

COLLATERAL DAMAGE: HOW MARITAL STRESS CONSUMES COMPANY RESOURCES



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For the past half-hour, Suzanne Larson, an executive in the marketing department, has been in the office next door having a conversation with co-workers about her struggling marriage. She has tried counseling, but has decided that divorce is her only option. One of her co-workers recommends the attorney she used for her divorce. Suzanne, who is grateful for the advice and support, hires the attorney and commences her divorce proceedings.

As the months roll by, Suzanne and her co-workers will use 84.5 hours of company time, discussing her divorce. Suzanne will be present but underperforming for a total of 292.5 hours. She will be absent 16 days due to court dates and related stress. Prior to this, Suzanne had stellar reviews but now her supervisor will spend 29.5 hours dealing with her declining performance. Because her physical and mental health will decline, she will drive up the costs of medical and mental health benefits for her employer.

Suzanne is paid \$20.00 per hour, her co-workers earn \$22.10 per hour and her supervisor earns \$25.50 per hour. In the end, Suzanne's marital stress and divorce will cost her employer \$11,025. That figure does not include her non-salary benefits or her increased utilization of medical and mental health benefits.

Marital stress often results in divorce. Because the divorce rates are very high (50% of first marriages, 60% of second marriages, 70% of third marriages) approximately 130 of the 1,000 employees in Suzanne's company will also divorce each year. Therefore, the total cost to this company for divorce each year will be \$1,433,250.

Human Resource professionals are busy people who work hard to hire the right employees and maximize "human capital". They rely on EAP and Worklife vendors to take care of all of the personal issues that undermine their employee's well-being and work performance.

There are two problems inherent in this solution. First, EAP/Worklife programs do not have a program that effectively targets marital stress. Secondly, only 5% of employees use these resources, leaving the other 95% of employees entirely out of the "loop". This low utilization problem means that the serious erosion to human capital is continuing unabated.

Although there is no possible way to fully eliminate the negative effects of marital stress in the workplace, there are three crucial steps that must be taken to reduce the heavy financial burden it brings to companies.

- 1. Gain a clear understanding of this important issue and share your insight with key managers.**
- 2. Develop an early identification protocol among all managers and employees.**
- 3. Steer employees to effective resources for marital stress reduction.**

Understanding How Marital Stress Impacts the Workplace

There are two sides to the marital stress coin that must be examined to develop a true understanding of how marital stress impacts companies. First, it is necessary to understand the experience from the employee's point of view. Second, we need to study how those employee experiences impact their workplace.

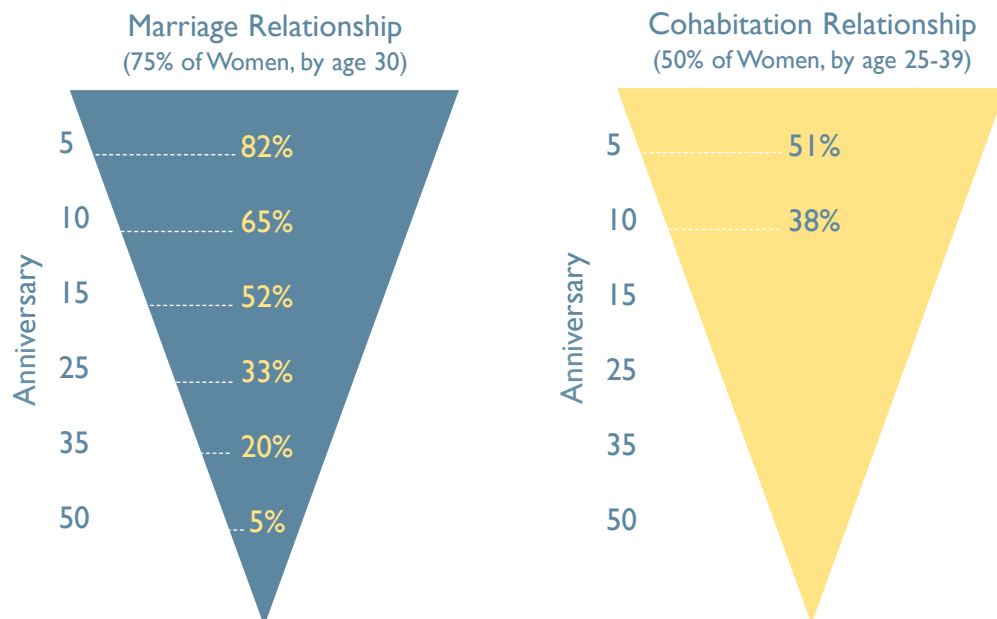
The Employee Experience:

Interpretation of the statistics on marriage and divorce is a daunting task. There are a multitude of conflicting studies with endless variables that make it difficult to extract precise findings. The information that is presented in this report is a composite view based on statistics from the Nation Center for Health Statistics, the US Census Bureau and the Rutgers National Marriage Project. It is important to note that the composite presented can be broken into sub-categories which deviate statistically from the composite. Some of those categories include age, occupation, regional location, economic status, education level and ethnic group membership.

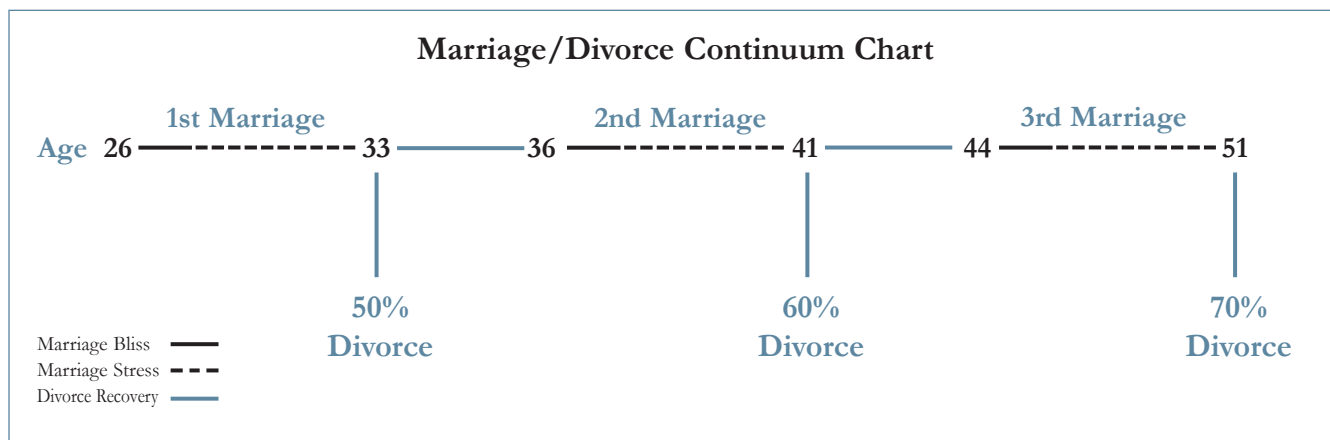
The "Marriage/Cohabitation Chart" presented below allows us to understand several key factors prevailing in our relationship patterns. Despite the high divorce rates, people predominately still continue to choose marriage. A significant majority, 75%, of women have married by age 30. However, the choice to cohabit is clearly on the rise and typically functions as either a substitute or preparation for marriage. Currently 50% of women between the ages of 25 and 39 have chosen to cohabit. The cultural shift from marriage to cohabitation is, in part, the cause of the appearance of the divorce rate stabilization which has occurred recently.

This chart illustrates that those who choose to marry increase their odds of ending their marriage as the years go on. For those who choose cohabitation, there is an even greater increase in the odds of their relationship ending in the first 5 - 10 years. (Data is not available for cohabitation relationships beyond 10 years in length.)

Marriage/Cohabitation Chart



The "Marriage/Divorce Continuum Chart" below illustrates a statistical composite of marriage, divorce and remarriage. Here we clearly see how the majority of people continue an ongoing life-cycle of joyful beginnings and painful endings. Those who choose cohabitation follow a parallel path but, in most cases, have fewer legal issues to resolve.



Although there is marital stress for 47% of couples throughout their marriage, they often remain in a state of denial for an average period of 6 years. When they finally acknowledge their problems, most will begin to seek outside help. Unfortunately, their unhealthy relationship patterns are often too well entrenched to be repaired. Soon thereafter, they will begin the painful process of ending their relationship.

Whether they are in a marriage or cohabitation situation, people suffer anxiety, anger and depression during the breakdown of their relationship. In most cases there is a financial set back because they must now create two households. For those who are married, their stress is exacerbated by the financial and emotional costs of legal proceedings.

Despite the painful process of ending their last relationship, most will enter a new relationship before the ink is dried on their divorce decree. They carry the baggage from their last relationship and optimistically step into a new relationship that is often more complicated because of blended family issues. In an act of blind faith, they are likely to repeat this mistake a third time.

The Workplace Affect:

It is well established that American companies lose \$6 billion dollars per year as a result of marital stress. However, it has been difficult in the past to determine how much of that loss accrues to each individual company. A review of the research in this area reveals that several researchers have derived basic numerical values that we can now combine to pinpoint the loss incurred by a company of any size.

The productivity figures presented below are from the insightful research of Dr. John Curtis and the absenteeism rate is from the respected Journal of Marriage and Family. Divorce rates are derived from combining data from the 2005 Census. Together, these figures clearly reveal the significant toll of marital stress in the workplace:

Hours Lost

Absenteeism - 128 *(divorcing employee)*

Productivity - 406 *(divorcing employee & co-workers)*

Total Hours Lost - 534

Divorce Rate - 13%

These figures can be combined to create a simple formula which will allow companies to calculate their total loss related to absenteeism and low productivity. For an annual loss figure that includes the value of benefits packages, please adjust the average hourly pay rate.

Divorce Stress Annual Loss Formula						
534	x	_____	x	_____	=	_____
Hours		Average Pay/Hour		13% of Employees		Annual Loss

As compelling as this annual loss number is, it does not reflect total loss due non-divorce related marital stress or cohabitation relationship stress. If quantitative figures were available for these factors, the actual loss would be significantly higher.

There is another important factor that has been carefully researched but cannot be mathematically quantified. It is the cost of increased health benefits consumed by employees due to relationship stress. Two Ohio State professors, Dr. Janice Keicolt-Glaser and Dr. Ronald Glaser, found that negative marital interactions generally begin the second year of marriage. As these interactions continue, the individuals involved demonstrate a sharp decrease in immune functions and an increase in illness, infectious diseases and perhaps cancer.

Developing an Early Identification Protocol

The greatest challenge to creating a successful protocol to address this challenge is that companies have a double standard entrenched in their culture. On the management level, there is a long-standing expectation that marriage and cohabitation issues are private matters that do not belong in the work place. On the employee level, these issues are continuously shared and often proliferated. In order to reduce the toll of relationship issues, it is necessary to change this status quo.

Since the basis of this problem is a lack of knowledge, only knowledge will cure it. First, managers must be made aware of this toll. While every manager can relate a personal experience of the workplace affect of marital stress, very few are likely to understand the scope and scale of the problem. Once they have a full understanding of this challenge, they will wisely work toward facilitating meaningful change in the company culture.

Once managers understand the nature of the problem, it will become clear to them that they must develop a protocol for identifying these issues as early as possible. This timing element involves intersecting at the earliest possible opportunity. While it is certainly useful to direct attention to those who are "down stream" in the throws of divorce, it is even more productive to move "up stream" to relationship stress prevention.

When managers bring this issue to the attention of employees, they will begin their transformation. The message must be delivered that their challenging relationship issues are important to their employer who will provide meaningful solutions. Employees must understand that their work suffers when they have relationship stress and that, when they discuss their relationship concerns with co-workers, they are consuming valuable company resources. By addressing these issues in a proactive and healthy manner, both the employee and employer are paid great dividends.

Steering Employees to Effective Resources

Resources for effectively reducing relationship stress, should not be provided on a "one size fits all" basis. They should not target only marriages, but must also include cohabitating couples. In order to be truly effective, it is imperative that they target each phase on the continuum of relationship issues. The best resource program will include a mix of education programs, reading resources, testing and counseling services. It must be affordable to the employer and well-regarded by the employee. The privacy of those using these resources must be protected to ensure that the employee will be willing and forthright in their participation.

A truly successful resource program will be organized according to the following list of important relationship stages. Each stage should be addressed in great detail.

- 1. Pre-marriage/Pre-Cohabitation**
- 2. Marriage/Cohabitation**
- 3. Divorce**
- 4. Divorce Recovery**

After program implementation, the next step is to identify its effectiveness. Each company carries a variety of statistics that can be used to measure the success of its program. The simplest, most accurate measurement can be obtained by conducting a poll prior to program inception. In the poll employees will answer questions about their relationship status and quality. This information will be used to establish the base-line data. Thereafter, repeated annual polls will reveal the success of the program.

As stated earlier, those who assume that relationship stress issues are currently being effectively addressed by EAP/Worklife organizations are not fully informed. The ineffectiveness of these services can be easily revealed by their lack of specific programs targeting the relationship continuum stages.

An even great concern about relying on the EAP/Worklife services currently available is the fact that 95% of employees will never use the "one size fits all" approach they do offer. While EAP/Worklife organizations can and should modify their programs to become more effective, they must have the full support and cooperation of the companies they serve in order to establish a meaningful utilization rate.

There is much to be gained if employees and companies acknowledge the impact of relationship issues and build a solid program for reducing their pervasive effect. There are a myriad of resources available in the professional community which must be integrated into a comprehensive and effective program.