

A woman with dark hair and bangs is shown from the chest up, holding a smartphone. The entire image is overlaid with a semi-transparent red filter. In the top right and bottom right corners, there are white geometric line patterns consisting of interconnected dots and lines, resembling a network or molecular structure.

# 3 Critical Ways Resilience Impacts Your Bottom Line

meQuilibrium

# THE EVIDENCE IS IN: RESILIENCE HAS A MEASURABLE, PROVEN EFFECT ON YOUR BUSINESS'S BOTTOM LINE.

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Employers face many different challenges in improving employee engagement, performance, and the bottom line. But they are increasingly realizing that stress is the number one factor holding employees back. No longer just a health issue, managing stress has become a top priority for organizations looking to increase productivity, build culture, and improve the bottom line.

According to health risk assessments, stress has one of the highest prevalence rates of all health-related issues and impacts other wellbeing and productivity issues such as burnout, focus, and adaptability. What can employers do to combat the negative effects of stress? Unlock the power of resilience.

Resilience training is the best proven strategy for dealing with stress, and digital coaching is the best proven method for delivering resilience training.

In fact, there's increasing evidence that actively cultivating resilience in your workforce isn't just a nice-to-have, but a business imperative for your organization. Because having a happier, less stressed, more engaged, and focused workforce means higher productivity, lower healthcare costs, and less absenteeism—and better overall financial performance.

The best part? Resilience can be learned. We've got the program to teach it—and the numbers to prove it.

This paper will outline the three critical ways resilience can positively impact your bottom line. We have collected compelling data and research to show you just how effective and critical resilience training can be. Specific psychological skills have a documented impact on work performance.

At meQuilibrium, we believe that helping people improve their resilience is a fundamental tool for building a more engaged and productive workplace. Our digital coaching program provides you with a powerful way to build resilience at every level of your organization.



Jan Bruce  
CEO and co-founder

# THE PROBLEM

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Stress and other emotional factors are leading causes of productivity impairment and absenteeism as well as contributing factors for heart disease, obesity, and insomnia. They can prevent effective treatment for almost all wellness, disease management, and behavioral health issues. Stress and other emotional factors can also lead to poor morale and unwanted turnover.

But despite the high prevalence of stress today, it is fundamentally ignored due to stigma associated with these conditions, and factors such as privacy, confidentiality, quality treatment, convenience, and cost.

Managing stress requires examining the sources, symptoms, and strategies for dealing with it. But the most critical missing component is an effective long-term strategy to properly help people with issues like stress. This is where resilience training comes in. You cannot separate stress from resilience.

## STRESS DEFINED

Physiological or biological stress is a response to a stressor, such as an environmental condition or a stimulus. Stress is a body's method of reacting to a challenge. According to the event, the body's way to respond to stress is by sympathetic nervous system activation, which results in the fight-or-flight response. Because the body cannot keep this state for long periods of time, the parasympathetic system returns the body's physiological conditions to normal. Stress typically describes a negative condition or a positive condition that can have an impact on a person's mental and physical wellbeing.

## RESILIENCE DEFINED

Resilience is defined as an individual's ability to properly adapt to stress and adversity. Stress and adversity can come in the shape of family or relationship problems, health problems, or workplace and financial stressors, among others<sup>[1]</sup>. Individuals demonstrate resilience when they can face difficult experiences and rise above them with ease. Resilience is not a rare ability; in reality, it is found in the average individual and it can be learned and developed by virtually anyone. Resilience should be considered a state, rather than a trait. Components are:

1. A positive self-concept and confidence in one's strengths and abilities
2. Communication and problem-solving skills
3. The ability to manage strong impulses and feelings
4. The ability to make realistic plans and the capability to take the steps necessary to follow through with them
5. Positive relationships inside and outside the family—reciprocal support and caring

## WHY RESILIENCE IS CRITICAL

The impact of resilience has been shown to have large, measurable effects on a wide range of performance and health outcomes<sup>[4]</sup>. Resilience research shows that when people can improve their coping skills and become more resilient, they become more engaged, more productive, and less likely to miss days (or leave their jobs altogether).

# THE OPPORTUNITY

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In today's environment, dealing with stress requires an effective resilience management approach that can be applied to massive numbers of individuals in a low-cost manner. Improved employee resilience is the key to the success of your overall engagement and performance strategy.

Most importantly, a resilient workforce can impact your bottom line in three distinct but related ways.

## Why Resilience is Missing from Human Resources

It is well established that the physical and mental health of employees influence health care costs, disability, workers compensation claims, absenteeism, and work performance. And yet, until recently, employers have done little to focus on the psychological and emotional aspects of health. They train employees to do their jobs safely, accurately, and efficiently. They offer optional health improvement programs. Emotional wellbeing has conventionally been limited to those in desperate need and seen as the domain of crisis-based solutions.

## How Does Resilience Affect Your Employees?

In a nutshell, resilience helps your employees cope with the stress and strain of their work and their busy lives. And there are three main mechanisms through which resilience influences business outcomes.

These are:

1. Resilience improves morale, improving engagement and retention
2. Resilience improves job performance by improving effectiveness and efficiency
3. Resilience mitigates stress symptoms and the absence, health costs, and suffering that result

Resilience research predicts that increased resilience can produce a range of positive outcomes, including:

An increase in:

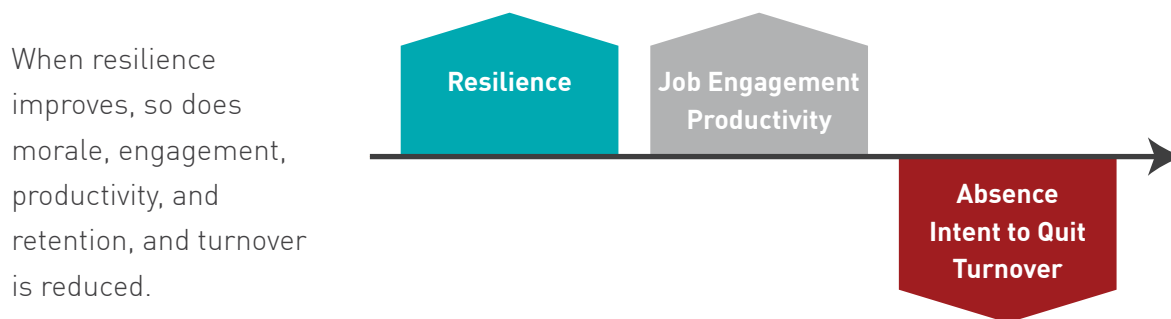
**Productivity**  
**Work Engagement**  
**Work Satisfaction**  
**Commitment**  
**Positive Outlook**

And a reduction in:

**Stress Symptoms**  
**Illness Rates**  
**Avoidable Absences**  
**Presenteeism**  
**Disability Rates And Duration**  
**Disruptive Behaviors**  
**Turnover**

## IMPACT #1

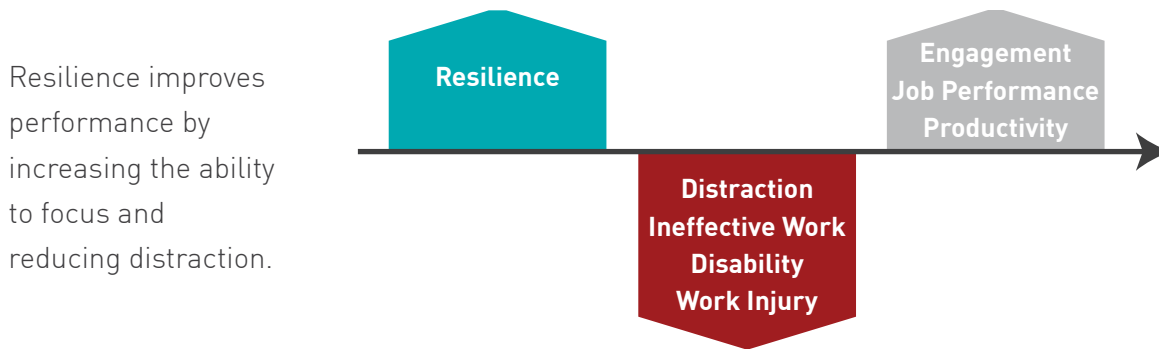
### Resilience improves morale, improving engagement and retention.



- Resilience is associated with positive perceptions about work such as satisfaction, commitment, and good citizenship<sup>[1, 3, 21]</sup>.
- Resilience is associated with fewer negative perceptions about work such as disengagement and cynicism as well as disruptive behaviors<sup>[4, 22]</sup>.
- In addition, employees with high levels of resilience report a lower intent to quit and look for other jobs less often<sup>[2]</sup>.
- Those with high resilience are more open and less cynical to change in their organizations<sup>[4]</sup>.
- Resilient individuals report feeling more hopeful and optimistic about their jobs<sup>[1]</sup>.
- Those with high resilience have higher levels of optimism about their ability to succeed<sup>[4]</sup>.
- Resilient employees report higher levels of psychological wellbeing at work<sup>[4]</sup>.

## IMPACT #2

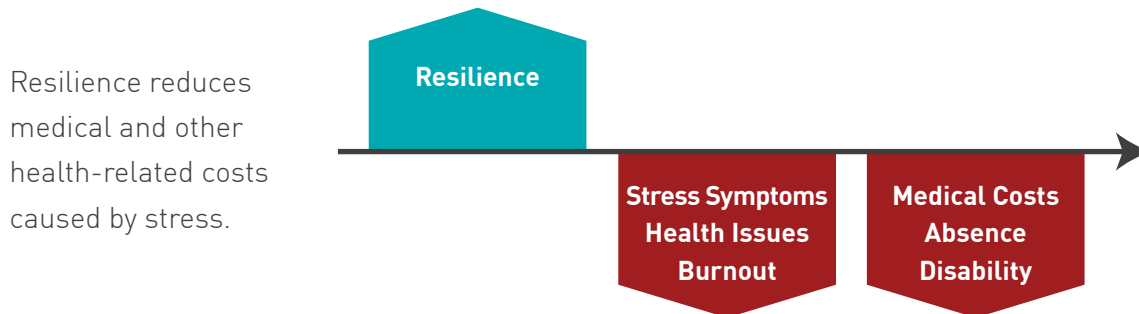
Resilience improves job performance by improving focus, energy, and efficiency.



- Across a variety of studies, job types, and measures of productivity, resilience has a consistent and strong association with job performance <sup>[4]</sup>.
- This includes not only self-reported productivity, but manager-reported productivity and objectively measured performance <sup>[1, 3, 4, 13]</sup>.
- Additionally, the demonstrated resilience of supervisors seems to improve the performance of the workers they supervise <sup>[14, 15]</sup>.
- More importantly, interventions that improve resilience produce measurable improvements in performance as well <sup>[16]</sup>. According to researchers at Gallup, the average improvement in resilience is 3% to 4%.
- Psychosocial factors have consistently been demonstrated to be associated with duration and rates of disability <sup>[17-20]</sup>. It follows that resilience will impact disability rates and return-to-work speed.
- Resilience makes employees more confident when taking on challenging tasks <sup>[4]</sup>.
- Individuals with higher resiliency are more energized and are able to come up with multiple solutions to problems than their low-resilience counterparts <sup>[4]</sup>.
- Resilient employees are more likely to engage in positive behavior such as mentoring newcomers <sup>[4]</sup>.

## IMPACT #3

### Resilience lowers absence and health costs by impacting employee stress.



- Resilience is strongly associated with lower stress symptoms <sup>[2]</sup>. Research shows that resilient individuals are simply better equipped to cope with the high-stress, high-change workplace environment because they are more open to new experiences, they are more flexible to ever-changing demands, and they are able to self-regulate their emotions under adversity.
- Stress changes the body, increasing illness. This has been verified by studies that measured stress objectively by physiological response <sup>[5, 6]</sup>. These studies show that workers with less effective coping responses for job demands have poorer health outcomes over time. As such, job stress is a significant predictor of health care costs. Indeed, those with higher stress are more likely to get sick.
- Additionally, those in high-stress jobs also are less likely to have healthy lifestyle habits such as exercise, diet, and adequate sleep <sup>[8, 9]</sup>.
- This matters because stress generates cost <sup>[10]</sup>. The additional cost of stress is 9% higher health care costs and 20% higher rates of frequent absence <sup>[11]</sup>.
- As stress symptoms decrease, symptom rates, costs, and absences are expected to decline as well.
- Conversely, those with high resilience have lower rates of absence, and resilience is more predictive than job satisfaction of absence rates <sup>[12]</sup>.

# WHAT IS THE ROI OF IMPROVED RESILIENCE?

Given the diversity of outcomes associated with resilience, research predicts that an increase in resilience would produce improvements in stress symptoms and illness rates, absences, disability rates and duration, turnover, work engagement, and productivity.

Focusing on the key areas that have been well-documented, it is now possible to estimate the expected return on improved resilience in terms of improved performance, reduced absence, and reduced turnover.

A good resilience program will show about a 12% improvement in overall resilience and often higher. This level of improvement could improve topline performance by as much as \$531,000 for 10,000 employees and lower absence and turnover costs by \$178,000 annually.

## Annual Savings Tied to Improvement in Resilience

Improvement in Resilience	8%	12%	16%
Performance Gain	\$ 440	\$ 660	\$ 880
Absence Avoidance	\$ 47	\$ 71	\$ 94
Avoided Turnover Costs	\$ 101	\$ 151	\$ 201
Per Participant	\$ 588	\$ 882	\$1,175

Total Savings / 10,000 Employees	\$ 473,082	\$ 709,624	\$ 946,165
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Assumptions: 23% enrollment in the resilience program. Average salary of \$50,000. Avoidable absences (sickness, disability, workers compensation) of 6 days. 10% turnover; average time to fill position is 4 months.

Here’s how this works:

### Performance Gain

Research shows that a 10% improvement in resilience equates to a 0.45% improvement in performance<sup>[1]</sup>. Published research puts a value two times salary on worker performance<sup>[2]</sup>. This means that a worker making \$50,000 has a performance value of \$100,000, and at that level, a 12% improvement in resilience equates to an annual performance improvement of \$660.

Resilience %	Annual Impact
8 %	\$ 440
12 %	\$ 660
16 %	\$ 880



# THE PROBLEM

## Absence Avoidance

Studies show a significant association between resilience and absenteeism<sup>[12]</sup>. However, given the common method of combining vacation and sick leave—which leads to a largely predetermined number of absences—it makes sense to focus on avoidable absences. If one assumes no more than one in every six absences is avoidable, that equates to a 2.45% reduction in avoidable absences for each 10% improvement in resilience. A performance-equivalent value can be placed on absence days, similar to the performance gain calculation above, where each day is 0.4% of all days of performance (1/250 days annually). For a worker earning \$50,000, where the average number of avoidable absences is 6 days, a 12% improvement in resilience has a value of \$71 (0.8 days of absence avoided).

Resilience %	Annual Impact
8 %	\$ 47
<b>12 %</b>	<b>\$ 71</b>
16 %	\$ 94

## Avoided Turnover Costs

Lastly, the estimated impact of of a 10% increase in resilience is a 0.37% reduction in turnover<sup>[2]</sup>. Assuming a conservative cost of replacing a worker is 20% of salary plus the performance value of the time it takes to fill the position, one can calculate the estimated value of improved resilience. Keeping the same salary of \$50,000 and assigning a 10% turnover rate with a 4-month average time to fill the position, the performance value of a 12% increase in resilience is \$151.

Resilience %	Annual Impact
8 %	\$ 101
<b>12 %</b>	<b>\$ 151</b>
16 %	\$ 201

## SUMMARY: 5 THINGS TO REMEMBER

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**1** Resilience encompasses a powerful set of abilities that influence all aspects of employee health, attitude, and performance. A solid platform of research has demonstrated that resilience is predictive of important business outcomes from cost and absence to productivity, return-to-work, and turnover.

**2** Resilience is the most effective strategy for dealing with stress and its resultant workplace cost and can radically improve employee morale, productivity, and stress outcomes.

**3** Resilience can reduce health/medical costs associated with stress, reduce absenteeism, and reduce unwanted turnover of critical personnel.

**4** More importantly, resilience is a state, not a trait: it is modifiable and can be improved through well-structured interventions. Unlike traditional wellness and skills training interventions, psychological interventions have been largely overlooked and underutilized in the workplace.

**5** Given the many benefits of psychological resilience, the potential for significant value is high. If effective resilience training programs can be delivered efficiently, financial models estimate a solid return on investment.

## About meQuilibrium

meQuilibrium is the engagement and performance solution that harnesses behavioral psychology and neuroscience to unleash your organization's full potential. By unlocking the power of resilient people and teams, your organization can navigate even the most turbulent of times. Powered by the predictive meQ scores and data-driven insights, our solution uses a clinically-validated assessment and robust benchmarking to measure resilience and create personalized training programs that build team and employee skills. With meQuilibrium, you can equip each of your employees to discover and master the skills they need to overcome any obstacle, increase agility, gain adaptive capacity, and transform your organization.

To learn more about improving engagement and performance through the power of resilience, contact us at 617.274.8830 or visit us at [www.meQuilibrium.com](http://www.meQuilibrium.com).



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