

# The Value of Intentional Employee Care

Return on Investment



# Employee Wellness

- The "[Delivering Happiness at Work](#)" organization had some great insights outlined in a Wall Street Journal article about happy employees. They discovered that happy employees have 31% higher productivity, 37% higher sales and are three times more creative.
- Their survey identified three major factors in having *happy* employees. People need to enjoy the tasks required of them. They need to be able to focus on the things they do best, and finally, they need to be proud of their employer.

# Marriage & Relationships

One recent study found that in the year following divorce, employees lost an average of more than 160 hours of work time, equivalent to being fully absent four weeks in one calendar year (Mueller, 2005). This means that recently divorced employees are absent from work for relationship-related reasons for more than 8 percent of their annual work time.

Couples in failing relationships are more likely to resort to physical abuse or violence to resolve tensions at home (Gallagher, 2002), and subsequent domestic violence costs Corporate America up to 7.9 million paid workdays of lost productivity annually (Corporate Alliance to End Partner Violence, 2006).



# Marriage & Relationships

- **“One notable research project estimates that \$6 billion is lost by American businesses due to decreased productivity stemming from marriage and relationship difficulties.”**

(Forthofer, M., Markman, H., Cox, M., Stanley, S., & Kessler, R. (1996). “Associations between marital distress and work loss in a national sample.” *Journal of Marriage & Family*, vol 58, 597-605.

# Marriage & Divorce

- **“Divorce can disrupt the productivity of an individual worker for as long as three years.”**

Lavy, G. (2002). “Why promote healthy marriages?” Corporate Resource Council.

# Marriage & Divorce

- **“One recent study found that in the year following divorce, employees lost an average of over 168 hours of work time, equivalent to being fully absent four weeks in one calendar year.”**

Mueller, R. (2005). “The effect of marital dissolution on the labour supply of males and females: Evidence from Canada.” *Journal of Socio-Economics*, 34, 787-809.

# Marriage & Substance Abuse

- A 2006 study of one community also found a correlation between marital dissatisfaction and levels of diagnosable alcohol abuse disorders. In fact, unhappily married couples were almost four times more likely to have a partner abusing alcohol than happily married couples (Whisman, Uebelacker, & Bruce, 2006). Those with alcohol problems skip or miss work 30 percent more than those without (U.S. Department of Health and Human Services).

# Substance Abuse

- **“Those with alcohol problems skip or miss work 30% more than those without such problems.”**

U.S. Department of Health and Human Services,  
Substance Abuse and Mental Health Services  
Administration, Office of Applied Studies.  
(2004).

# Family Relationships

- A recent study of intra-office productivity compared the most productive and least productive departments on a wide measure of coping skills. Despite equally high levels of work stress, the group with better coping skills from their couple and family relationships were found to be the most productive (Olson, 2006).

# Discouraged & Depressed

- **“Depressed employees cost companies \$44 billion annually.”**

Stewart, W., Ricci, J., Chee, E., Hahn, S., & Morganstein, D. (2003). “Cost of lost productive work time among US workers with depression.” *Journal of the American Medical Association*, 289, 3134-35.

# Grief

- Authors John W. James and Russell Friedman conservatively estimated that the grief caused by the death of loved ones, divorce and other life events cumulatively costs businesses in the United States more than \$75 billion—and that was in 2003. Current realistic estimates for today would put the financial losses to business due to grief and loss as much higher.

# Stress Related Issues

- **“Stress-related issues cost Corporate America \$300 billion annually.”**

Velasquez-Manoff , M. (April 19, 2005).

“Workplace stress: A \$300 billion problem for American business.” Columbia News Service, Columbia University, New York.

# Absenteeism

- **According to the Department of Labor Absenteeism** costs a company upwards of \$800.00 per employee per year. In the same company of 1000 with an average Absentee rate of 1.76% which is 4.59 sick days per year, costs the company \$800,000.00 per year. If the Absentee rate just dropped by .25% which would be 3.92 sick days per year, the company could potentially retain another \$120,000.00.



# “Managing” Employee Personal Issues

- **According to the Department of Labor Managers (all supervisors of employee teams) spend 9 weeks a year dealing with employee personnel conflicts and personal issues that they are not trained for, and not doing the job they were hired for.**

# Healthcare Premiums

- Increased levels of stress, anxiety and depression resulting from failing relationships lead to lower levels of physical health and increased risk for substance abuse problems. These health issues cost companies in higher insurance premiums and healthcare expenditures (Gallagher, 2002).

# Healthcare Premiums

- Happily married employees are healthier. Couples in successful relationships experience a number of positive health benefits. Immune system functioning is improved for happily married couples (Waite & Gallagher 2000). For males, being happily married is the equivalent of being 18 months younger than chronological age; for women this effect is approximately six months younger (Waite & Gallagher 2000). Obviously, workers who are healthier and younger tend to have lower rates of health service utilization and fewer chronic health problems (i.e., stress and anxiety-related conditions), which can lead to reduced healthcare costs for employers.

# ROI of Employee Wellness Initiatives

- **“Many studies have examined the return on investment (ROI) attributed to employer-sponsored programs targeted at reducing stress and increasing workplace health. Estimates of \$1.40 - \$4.90 saved for every \$1.00 spent were found in one analysis of nine companies ranging in size from 50-50,000 employees.”**

Goetzl, R., Juday, T., & Ozminkowski, R. (1999). “A systematic review of return on investment (ROI) studies of corporate health and productivity management initiatives.” *AWHP’s Worksite Health*, summer, pp. 12-21.