


The ROI of a Good Night's Sleep:
The Executive Imperative



CIRCADIAN®
CORPORATE SLEEP PROGRAMS

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A WAKE UP CALL FOR MANAGEMENT

For cost conscious corporate leaders, it's time to regard sleep as a core corporate investment with an ROI demanding attention. The responsible question then becomes not when your company will offer Sleep Wellness initiatives, but if you can afford not to.

Sleep is not optional; it's a necessity, as essential as food and oxygen. Irrefutable scientific evidence reveals that the third of our lives that we spend sleeping profoundly impacts the two thirds we spend awake. [1] Sleep is critical to virtually all aspects of our functioning and affects the performance, safety and health of every member of your workforce. Our biological needs have not changed. Yet our behaviors have changed due to our 24/7 culture and the extended demands on our time and attention, often leading to sleep deprivation, a condition which negatively impacts executives and employees alike.

Here's the bottom line: How people sleep at home directly impacts how they function at work, on virtually all levels. Be it productivity, performance, safety, health or health care costs, sleep deprivation has a significant impact on an employee and in turn, on their employer.

The evolution of a 24/7 society has caused sleep debt (the cumulative effect of not getting enough sleep) [2] to steadily increase. Unfortunately, this liability is not reported on balance sheets, but it is likely impacting your bottom line.

Consider the findings of a 2012 study: "When employees are low on sleep, they will engage in more workplace cyberloafing. In the push for high productivity, managers and organizations may cut into the sleep of employees by requiring longer work hours. This may promote vicious cycles of lost sleep, resulting in less time spent working, which could result in more frantic pushes for extended work time. Managers may find that by avoiding infringement on employee sleep, they will get more productivity out of their employees" [3] and more effective use of their time.

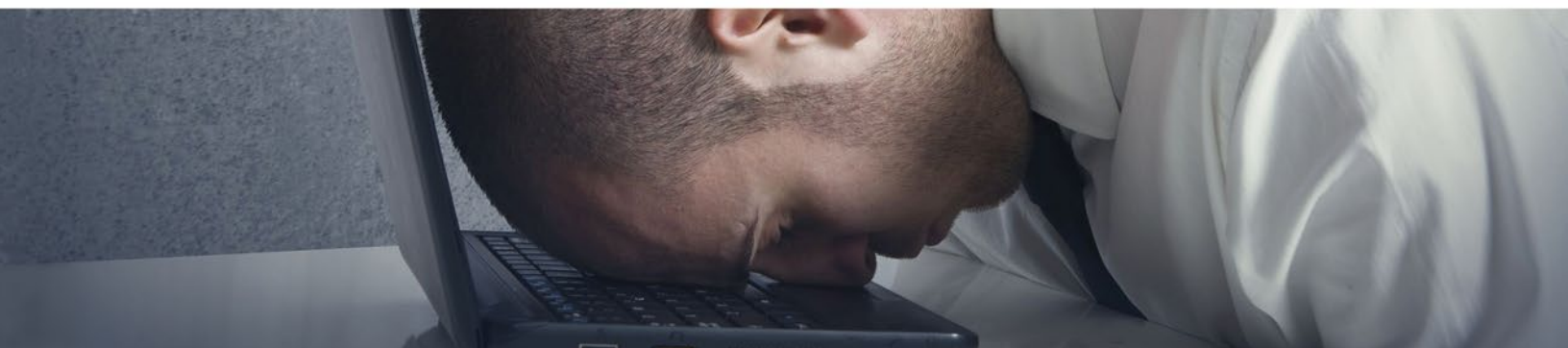
In our nonstop culture, the line between work and personal time is often blurred. But all of our time is compromised when we do not get good quality and quantity sleep. As companies demand more from their employees, waking hours are stretched all the more. At what cost?

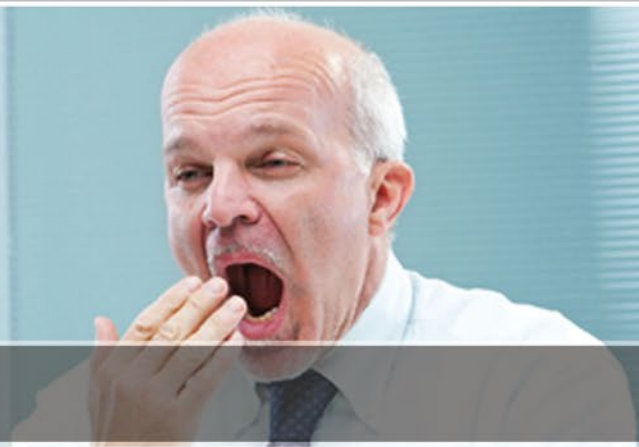


The CDC recently announced that insufficient sleep is a public health epidemic in the United States. Sleep insufficiency has been linked to motor vehicle crashes, industrial disasters, as well as other occupational errors. [4]

A National Consumer Research Institute study reported that 76% of Americans want to improve the quality and quantity of their sleep, [5] while the National Sleep Foundation reports that over 60% of adults have sleep problems a few nights a week or more.[6] According to the CDC, 30% of the U.S. civilian adult workforce reported getting 6 hours or less of sleep per day, less than the 7 to 9 hours recommended by the National Sleep Foundation. Consequently, “Because short sleep duration is associated with various adverse health effects, decreased workplace and public safety, and impaired job performance, targeted interventions are needed to increase the proportion of adults who get sufficient sleep.” [7]

What are the costs of sleep deprivation to employers? Showing up at work but being less than fully productive is referred to as “presenteeism.” [8] Sleep deprived workers go to work, but their productivity is greatly compromised because they are so tired. For instance, one Harvard Medical School study found that 1 in 4 U.S. workers has insomnia, costing U.S. employers \$63 billion in lost productivity each year. Insomniacs were no more likely than their well-rested peers to miss work, but they were so consistently tired on the job that they cost their employers the equivalent of 7.8 days of work in lost productivity each year -- an amount equal to an average of about \$2,280 per person. [9] [10] According to RAND Europe, up to \$680 billion of economic output is lost every year across five OECD countries due to insufficient sleep. [11]





THE COSTS cont...

What are the costs to your company of insufficient employee sleep? Consider The 10 Dangers of a Sleep Deprived Workforce, [12] which highlights the various risks associated with sleep deprivation, including:

- Poor Decision Making and Memory
- Decreased Communication
- Performance Deteriorations
- Risk of Becoming Distracted
- Poor Mood Appropriate Behavior
- Inflexibility – Inability to Make Necessary Adjustments
- Greater risk taking behavior and general performance deterioration across a myriad of functions.

Many who are sleep deprived think they are performing fine when, in fact, they are unaware of their performance decline. Furthermore, consider sleep deprivation's impact on effective teamwork, another example of the powerful ripple effect of a sleep-deprived workforce.

The costs are high. A 2006 study by the Institute of Medicine confirmed that billions of dollars are spent each year in the United States on the direct costs of sleep loss and sleep disorders. Add to that the tens of billions of dollars in annual expenditures due to indirect costs such as accidents, litigation, property destruction, absenteeism, disability, reduction or loss of productivity, hospitalization, and death. In fact, the study states that a conservative estimate of the total annual cost of insomnia alone was as high as \$107.5 billion per year [13] -- and that's just one sleep issue!





THE SOLUTION: SLEEP EDUCATION & TRAINING- INVESTING IN HUMAN CAPITAL

Recognizing the urgency for a response to sleep health, by providing sleep education and training, corporate leadership can influence a paradigm shift both within the corporate culture and for employees to carry home. With the Internet at our fingertips, sleep information is prevalent. How do we use this information to create a pathway to sustainable sleep improvement for the benefit of employer, employee, and society at large?

Today, companies invest in their human capital with a wide range of training and development initiatives. Investing in sleep education and training offers ROI benefits across a broad spectrum of performance, risk, and cost related measures. A well-rested workforce is more likely to excel in productivity, concentration, motivation, information processing, judgment, reaction time, and energy. Add to that the positive relationship between adequate sleep duration and mood regulation, along with the impact of healthy sleep on effective teamwork, and a powerful ripple effect results.

While many corporate functions can be outsourced, an individual employee's sleep cannot. At the end of the day, or night, the employee is in charge of their sleep habits and behaviors. However, companies can outsource to sleep experts the critical sleep education and training for their workforce, empowering employees to improve and reprioritize their sleep – not only for work, but also for their personal health and their ability to enjoy hours spent awake. Now that's a perk! Here's an important way to enhance employee loyalty and engagement by being an employer who values a work-life balance.

Sleep education and training may be one of the most powerful, yet underutilized resources available to leverage and optimize human capital within your company.





CONCLUSION: THE RETURN ON INVESTMENT

Research confirms that employee sleep is a critical asset that impacts employee productivity, performance, health, safety, and the bottom line of your company. Far from being a time waster, sleep makes everyone more productive, healthier, and safer.

In today's society where people work well beyond "normal" hours, sleep needs to be a priority for both employee and employer. Yet, this may require a shift in corporate culture, with management supporting the reprioritization of sleep. For corporate management, a well-rested employee will yield a higher return than an employee putting in 16-hour "days" on a regular basis.

Corporate management has an opportunity to optimize its workforce by providing expert Sleep Wellness education and training initiatives so employees can optimize their sleep. The ROI of a good night's sleep has multiple returns. It's time to wake up your workplace to the competitive advantages of sleep.





ABOUT THE AUTHOR

As Director of CIRCADIAN's Corporate Sleep Programs, Nancy H. Rothstein, MBA, The Sleep Ambassador®, is a leader in providing solutions for employee sleep optimization to the corporate sector. Nancy has consulted and lectured on Sleep Wellness to Fortune 500 corporations, the travel industry, universities/schools, and to organizations, reflecting her dedication to educating and providing sustainable sleep optimization solutions for employees to live and work at their best. With decades of experience in the financial and corporate sectors, Nancy brings a broad understanding of ROI and sleep's impact on optimizing human capital.

Nancy currently serves as a member of the NIH Sleep Disorders Research Advisory Board and she served as a member of the Board of the American Sleep Apnea Association. She is Adjunct Faculty at NYU where she developed and teaches an online course on Sleep Wellness. Nancy's book, *My Daddy Snores* (Scholastic) has sold over 400,000 copies, indicative of just how huge an issue sleep is in homes everywhere. Nancy writes for the Huffington Post Sleep + Wellness section.

ABOUT CIRCADIAN®

Founded in 1983, CIRCADIAN is the global leader in providing 24/7 workforce performance and safety solutions for businesses that operate around the clock. Through a unique combination of consulting expertise, research, software tools, training and informative publications, CIRCADIAN helps organizations in the 24-hour economy optimize employee performance and reduce the inherent risks and costs of their extended hours operations. Working from offices in North America, Europe, Australia and Asia, CIRCADIAN experts ensure that over half the Fortune 500, and other leading international companies, improve their competitiveness in the global 24/7 economy by optimising the staffing, scheduling, training and risk management of their vital asset – the 24/7 workforce.

For more information about CIRCADIAN 24/7workforce solutions, please visit www.circadian.com or Phone: 781-439-6300, Toll Free: 800-284-5001.

ABOUT CIRCADIAN® CORPORATE SLEEP PROGRAMS

Recognizing that sleep is integral to optimizing human capital and that sleep is a risk management issue that impacts ALL employees, regardless of the hours they work, CIRCADIAN partnered with Nancy H. Rothstein, MBA, The Sleep Ambassador® to create CIRCADIAN Corporate Sleep Programs, which Nancy directs. We work closely with corporate management to ensure that our research-based corporate sleep programming is customized for the client's needs and goals, including sleep education and training to ensure that employees are equipped and empowered with knowledge, strategies, tools, and resources to support sustainable sleep improvement.

For more information about CIRCADIAN® Corporate Sleep Programs please visit www.circadian.com and www.circadian.com/solutions-services/corporate-sleep-programs.html or email csp@circadian.com or Phone: 781-439-6300, Toll Free: 800-284-5001.

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