

Special workplace benefits help relieve stress, improve bottom line

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(PhysOrg.com) -- While hundreds of thousands of American workers are losing jobs these days, many more are stressed out. For those fortunate to still have jobs in this down economy, however, companies can help alleviate workplace stress—and possible violence—among workers by providing complementary alternative benefits, say University of Michigan business professors.

"We encourage business to consider offering employee benefits packages that sustain the health, reduce the stress and improve the camaraderie of its work force," said Cindy Schipani, professor of business law at Michigan's Ross School of Business. "It would seem that a healthy, less-stressed and collegial work force would be less prone to resolve conflicts by violence.

"Not only might stress reduction contribute to a more peaceful society, reduction of employee stress together with the promotion of good health may positively affect the bottom line."

Prior research has shown that about 75 percent of Americans list work as a significant source of stress and more than half say their work productivity suffers due to stress. Workplace stress is estimated to cost U.S. businesses about \$300 billion a year through absenteeism, diminished productivity, employee turnover, and direct medical, legal and insurance fees.

In a new study, Schipani and Ross School colleague Norm Bishara

examined companies on the Forbes magazine list of the "best companies to work for" that offer complementary alternative benefits—those benefits above and beyond traditional benefits that "create value in the workplace by implicating employee stress reduction and positively impacting health."

Complementary alternative benefits may include flexible work hours and working from home; employer-paid health care premiums; subsidized health care classes and health club memberships; onsite fitness centers and medical and dental clinics; paid leave time and special services for new parent employees; laundry and dry-cleaning services, valet parking and grocery delivery; and discounted tickets to after-hours social activities, such as movies, plays, museums, sporting events and amusement parks.

Schipani and Bishara found that companies on the Forbes list that offer generous complementary alternative benefits enjoy a significant reduction in employee turnover, compared to the industry average. The average cost savings for the firms examined as a group was about \$275 million in 2007.

"From a pure business perspective, complementary alternative benefits are attractive because reducing stress and, therefore, reducing costs associated with things like absenteeism, sick time and premature turnover, can increase profits," said Bishara, assistant professor of business law and business ethics.

In addition to helping lower employee turnover, increase worker productivity, reduce employee health care costs and promote healthier and less stressful lifestyles for employees, complementary alternative benefits nourish a sense of community among workers, the researchers say.

"Such benefits may be used to build camaraderie and understanding among employees, help promote employee loyalty to the firm by providing enviable treatment of employees, and serve as an example for society and perhaps even as a model for future government action," Schipani said. "In all, companies can play a direct role by taking care of their work force through employment practices designed to reduce stress and promote camaraderie in the workplace.

"In addition to improving the lives of their employees and benefitting shareholders, providing employees ways to reduce stress and promote health may also have a positive impact on society."

Provided by University of Michigan

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