

## Increasing Returns on Human Investment is Possible

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- Why Investing in the Female Workforce Now is Crucial for Organizations



## Increasing Returns on Human Investment is Possible: WHY INVESTING IN THE FEMALE WORKFORCE NOW IS CRUCIAL FOR ORGANIZATIONS

### Executive Summary

By investing in women leaders, the future of work is more promising. Employees at companies with higher percentages of women as part of their workforce report more job satisfaction, organizational dedication, meaningful work and less burnout. Thus, organizations benefit from having high percentages of women as part of their workforce. Companies with more women financially outperform competitors and have higher employee retention rates for both men and women. However, one incredible population health challenge is having a significant impact on the workforce: stress and burnout. Chronic stress continues to increase and is impacting talent retention of both women and men at work, particularly top-performing employees.

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Organizations can keep top talent while cutting costs on attrition, health care, absenteeism and presenteeism by addressing the epidemic of unmanaged stress. The American Institute of Stress, a nonprofit dedicated to researching and issuing information on stress, reports that 75% to 90% of all visits to the doctor are for stress-related health concerns. Knowing this, companies can combat stress with holistic approaches to workplace wellness that promote work-life balance as well as organizational resilience. Research shows that companies with worksite health programs showed a reduction in sick days and health costs. Wellness programs save organizations money, and they inspire individuals to pursue their unique professional and personal goals. Investing in organizational wellness can also help employers keep top talent and save on attrition costs. Having appropriate strategies to support women at work in particular will prepare organizations for upcoming population shifts, helping the organization to retain top female talent. Also, companies will be better positioned for challenges from rising baby boomer retirement rates, which are set to hit the US workforce in 2020. Simple investments in human capital can yield positive financial results.

## Background

Around 2000, technology began fueling an around-the-clock workday. This added stress is formidable for women because job stress and responsibilities at home often converge. According to Emolument, a salary benchmarking website, 57% of women reported feeling burnout due to work stress, compared to 48% of men. Work has become more competitive and burnout more common. In fact, in two-income families, one parent often must pull back to help with children so their partner can put in the long hours required for career advancement. Women more often take a supporting role. Qualified women leave the workforce or work part-time due to what Ariana Huffington calls “burnout culture.” The result is that businesses are losing-out on top talent due to excessive hours and stress.

➤ Moreover, the American labor force is poised for a shake up over the next fifteen years. If there was ever a time to invest in the workforce, the time is now.

Besides fueling the gender gap, stress undermines organizations financially. Willis Towers Watson, a risk-management and insurance brokerage company released the 2017 Global Benefits Attitudes Survey, which examines the role of benefits in employees’ actions. The survey shows a correlation between stress, poor health, absenteeism and presenteeism and the impact of all combined with organizational success. Employees report high stress concurrently with poor health. People in poor health miss work twice as often and have more than 25% higher presenteeism than colleagues. Presenteeism is defined as an employee coming to work when they are not well enough to do their job. According to the survey “American Productivity Audit” presenteeism costs U.S. employers more than \$150 billion a year. The U.S. Centers for Disease Control and Prevention (CDC), estimates that absenteeism costs U.S. employers \$225.8 billion annually. When we combine the costs of attrition, presenteeism and absenteeism, the need for a new approach becomes clear.

Besides the costs associated with stress and poor health, employers are also hampered by mounting talent acquisition costs. Finding talent is key and hiring for the right fit can be expensive. According to common estimates, replacing an employee can cost more than twice that employee’s salary. The more highly skilled the position, the more expensive to find a replacement. For example, if an employee’s annual salary and benefits is \$100,000 the cost for a new hire could reach \$213,000. Added to that are the intangible costs of reduced productivity and engagement. Unmanaged stress weakens productivity and contributes to chronic health conditions.

Moreover, the American labor force is poised for a shake up over the next fifteen years. If there was ever a time to invest in the workforce, the time is now. According to the 2018 survey by Willis Towers Watson, three-quarters of companies surveyed expect to face significant or moderate challenges from late retirement. Indeed, once baby-boomer employment peaks, as soon as this year, it is expected to decline for the next 15 years. Companies will be faced with a knowledge gap and retaining and recruiting skilled women will be important in filling it.

## Problem Statement

How is stress affecting women in the workforce?

The American Institute of Stress found that 66% of Americans cite work as a significant source of stress. Stress is pervasive; AIS reports 65% of Americans feel anxious or irritable at work. This is problematic because when people perceive danger, physical or emotional, our bodies release adrenaline and cortisol. Chronic stress can cause a continual release of cortisol. Over time, the result is an imbalanced endocrine system resulting in less thyroid hormones. That may not sound important, but every cell in the body relies on the thyroid functioning properly. Stress has cascading effects on employees' health and the workforce.

The overproduction of cortisol can have wide ranging effects. It can lead women to experience anxiety, irregular menstrual cycles, infertility, poor digestion, weight gain, depression and insomnia. According to a review of 600,000 women and men, work stressors, such as job strain and long working hours, correlate with a 10% to 40% elevated risk of coronary heart disease and stroke. Chronic stress reduces people's quality of life and can be lethal.

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It can also create burnout. Burnout is recognized by the World Health Organization as an occupational phenomenon. It is characterized by "feelings of energy depletion or exhaustion; increased mental distance from one's job, or feelings of negativism or cynicism related to one's job; and reduced professional efficacy." Burnout has concrete consequences for employees and employers. Employees that experience burnout are 63% more likely to take a sick day and 23% more likely to visit the emergency room. It also fuels attrition. But burnout can be avoided. Leaders can choose to invest in female professionals and work-life balance to create a healthier workplace.

## The Solution

What can we do to keep women in the workplace?

Human capital investment through comprehensively designed well-being programs profits organizations and improves employee outcomes. According to a large-scale review of 42 published studies, well-being programs led to an average 28% reduction in sick days and an average 26% reduction in health costs. Companies that invest in human capital trim healthcare costs, have healthier employees and improved productivity. Organizations that choose a reactive healthcare approach pay for costs as they arise and can see healthcare costs climb by 6% to 12% a year. Acheloa Wellness specializes in proactive, customized programs to address challenges faced by the employer, including rising costs and overall employee satisfaction.

Acheloa's boutique programs reduce stress, improve health and enhance company culture, which yields a more productive workforce. With over ten years working in the field, we understand the day-to-day impact of stress on an employee's physical, mental and emotional bodies. We use assessment measures to design client-specific initiatives to support women and men in meaningful ways. Our research-based practices give participants a roadmap to achieving short and long-term goals such as stress reduction, increased efficiency, strengthened focus and a healthy, sustainable lifestyle.

Just as important, our face-to-face programs offer an engaging avenue to develop professionals' social networks, which according to the Harvard Business Review is a key factor in retaining top-level female professionals. Supportive networks can win women's loyalty, provide an outlet for stress and an opportunity to give back. Willis Towers Watson confirms that during periods of high stress 48% of employees look to their inner circle of family, friends, colleagues and their manager for support. Creating a tailored well-being program can connect employees while motivating them to meet their individual health goals.

Some companies choose to delegate a team member to lead an in-house program. This creates added pressure and may require an unfamiliar skill set. By contracting an expert in the field, leadership can trust the program is research based and results oriented. Companies enjoy a healthier workplace, enthusiasm for their initiatives and lower recruiting costs. Improved profitability is an outcome of investing in employees. By investing a small amount each year, employers proactively change the paradigm of the office; they create a culture of sustainable wellness.

Acheloa Wellness offers a healthier way to work. Our boutique programs offer wellness solutions for women and men balancing demanding careers and busy lives. We tackle stress and teach proven stress management techniques. As partners, we co-create happier, healthier, more profitable organizations that are changing the future of work.

This material has been prepared for general informational purposes only  
and is not intended to be relied upon as professional advice.

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