

The Cost of Stress in Your Organization & What You Should Do About It

*A special report that shows
how stress is impacting the well-being,
absenteeism and productivity of your
organization.*



Hello,

Thank you for downloading this paper and joining thousands of others at the forefront of addressing employee health, engagement and productivity. They have recognized that it is time to take steps to address the negative effects of stress in their organizations, which has now reached epidemic proportions.

In this paper we'll cover:

1. The global stress epidemic
2. The workforce stress factor
3. The cost of stress in the workforce
4. The effect of stress on wellness program success
5. The four foundations of effective wellness programs

Finally, we will tell you a little bit about meQuilibrium and why it is different from any wellness program available to your employees today. meQuilibrium offers a breakthrough, online, personalized stress management solution to help people cope with their daily pressures, so they live happier, healthier and more productive lives at work and beyond. We are on an important mission with a solution that's proven to move the needle. We'd love your thoughts, feedback and the opportunity to help you succeed in your efforts to help your employees get healthier.

What to do Next

1. Share this paper with your team.
2. Find out more about meQuilibrium [here](#).
3. Try our 5 minute [Stress Grader](#) to see how you're doing on addressing stress, watch our videos and see how other companies are saving money and cultivating healthier, more resilient employees.
4. Get in touch with us to talk about your company's needs and let us share a demo of meQuilibrium with you.



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A Global Stress Epidemic

The World Health Organization calls stress “the health epidemic of the 21st Century.”

Global economic, environmental, and safety concerns abound, coupled with everyday financial, career, caregiving, relationship, and health worries. Add to this today’s “24/7 always on” lifestyle that increasingly blurs work and leisure time and you have the key ingredients for a stress epidemic at every rung of the economic spectrum.

The human body’s stress response system evolved for short-lived, intense “fight or flight situations.” In these situations the adrenal glands release stress hormones such as adrenaline, cortisol, and norepinephrine to help you cope with the threat at hand. This stress response gives you quick access to energy to move and think rapidly.

But, experiencing elevated stress levels on a chronic basis wears down your body and your brain.

“It’s much like flooring the gas pedal with your car in park. If you do it for a prolonged period, something in your engine will break.”

- Adam Perlman, M.D, Chief Medical Officer, meQuilibrium

Fast forward to today and while most of us do not face the life-threatening circumstances of our distant ancestors, a majority of us do experience persistent, low-level stress at the least, with intermittent bursts of high-level stress. The overabundance of hormones produced by this ongoing stress state will ultimately cause problems with your mental and physical health.

KEY SOURCES OF STRESS

Money

71%

Work

69%

Family

55%

Relationships

51%

Stress Takes a Toll in the Workplace

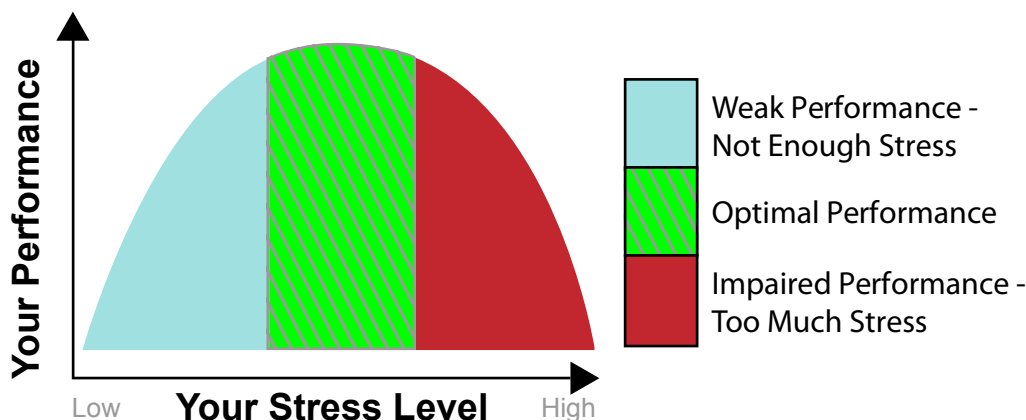
Stress affects over 100 million Americans and is a driver of many chronic diseases. But, stress in the workplace isn't all bad. It can help us get things done. In fact, some amount of stress is essential for productive performance. But too much stress too often takes its toll. In the same way that one cup of coffee can make you productive and focused, but five or six cups spin you out of control, chronic stress makes people unproductive, foggy, unable to control emotions, and ultimately ill.

When the balance tips from just enough stress to too much stress it becomes the biggest impediment to behavior change. This leads to a serious no-win situation: the more stressed your employees are, the less able they are to make lifestyle changes and adopt the very wellness programs you've already put in place.

According to the 2012 American Psychological Association (APA) study, Stress in America, highly stressed people are:

- LESS LIKELY TO EAT HEALTHILY (30%)
- LESS LIKELY TO EXERCISE (25%)
- MORE LIKELY TO FAIL AT WEIGHT LOSS PROGRAMS (200%)
- GET HALF AS MUCH SLEEP AS PEOPLE REPORTING LOW LEVELS OF STRESS.

THE YERKES-DODSON CURVE



Stressed people are:

Less likely to eat healthily

30%

Less likely to exercise

25%

More likely to fail at weight loss programs

200%

Get half as much sleep as people reporting low levels of stress

50%

Bottom Line: Stress Is Costing Organizations a Fortune

One estimate is that stress and the related illness, absenteeism, and presenteeism, costs organizations as much as \$300 billion a year. Stress contributes to unhealthy behavior which contributes to health care costs and lost productivity.



According to the APA, 60% of workers reported losing productivity due to stress while at work during the past month.



Stressed workers suffer from fatigue, make more mistakes, and are more likely to be absent than non-stressed employees.



According to National Institute for Occupational Safety and Health: Workers who report being stressed incur healthcare costs that are 46% higher than their less stressed counterparts.



An estimated one million employees miss work each day because of stress – and this costs companies an average of \$702 per employee per year.

Stress Leads to Unhealthy Behavior

Stress is causing many of the poor lifestyle decisions people are making every day. And it is also stress that gets in the way of people making the good lifestyle decisions wellness programs are designed to encourage. When your employees are unable to make these suggested changes it

According to the 2011 APA Stress in America Survey



44%

of Americans say they do only a poor/fair job of preventing stress



39%

report doing only a poor/fair job of managing stress



31%

report a poor/fair job of fully recovering or recharging from being stressed



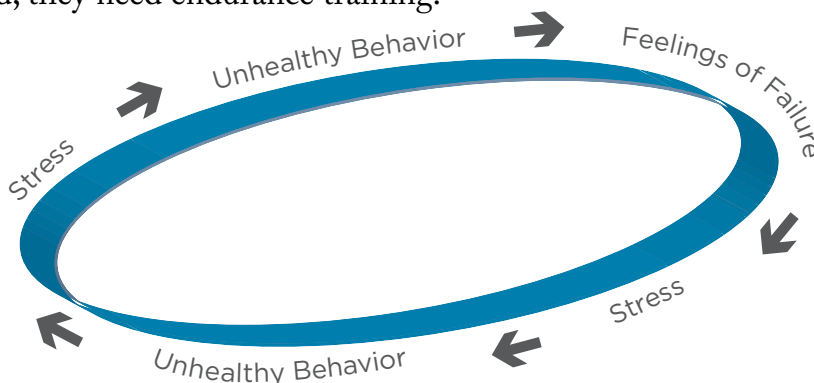
causes more stress and they tend to cope with it in unhealthy ways.

It is incredibly difficult to change unhealthy behavior and even more so when employees are stressed. Yet corporations are spending an increasing amount of money providing wellness programming based on the epidemiological needs of your employees. The utilization is underwhelming, the healthiest people continue to benefit from them, but the majority of people don't bother with them. According to the 2011 APA Stress in America Survey, here's why:

- 44% OF AMERICANS SAY THEY DO ONLY A POOR/FAIR JOB OF PREVENTING STRESS
- 39% REPORT DOING ONLY A POOR/FAIR JOB OF MANAGING STRESS
- 31% REPORT A POOR/FAIR JOB OF FULLY RECOVERING OR RECHARGING FROM BEING STRESSED

This means that at any given time one third to one half of your workforce is suffering under stress and doesn't know how to cope with it. And the majority of those citing high stress levels say they are too stressed to take advantage of any wellness programs. The APA 2012 study reports 20% of adults say their stress is extreme or high. And sadly, only 17% of respondents to the survey said they often discuss their stress levels with their primary care physician. The employees who need help the most, seek it the least.

Starting a weight loss, exercise, or sleep and relaxation program, without properly addressing underlying stress is like embarking on a trip without any fuel in the tank -- you'll never reach your destination. And even your most well-intentioned employees are likely to fail at achieving long lasting behavioral changes. It's like sending them out to run a marathon without any conditioning; and in today's high pressure health conscious world, they need endurance training.

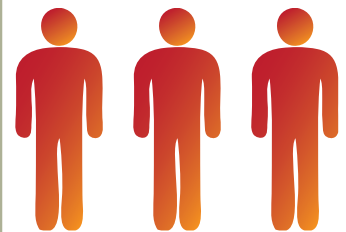


FOR EVERY TEN EMPLOYEES

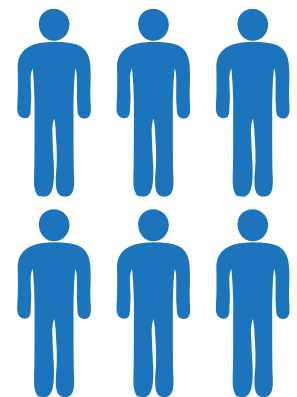
1 is absent



3 are present but unproductive due to stress



6 are working productively



“When people are under chronic stress, they tend to smoke, drink, use drugs and overeat to help cope. These behaviors trigger a biological cascade that helps prevent depression, but they also contribute to a host of physical problems that eventually contribute to early death.”

-Rick Nauert, PhD, National Institute of Mental Health, 5/2010

Many employers understand the compelling evidence that 75% of the cost of healthcare is preventable with changes in lifestyle. And, with the cost of healthcare continuing to rise dramatically, it pays to make the connection between supporting employees in positive self-care and the pay-off in terms of fewer doctor visits and hospitalizations, fewer sick days and mental health absences and less frazzled and harried employees.

What many employers don't know is that perceived stress is, by far, the greatest impediment to employee well-being and productivity. When people report feeling overwhelmed and out of control due to work/life conflict, jobs and home stress, and chronic worry their job performance decreases and absenteeism, presenteeism and stress-related physical and psychological illnesses increase driving up healthcare costs.

Getting to the root of these issues has not been easy: “employers are taking on the growing challenge of workforce stress with limited success.” In fact, fewer than 10% of companies say their actions produced significant success. There is a lack of viable solutions to complex anxiety and stress-provoking issues, such as long hours, inadequate staffing, fears about benefit loss, concerns about health, family, and money.

The common cures for stress don't work—they are outdated and have been proven unsuccessful for people who are stressed out. We live in the 21st century with the constant demands of being connected and available 24/7. And yet most “solutions” to stress management are decades old. We are being prescribed treatments that are unmanageable when we are

Four Factors that Sabotage Wellness Programs:

1 They do not address the barriers that keep employees from engaging in or achieving sustainable wellness goals.

2 They are ineffective in attracting the people who account for the majority of health claims.

3 They often focus exclusively on fitness, weight loss, and smoking cessation and ignore the underlying causes of the unhealthy behaviors.

4 If there are underlying behavioral issues, incentives will not work for the long term.

under moderate and high levels of stress.

In fact, 81% of all patients who are given treatment in the form of lifestyle change procedures by their doctors claim that they can't stick with it. 81%! The reasons given for this failure are willpower, confidence, time and stress itself!

Proactive Mental Health Management Is A Critical Factor for Successful Wellness Programs

Forward thinking companies are seeing the connection between employee well-being, engagement, productivity, and profits. And they are also seeing that attacking stress, the underlying cause of much unhealthy behavior, makes for more productive and happier employees and for more effective wellness programs that tackle problems like smoking, fitness, and weight loss.

According to the Towers Watson 2011/2012 survey:

“...survey results show a strong link between highly effective health and productivity strategies and strong human capital and financial results.”

In fact, industry-adjusted average revenues per employee, show a profit difference of \$132,000 per employee.

Towers Watson further reports a savings in annual health care costs per employee of \$1000. This gives a company with 10,000 employees a \$10 million cost advantage.

Despite the challenges of planning and implementing an employee wellness strategy organizations are increasingly attempting it. There exists a wealth of data about what makes programs succeed despite the hefty challenges of behavior change.

The Four Foundations for a Successful Health & Productivity Program

1 | It must have buy in from senior managers willing to socialize it and participate.

The more the importance of health and well-being is ingrained into the culture of an organization the more likely any programs are to succeed. In fact, it is critical to tie employee well-being to the financial goals of the company to build overall trust in the motivations of the program.

2 | Comprehensive, integrated, and diverse programs are more successful than single issue programs.

Employees who participate in smoking cessation or weight loss programs may have initial success but often revert to old behaviors because willpower alone will not suffice to change ingrained and habitual lifestyle choices.

3 | The program must address the stress of employees.

It is known that stress is a leading cause of unhealthy behavior resulting in the failure of many wellness programs. Even if they succeed in changing behavior initially they will fail to have long lasting effects on employee well-being if the underlying stress isn't alleviated.

4 | Measurement is also a key factor in success although the most difficult.

One common and reasonably good measurement strategy is tracking biometric data such as blood pressure and cholesterol readings. Another is self-reported data for things like stress level or fat, salt, and sugar intake.

One thing is certain; helping employees become healthier is smart business strategy. Whether you are trying to manage the hard costs of health care or address the challenges of increasing employee productivity and engagement, you must address the epidemic of stress to succeed.

Other Sources:

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