



# Managing Jobsite Employee Wellbeing: The Cost of Doing Nothing

Construction industry managers focus on reducing accidents, injuries, and healthcare costs on a daily basis. But not all managers recognize there are millions of dollars in hidden costs that affect a jobsite's budget and on-time performance. Seventy-five percent of these costs are driven by the impact of lost productivity. As a result, there is a significant cost to doing nothing more about employee wellbeing than a traditional safety program.

The risk of chronic disease is a significant driver of lost jobsite productivity. And 80% of chronic disease is caused by poor lifestyle choices. By ignoring the physical and emotional health risks of the worker population, national statistics show excessive medical cost will be incurred.

Also, health risks and costs tend to increase in the population with age unless they are effectively managed. Without a strategic wellness program in place, low-risk people will migrate to medium risk and medium-risk workers will migrate to high risk at a rate of 2% to 3% every 2 to 3 years. This brief identifies and quantifies the health and lifestyle risks that have the greatest impact on jobsite cost and schedule performance.



# The Hidden Costs of “Presenteeism”

Two-thirds of all jobsite accidents and injuries occur while employees are distracted. This state of distraction is frequently called presenteeism. While the individual is physically in the workplace, their mind and thoughts are elsewhere. Presenteeism can be caused by a variety of acute factors including colds and flu, bad weather, car problems, binge drinking and hangovers, migraines and headaches, poor sleep, and fatigue.

Chronic medical conditions such as back pain, arthritis, allergies, and diabetes also contribute to presenteeism, as do psychosocial conditions like depression, alcohol/drug abuse, stress, financial issues, and family/marital problems. All of these issues and conditions result in a variety of employee behaviors that have a significant impact on productivity and cost.

- Working less productively
- Producing poor-quality work
- Making more mistakes
- Taking longer to complete tasks
- Infecting co-workers
- Creating safety issues leading to accidents or injuries



# The 8 Health Risk Factors Driving Productivity Loss



A study by the Journal of Environmental and Occupational Medicine of 772,750 employees at 106 companies identified the eight health risk factors that drive productivity loss.<sup>1</sup>

Condition	Percent Productivity Loss
Back pain	13.0%
Depression	7.4%
Stress	4.8%
Inactivity	2.2%
No seatbelt	2.2%
Tobacco	1.8%
Body mass index >25	1.0%
Alcohol abuse	0.7%

A National Safety Council study revealed that the cost of fatigue in the workplace, based on **poor sleep habits**, amounted to more than **\$6 million** per year at mid-size companies due to **absenteeism, decreased productivity, and higher healthcare costs**.

At a U.S. company with 1,400 workers, about **\$1.4 million** was lost each year through **absenteeism, diminished productivity, healthcare costs, accidents, and other occupational costs associated with fatigued employees**. Many of these workers had undiagnosed and untreated sleep disorders.

# Calculating the Cost of Doing Nothing



While it's widely accepted that ignoring employee wellbeing will impact productivity and safety performance, quantifying the impact can be difficult. A small- to mid-size construction organization without a strategic employee wellbeing program was experiencing excessive healthcare costs. An analysis broke out the cost associated with each health risk factor. The results were surprising.<sup>2</sup>

Health Risk	Population Prevalence	Cost for High-Risk Individuals	Documented Cost for Unhealthy Behaviors
Cardiovascular	1,692	\$6,597	\$11,161,312
Exercise Habits	2,880	\$3,487	\$10,043,654
Body Weight	2,376	\$4,019	\$9,548,740
Stress	2,160	\$3,967	\$8,567,834
Blood pressure	1,656	\$3,681	\$6,095,951
Cholesterol	1,260	\$3,403	\$4,287,679
Tobacco	540	\$3,381	\$1,825,691
High blood glucose	360	\$4,505	\$1,621,865
Depression	252	\$5,530	\$1,393,578

Construction organizations with high employee health risks will experience dramatic increases in healthcare costs. For example, the average spend on medical plans at one company (3,600 employees) was as follows:

**(Per person/per year)**

High-risk **\$9,360**  
 Medium-risk **\$5,238**  
 Low-risk **\$3,644**



A comprehensive wellness intervention program was aimed at increasing the number of employees in the low-risk category. The estimated healthcare cost savings of the effort was as follows:

- 15% of employees moved from high-risk to medium-risk category – **\$2,225,880 per year savings**
- 10% of employees moved from medium-risk to low-risk – **\$131,505 per year savings**
- Total annual cost savings – **\$2,357,385**

# Summary

It is important for construction organizations to understand that poor employee physical and mental health will drive considerable hidden costs in productivity and safety. Consequently, there is a significant cost to doing nothing about employee wellbeing other than a traditional safety program.

Most jobsite accidents and injuries occur while employees are distracted – a state frequently called presenteeism. These worker behaviors can produce a significant negative impact on productivity and cost. Fatigue in the workplace also can represent millions of dollars per year in unseen costs due to absenteeism, decreased productivity, and higher healthcare spend.

1. **The antidote to doing nothing is the customization of a high-impact, resource-focused approach to employee wellbeing that will deliver measurable financial and worker satisfaction benefits. This comprehensive effort gives construction organizations the tools and knowledge to achieve quantifiable improvements in jobsite safety plus healthier, more productive employees.**



## References

1. Use of Normal Impairment Factors in Quantifying Avoidable Productivity Loss Because of Poor Health. Volume 51, Number 5, Journal of Occupational and Environmental Medicine. March 2009.
2. Source: National Safety Council

## About Wellness Workdays

Wellness Workdays, headquartered in Massachusetts with offices in New York, Florida, and Texas, is the only employee wellbeing provider that drives **measurable** health and safety progress across the job site. Our programs deliver **unified safety and wellbeing synergies** that achieve higher participation and engagement, fewer reportable accidents, and lower absentee rates. Working with Wellness Workdays gives construction organizations the tools and resources to achieve **measurable improvements** in job site safety, and healthier, more productive employees. The certified Women Business Enterprise has earned industry recognition and best-practice awards for its work with clients, such as Turner Construction, Skanska, the Maine Department of Transportation, and Harvard Business School.

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