an estimated $200 to $300 billion a year in lost productivity.

The impact on the bottom line has made the management of stress an urgent business strategy for American companies.

However, with a dual strategy of organizational change and individual stress management, brokers and leaders within the organization can help businesses take steps to be proactive and promote healthier, more productive employees while reducing health care costs.

The causes of workplace stress
Employees who feel they have little control over their work in one way or another are more likely to experience and report higher stress levels. Factors that can contribute to on the job stress include unpleasant work environments, low salaries, lack of opportunity for growth and poor management, as well as issues with work/life balance, among many others.

Issues such as caring for elderly parents or managing their own complex health issues compound the stress in employees’ personal lives, especially if they are also confronting strained financial issues and compressed time allotment for family obligations.

The effects of workplace stress
Stress has a major impact on both organizations and their employees, ranging from an increase in workers’ compensation claims to reduced productivity. For example, the American Institute of Stress estimates that one million workers miss work each day because of stress, costing companies an approximately $602 per employee per year.

But even when employees come to work, stress may reduce their ability to fully perform their duties at work. In one APA survey, 60 percent of workers reported losing productivity due to stress while at work during the past month. This can add up to nearly $150 billion a year in lost productivity, according to the International Foundation of Employee Benefit Plans. The cost may be even higher if the stress underlying presenteeism is not addressed, as absenteeism, job resignations, chronic illness, and disability may be the result.
Many employees who experience stress in the workplace also risk negative effects to their physical health. Workers who report that they are stressed incur health care costs that are 46 percent higher than for non-stressed employees, according to the National Institute for Occupational Safety and Health. Left untreated, prolonged stress can raise the risk for alcohol or drug abuse as well as developing chronic — and costly — diseases, including heart disease, diabetes, and even some cancers, which can collectively account for a vast amount of all health care costs.

Stressed workers have an elevated risk of mental health problems as well, ranging from anxiety and substance abuse, and perhaps, the most significant, depression. According to Employers Health, more employees miss work because of mental illness than physical conditions or illnesses, including cancer or heart disease. A survey from the Employee Assistance Professionals Association shows that stress and clinical depression — the two often go hand in hand — trail family crisis as the second and third most significant problems in the workplace.

In order to cope with this stress, many employees turn to unhealthy habits, including smoking, gambling, drinking, and overeating, a stepping stone to obesity, a condition that the U.S. Department of Health and Human Services reports costs businesses more than $13 billion each year in medical costs and lost productivity.

Addressing the issue

So what can businesses and their partners due to combat the causes and effects of workplace stress? Strategies need not be elaborate or expensive. Simply planning ways to improve communication and recognize employees can be effective.

The first step is to evaluate the scope of stress in the organization by looking at absenteeism, illness, and turnover rates and performance problems. Employee surveys, Health Risk Assessments and committees are all helpful means to determine specific stressors and if they are concentrated in one specific department or are company-wide. It is also important to work directly with employees to get their input as to what strategies may help address the causes of stress.

While some changes to corporate culture need to be managed internally, there are a number of strategies brokers and organization leaders can suggest to help organizations reduce employee stress, such as:

Provide access to an Employee Assistance Program (EAP): EAPs help assess and address personal issues that affect employee performance and productivity. Issues can range from substance abuse to family problems, and EAPs often include counseling benefits. Studies show that EAPs for substance abuse can reduce workers’ compensation claims, employer healthcare costs, and absenteeism. These programs can often help with other related work/life related issues, such as providing eldercare support for employees caring for older parents or loved ones.

Incorporate health advocacy into employee benefits: Offering an expert who can personally address health care issues, such as helping to resolve medical bills and interacting with insurance and providers, can help employees reduce worry and stay focused on their job.

Offer a well-rounded wellness program: A program that addresses the overall well-being of employees, including physical, emotional, and financial health, can effectively lower stress and improve health. Promoting engagement in onsite support groups and stress management workshops alongside traditional wellness program components can help reduce stress while increasing productivity.

Build in incentives: In order to encourage participation in these programs, it’s important to offer incentives for enrollment and sustained involvement, as well as reward positive changes.

Communicate consistently: Ongoing communications to employees about these and other efforts to address and reduce stress will not only demonstrate the organization’s commitment to their employees’ health but also keep these strategies top of mind for employees so they take action.
Create employee/departmental recognition opportunities: Improve morale among employees by organizing regular events to recognize success, mitigate stress, and provide opportunities to build team camaraderie, such as quarterly birthday lunches or breakfasts on Friday mornings, among many other ideas.

The benefits of reducing stress are numerous for both organizations and their employees. In addition to lowering health care costs, research shows that less stressed workers and those satisfied with their work/life balance are more inclined to stay with their companies. They are also more likely to recommend them as places to work. It all adds up to a healthier bottom line.

No matter what stress management techniques are installed, the key to success is to have a continuing commitment to improving the health and well-being of all employees. Addressing the management of stress can be a vital wellness strategy that makes for a healthier, happier workforce and a stronger, more productive organization.