

Complementary Alternative Benefits to Promote Peace

Norman D. Bishara  
Stephen M. Ross School of Business  
University of Michigan

Cindy A. Schipani  
Stephen M. Ross School of Business  
University of Michigan

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## **ABSTRACT**

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Recent research has focused on business as a mediating institution that can influence society while engaging in the traditional profit-making and value generation functions. This work includes Professors Fort's and Schipani's arguments about how business may be able to play a role in promoting more peaceful societies, and the work of other scholars addressing how businesses might serve a role in reducing violence in society and the workplace. Although there is a significant body of scholarship on the role of business in reducing violence in society, there is little research on concrete steps for businesses to take to achieve this goal. This paper attempts to begin to fill that void.

As identified by Fort and Schipani, business may promote more peaceful societies by encouraging a sense of community and by engaging in track two diplomacy. We argue that one way in which to encourage a sense of community and engage in track two diplomacy on a small scale, and therefore potentially play a role in reducing violence, is for business to provide what we denote as complementary alternative benefits (CABs), to its workforce.

In this paper, we encourage businesses to offer CABs which focus on sustaining the health, reducing the stress, and improving the camaraderie of its workforce. We argue that business can use these benefits to promote a healthy, less-stressed, and collegial workforce that is less prone to resolve conflicts by violence. Further, we examine the role business plays in promoting more peaceful societies and how employer-initiated stress reduction programs are consistent with both business ethics and peace-building principles. We suggest that the employment benefits firms provide to their workforces may have a significant impact on how those employees interact with society. Finally, we demonstrate how CABs may also reduce costs related to absenteeism and turnover and thus improve the bottom line.

## **Complementary Alternative Benefits to Promote Peace<sup>+</sup>**

by

Norman D. Bishara<sup>\*</sup>  
Cindy A. Schipani<sup>\*\*</sup>

Over the past decade, business law and ethics scholars have begun to take a serious look at the role business can play to reduce violence in society. This research has focused on the idea of business as a mediating institution that can influence society – for better or worse – while still fulfilling the role of profit-making and value generation (Fort, 2001). As argued by Professors Fort and Schipani, there are at least four ways business may be able to play a role in promoting more peaceful societies (Fort and Schipani, 2004; Fort and Schipani, 2003; Fort and Schipani, 2002). That is, business may be able to promote peace by: (1) fostering economic development, (2) exercising track two diplomacy, (3) adopting external evaluation principles, and (4) nourishing a sense of community (Fort and Schipani, 2004, pp. 121-129). Moreover, it is conceivable that practices that nourish a sense of community within business may spillover with similar effects into society (Fort and Schipani, 2007).

Similarly, others have examined how business activity can impact society and peace. For example, Professor Gretchen Spreitzer has undertaken an empirical study considering the issue from the viewpoint of the organization and finds that business can implement participatory systems that might serve as a model for a more peaceful society (Spreitzer, 2007). Professors Frances Milliken and Elizabeth Morrison have examined the issue from the viewpoint of the individual and make a convincing case regarding the significance of employee voice (Milliken

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<sup>\*</sup> Assistant Professor of Business Law and Business Ethics, Stephen M. Ross School of Business, University of Michigan.

<sup>\*\*</sup> Merwin H. Waterman Collegiate Professor of Business Administration, Professor of Business Law, and Chair, Law, History & Communication, Stephen M. Ross School of Business, University of Michigan.

and Morrison, 2003). Professors Dworkin and Schipani have further discovered a correlation between gender equality and less violent societies – concluding that it may be important for society to provide opportunities for recognizing the voice of women in business in its quest for less violence (Dworkin and Schipani, 2003; Dworkin and Schipani, 2007).

In addition, there has also been some initial work done in the area of business, fostering peace, and the workplace (Beck-Dudley and Hanks, 2003; Zollers and Callahan, 2003; Capozzoli, 2003). This research, for the most part, has explored the need for business ethics to accommodate peace as a virtue in the workplace (Beck-Dudley and Hanks, 2003) and broad strategies for reducing workplace violence with organizational security (Capozzoli, 2003, p. 783).

In this paper, we attempt to push these ideas yet further and suggest that how a business treats its workforce may have a significant impact on how those employees interact with society. If this is true, there are many modest, yet concrete, policies that a business can employ to nourish its own workforce, both literally and figuratively, and thus encourage a sense of community and engage in small-scale track two diplomacy. As a first step, we encourage business to consider offering employee benefits packages that sustain the health, reduce the stress, and improve the camaraderie of its workforce. We denote these benefit packages as complementary alternative benefits or CABs. It would seem a healthy, less-stressed, and collegial workforce would be less prone to resolve conflicts by violence.

To address this perspective, this paper is thus organized as follows. Part I begins with a brief overview of some of the sobering statistics regarding the problem of workplace stress and violence and lays out the parameters of the problem, with a focus on intra-firm violence. Part II considers the issue of workplace stress from the practical viewpoint of the monetary costs it

imposes on business. Part III examines the role business can play in promoting more peaceful societies and how employer-initiated stress reduction programs are consistent with both business ethics and peace-building principles. Concluding remarks follow.

## **I. Workplace Stress and Violence**

Workplace stress is a serious societal problem, so much that the UN's International Labour Organization has called the phenomenon an "epidemic" (Williams, 2006). Violence in the workplace has also been escalating, both in the U.S.<sup>1</sup> (Bureau of Labor Statistics, 2005) and in other developed nations (UN News Center, 2006). It follows that if individuals are stressed in the workplace, stress may also be brought into the home and into society, along with all the negative impacts.

Much has been written on the related subjects of stress and workplace violence in the academic literature from psychological and organizational perspectives, as well as survey research conducted by governmental agencies. Surveying agencies include the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the Department of Health and Human Services (DHHS), and the Centers for Disease Control's (CDC) National Institute of Occupational Safety and Health (NIOSH). International organizations such as the UN's International Labour Organization (ILO) and the World Health Organization (WHO) also gather information and monitor issues related to the workplace, violence, and health. In addition, the American Psychological Association (APA) commissions regular surveys of Americans and stress (American Psychological Association, 2008(a)).

In the business and peace building literature there is a more limited, but useful, body of writings that have begun to address workplace issues. In this area, Professors Frances Zollers and Elletta Callahan have written on the subject of workplace violence and security with an

emphasis on techniques which may address violence through promoting trust, participation, and dignity (Zollers and Callahan, 2003). In addition, Thomas K. Capozzoli suggests several factors that may trigger violence in the workplace: autocratic management, disciplinary action by management, a negative appraisal, lack of support from an employee's superior or workgroup, change, and downsizing (Capozzoli, 2003, p. 783). The applicability of this research to the issue of companies providing benefits to reduce stress and, consequently, reduce workplace conflict is discussed in greater detail below in Section III.

To understand how employer provided stress-reducing CABs may contribute to peaceful societies, it is first necessary to explain the possible connections between workplace stress and violence. After defining these concepts, this section discusses the trends and implications of stress in the workplace along with the connection to intra-firm violence.

#### **A. Workplace Violence – Scope and Trends**

The peace and business literature often see violence in terms of its relationship to peace. In early formulations, Fort and Schipani (2002) defined the notion of peace as the reduction of violence, unrest, and war. Also useful in broadening this concept to include the role of workplace is the idea of developing an atmosphere of “peaceableness” at work. Beck-Dudley and Hanks conclude that:

Peaceableless is not necessarily the absence of conflict, although peace is sometimes defined by the absence of conflict. Rather, we define peaceableness as freedom from hostile conflict. Hostilities may range from acts of overt aggression, such as physical and emotional violence, to covert acts of hostility, such as the passive/aggressive behaviors of stonewalling and rumor spreading (Beck-Dudley and Hanks, 2003, p. 434).

Similarly, the concept of violence in the workplace is defined differently, depending on the source and the context. Zollers and Callahan define workplace violence broadly as does the

Occupational Safety and Health Administration (OSHA) and other sources, as encompassing a range of conduct from verbal threats to an extreme of homicide related on the job (Zollers and Callahan, 2003, p. 452). They also conclude that “there is sufficient recognition that ‘workplace violence’ goes beyond physical injury and death and includes threats, intimidation, harassment, and humiliation” (Zollers and Callahan, 2003, p. 452). The United Kingdom Health and Safety Executive (HSE) similarly defines “work-related violence” as “[a]ny incident in which a person is abused, threatened or assaulted in circumstances relating to their work (Health and Safety Executive, 2008). Moreover, this definition “can include verbal abuse or threats as well as physical attacks” (Health and Safety Executive, 2008). For our purposes, we adopt these more inclusive definitions to acknowledge that violence related to work need not be physical and, ultimately, addressing this problem through employer-provided benefits aimed at reducing stress will target violence at both ends of the violence spectrum.

The popular notions of workplace violence often come from media reports about external security threats, such as high profile attacks on workers by a disgruntled former employee (Smith, 2002, pp. 611-612). There has also been evidence that there is a rise in homicides in the workplace, particularly in the form of violence against female employees (Fisher and Gunnison, 2000, p. 152). Although the media accounts of workplace violence have been challenged by some scholars as being exaggerated or biased against workers with mental health issues,<sup>2</sup> (Laden and Schwartz, 2000) violence in the workplace is a troublesome issue for employers and their employees (Zollers and Callahan, 2003; Spreitzer, 2007).

International agencies also recognize the impact of violence on societies around the globe. Over a decade ago a formal resolution at the United Nation’s 49<sup>th</sup> World Health Assembly acknowledged that the issue of violence was a growing public health concern (World

Health Organization, 1996). Interestingly, the World Health Organization has long taken a public health approach to violence. This demonstrates consensus from the international health community that violence can be treated as a preventable problem, even if it has been present throughout human history (World Health Organization, 2002, pp. 3-4). In addition, some employment trends related to stress are also exacerbated by the impact of globalization<sup>3</sup> (International Labour Organization, 2008, p. 38).

The origins of workplace violence, in terms of the identity of the perpetrator and their relationship to the victim, vary. For instance, the U.S. Bureau of Labor Statistics has classified source of workplace violence into four types of situations: (1) criminal; (2) customer or client; (3) co-worker; or, (4) domestic violence (Bureau of Labor Statistics, 2005, p. 4). Although there may be some overlap across these categories, they are useful in understanding where violence originates and, consequently, where stress might enter the equation. Our objective is to articulate ways in which companies may reduce harmful stress among workers – a specific group of internal stakeholders – and, thus, fit within a general category of workplace violence reduction and prevention. It is, of course, appropriate that companies should indeed provide proper levels of physical security at a workplace to protect their employees from outside threats, such as criminal assault during a robbery, from an abusive intimate partner, or even from a potential terrorist incident. Our focus, as outlined below, is on ways companies can help to reduce stress and consequently lessen an employee's breaking point at which employee violence, in any of its forms, can take place. We call this "intra-firm" violence because the source of the violence comes from internal stakeholders. This is in opposition to a notion of "extra-firm" violence, which would include verbal abuse coming from a customer or an assault from a criminal during a convenience store robbery.



We focus on intra-firm violence because employer stress reduction programs are aimed at these particular interactions. Company programs and initiatives have the ability to impact these internal stakeholders, but they cannot, by definition, directly influence the propensity for violence of actors outside of the firm. It is true, nonetheless, that an employer's initiative to reduce stress might add to the resiliency of employees facing stressors from external forces. In this way a firm's programs can still assist in minimizing the scope and severity of the impact of violence leveled against its workers.

Despite the increasing awareness of workplace violence and its impact on workers and financial aspects of business, most U.S. companies do not have formal mechanism addressing this issue. For example, a 2005 Bureau of Labor Statistics (2005) study found that over 70% of U.S. employers do not have a workplace violence prevention program or policy in place. To their credit, of the U.S. workplaces that have a workplace violence prevention program or policy, 82.3% specifically address the issue of co-worker violence (Bureau of Labor Statistics, 2005). Organizations with more employees also tend to provide a higher percentage of such programs or policies, although few track the cost of workplace injury and illness, and even fewer track the cost of workplace violence (Bureau of Labor Statistics, 2005).

## **B. Workplace Stress—Scope and Trends**

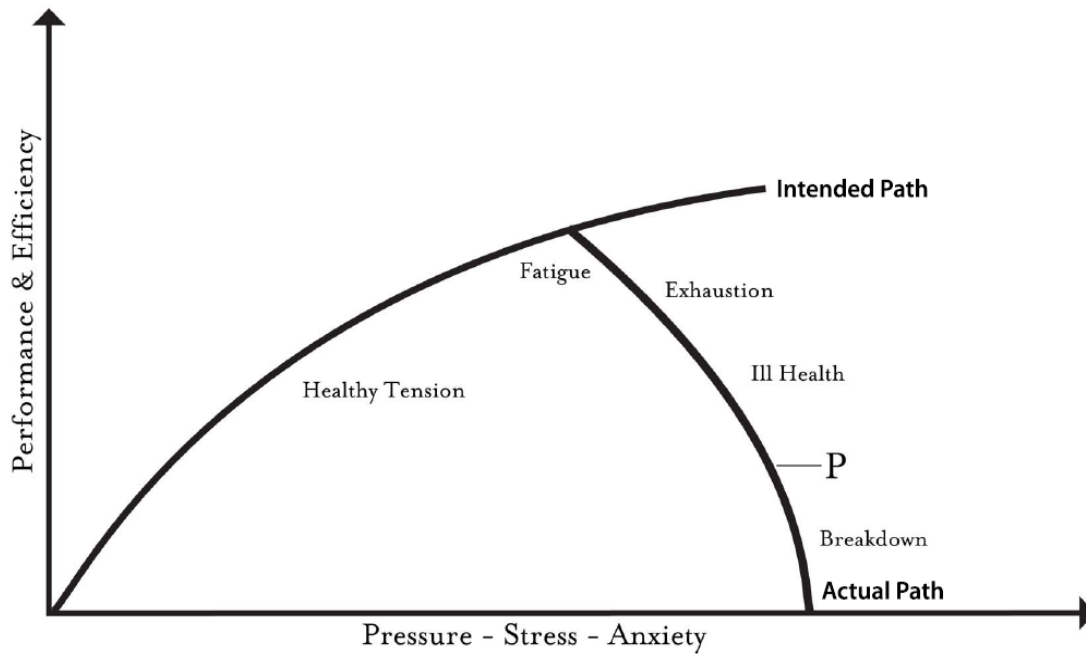
Initially, it is important to define the term “stress” before examining its role in the workplace and, ultimately, how it can underlie violence. In a general sense, stress is “an aversive state of arousal triggered by the perception that an event threatens our ability to cope effectively” (Kassin, 1998, p. 699). More specifically, workplace stress “is the harmful physical and emotional responses that can happen when there is a conflict between job demands on the employee and the amount of control an employee has over meeting these demands” (Canadian

Centre for Occupational Health and Safety, 2008). In general, “the combination of high demands in a job and a low amount of control over the situation can lead to stress” (Canadian Centre for Occupational Health and Safety, 2008; American Institute of Stress, 2008).

As is often pointed out, a certain amount of stress during employment is inevitable and even desirable in helping workers meet challenges (Canadian Centre for Occupational Health and Safety, 2008; American Institute of Stress, 2008). However cumulative stress has many well-recognized negative physical, psychosocial, and behavioral effects on workers. Years of cumulative stress can lead to severe or debilitating reactions. This stage, denoted as “Phase 4,” may include symptoms such as uncontrolled anger, rage, agitation, and even suicidal or homicidal thinking (Canadian Centre for Occupational Health and Safety, 2008; *see also* American Institute of Stress, 2008).

Apart from being in a state of calm, a person can be in eustress, where they are under normal or healthy pressures, or distress, under which, over time, there are potential adverse effects. A common way to visualize the different ranges and effects of stress, both good and bad, is the stress curve diagram. A version of the stress curve is pictured in figure 1 below and shows the spectrum of effects brought on by stress, ranging from healthy tension and comfort to fatigue and, in the extreme, breakdown (Posen, 2008). It follows, then, that stress-reducing activities, including those provided as CABs from an employer, may help reduce the negative effects of stress and enable employees to be healthy and happy, as well as productive.

Figure 1: Stress Curve



P - The Point at which only minimal extra pressure or stress may precipitate a breakdown  
(adapted from Posen, 2008)

The prevalence of workplace stress underlies the frustration felt by many workers. A recent American Psychological Association (APA) study concluded that, “[s]tress can significantly affect physical health [and that] three quarters of people have experienced physical symptoms as a result of stress, such as headache, fatigue, and an upset stomach in combination with feelings of irritability, anger, nervousness, and lack of motivation” (American Psychological Association, 2008(b)). At the individual employee level, the APA reports that, in one of its 2007 polls, “three-quarters of Americans list work as a significant source of stress, with over half of those surveyed indicating that their work productivity suffered due to stress” (American Psychological Association, 2008(b)). The same report gives indications that U.S. workers are not coping well with stress in their jobs because “almost half stated that they did not use their allotted vacation time and even considered looking for a new job because of stress.” The conclusion is that stress in the workplace, “is also a concern for employers, costing U.S.

businesses an estimated \$300 billion per year through absenteeism, diminished productivity, employee turnover and direct medical, legal and insurance fees” (American Psychological Association, 2008(a)).

To be clear, the nature of stress, individual biological make-up and each unique situation of each worker renders an indisputable causal connection between workplace stress and violence impossible. In other words, we cannot say that a factor “X” + stress = violence. While there is an increase in the interest in predicting aggression in the workplace (Neuman and Baron, 1998), predicting a propensity for violence in prospective or current employees is not an exact science. It, nonetheless, stands to reason that the anger, nervousness, and irritability stress engenders may exacerbate an already tense situation and may push individuals to violence. In any event, it seems fair to say that it is unlikely that employee stress promotes peace or peaceableness.

Finally, there are clear monetary costs to employers and society, as well as the employees who suffer from stress and workplace violence. Quantifying these costs, by their nature, is difficult. However, as discussed in the next section, these costs are almost certainly immense and represent a serious source of concern for corporations and society.

## **II. The Business Case for Reducing Stress and Promoting Health**

Not only might stress reduction contribute to a more peaceful society, reduction of employee stress together with the promotion of good health may positively affect the bottom line for business. It is no secret that the cost of stress in the workplace is a significant expense for business today. Fifty-five percent of the workforce in the United States is stressed at work (Medic8.com, 2007). The American Institute of Stress estimates that stress in the workplace costs American businesses more than \$300 billion per year in lost productivity, workers’

compensation claims, increased turnover and increased healthcare costs (American Institute of Stress, 2008). Stress, for example, plays an important role in forty percent of turnovers and sixty to eighty percent of work-related accidents (Tangri, 2006). Stress also contributes considerably to absenteeism. According to the National Institute for Occupational Safety and Health employees who have to take time off due to stress or related complaints stay away an average of twenty days per year (Farrell and Geist-Martin, 2005, p. 550). Employees who are not dealing with stress are absent only four to ten days a year (Farrell and Geist-Martin, 2005, p. 550). Additionally, stress can lead to mistakes, declining productivity, burnouts, low morale, increases in alcohol and drug use, workplace violence, and harassment (Ball, 2004). Companies have begun to realize that investing in wellness programs to deal with these factors does not only lead to improved health of employees, but to cost savings as well (McQueen, 2006).

One reason why these benefits may have this positive effect is that they contribute to making happier, healthier employees. The most common workplace factors associated with dissatisfaction and ill health among employees are job demand, which involves the timing and the pacing of work, lack of support from co-workers, and lack of control over work (Way, 2006, p. 67). By providing complementary alternative medical benefits, allowing flexible work schedules, and sponsoring events where employees can socialize, business may be able to reduce the factors associated with stress such as worker dissatisfaction and ill health. Moreover, these benefits also help business nourish a sense of community among employees and engage in a type of track two diplomacy – a modest yet significant contribution business can make toward promoting more peaceful societies<sup>4</sup> (Fort and Schipani, 2004, pp. 1-3, 23-31 and 129-131).

This Part examines complementary alternative benefits within the context of the workplace, and the workplace reaction to complementary alternative benefits. For purposes of

this paper, complementary alternative benefits (CABs) are defined as benefits provided by companies in addition to more traditional benefits. Complementary alternative benefits include benefits that create value in the workplace by implicating employee stress reduction and positively impacting health. Section A begins by identifying the possible value created by CABs, followed in Section B by examples of various approaches used in the workplace.

## **A. Value Creation and Workplace Alternative Benefits**

In addition to the potential that CABs may have for promoting more peaceful societies, there is a more traditional business case to be made for business to provide CABs in employee benefit packages. This Part examines how firms may create value by offering such non-traditional benefits to their employees. The potential value created includes lower than average industry turnover, reduced employee health care costs, advantages in recruiting new employees, and increased productivity.

### **1. Reduced voluntary turnover**

According to the Bureau of Labor Statistics, the average voluntary turnover rate of employees in the United States ranges from 13.5% to 56.4%, depending on industry (Noboscot Corporation, 2006). To begin the dialogue on whether companies that provide CABs may reduce voluntary turnover, voluntary turnover rates of a sample of leading firms providing CABs which are drawn from the Forbes “best companies to work for” (CNNMoney.com, 2007) are compared to the industry-wide voluntary turnover rates. The difference between the industry average and the individual sample firm’s turnover rate is depicted in the fourth column of Table 1 (U.S. Department of Labor, 2008; Levering and Moskowitz, 2007).

**Table 1: Potential Cost Savings from Reduction in Employee Turnover**

<b>Company (Industry)</b>	<b>Voluntary Turnover*</b>	<b>Industry Avg. Voluntary Turnover**</b>	<b>Percent Change</b>	<b>Total U. S. Employees*</b>	<b>Estimated Employees Retained Above Industry Average</b>	<b>Industry Average Salary**</b>	<b>Estimated Cost Savings</b>
<b>SAS Institute (Business and Financial Operations)</b>	4%	28%	24%	5,239	1,257	\$62,410	\$78,449,370
<b>Microsoft (Computer Systems Software)</b>	6%	28%	22%	44,298	9,746	\$77,570	\$755,997,220
<b>Qualcomm (Computer Hardware Engineers)</b>	1%	28%	27%	8,860	2,392	\$94,270	\$225,493,840
<b>Cisco (Network and Computer Systems)</b>	5%	28%	23%	27,493	6,323	\$67,850	\$429,015,550
<b>Boston Consulting (HR, Training and Labor Specialists)</b>	11%	28%	17%	1,434	244	\$56,740	\$13,844,560
<b>Whole Foods (Retail Salespersons)</b>	27%	56%	29%	37,806	10,964	\$24,530	\$268,946,920
<b>Starbucks (Counter Attendants, Coffee Shop)</b>	14%	56%	42%	109,873	46,147	\$17,820	\$822,339,540
<b>Men's Warehouse (Retail Salespersons)</b>	29%	52%	23%	11,508	2,647	\$24,530	\$64,930,910
<b>IKEA (Retail Salespersons)</b>	25%	52%	27%	11,157	3,012	\$24,530	\$73,884,360
<b>Container Store (Retail Salespersons)</b>	19%	52%	33%	2,866	946	\$24,530	\$23,205,380

\*Source: Levering and Moskowitz, 2007.

\*\*Source: Bureau of Labor and Statistics: 2007, 'National Occupational Employment and Wage Estimates for May 2007.'

On average, companies in this sample experienced a 26.7 percent reduction in turnover as compared to the industry average. Of course, at this stage of analysis with a limited sample of leading firms, we cannot say that CABs caused the reduction in turnover. There may be other reasons that explain this reduction. Yet, if there is a causal relationship between such benefits and turnover, the numbers illustrate that the potential reduction in turnover could be substantial.

Reduced turnover is attractive to employers because of the high costs associated with training new employees and the scarcity of skilled labor expected in coming years.

Yet, even assuming a causal relationship between benefits and a reduction in turnover, it is difficult to quantify the dollar amount of the savings to firms. The next Section addresses a possible method to estimate these savings.

## **2. Estimated cost savings to the firm**

The SAS Institute, a software firm based in Raleigh, North Carolina, has devised a method to estimate cost savings to firms resulting from lowering their turnover rate (Webber, 1998). As illustrated in Figure 2, if this firm estimates total domestic U.S. employees at 5,000, with a firm turnover rate of three percent, in an industry where the average turnover rate is twenty percent, its turnover rate is seventeen percent lower than the industry average. Taking seventeen of 5,000 total employees gives an approximation of 850 total employees retained above industry average.

The estimated cost savings from this lower turnover rate is then calculated by multiplying the number of employees retained (850 in our example) by an average employee's salary of \$60,000, resulting in an estimated cost savings of \$51 million for this particular company. In this example, this model uses the average employee annual salary estimated at \$60,000 as the turnover cost saved for each employee retained.



**Figure 2: Estimated Cost Savings Model<sup>5</sup>**

<b>Sample Cost Savings Calculation</b>	
Total Employees	5,000
Turnover rate	3%
Industry Average	20%
Delta	17%
Employees retained above industry average [Delta X Total Employees]	850
Estimated cost savings [Employees retained X Average employee salary]	\$51,000,000
Note: Turnover cost per person is calculated in terms of salary. Average salary is estimated here at \$60,000	

Utilizing the SAS methodology and industry average salaries from the Bureau of Labor and Statistics, the sixth column of Table 1 estimates, for the firms in our sample, the potential number of employees they retain above industry averages. The last column of Table 1 estimates the potential cost savings to these firms from reducing employee turnover. As can be seen by the figures in this last column, the cost savings may be significant, ranging potentially from just over \$14 million to over \$822 million annually for these firms. Admittedly, it is challenging to quantify how much money firms save through reduced turnover, particularly because of the difficulty in pinpointing the turnover cost per firm. Rather than using the average salary to estimate the cost savings from turnover reduction, another method estimates a cost of between \$4,000 to \$10,000 to replace an hourly worker and \$40,000 to replace a manager (Joyner, 2006). According to a survey by Ernst & Young, the cost of replacing a high-level employee may be up to 150% of the departing employee's salary (Rice, 2005). Though estimations of cost savings vary, in all these examples lower turnover seems to have positive implications for a company's bottom line.

### **3. Reduced health care costs**

A growing number of companies also seek to cut medical costs by integrating alternative wellness programs into their health care coverage. Programs range from on site gyms (Cisco, 2008) and health screenings (MITRE, 2008) to company-sponsored individual health coaches (Knight, 2007) and scuba diving lessons (Qualcomm, 2007). For example, the *Wall Street Journal* profiled a financial advisor who also serves as a running coach to his clients (Knight, 2007). In a variety of ways, companies are investing in alternative ways to keep employees healthy and active.

Much of this is driven by a desire to curb dramatic increases in health care costs. A recent survey by the Kaiser Family Foundation found that since 2000, the average annual worker health-care premium contribution jumped eighty-three percent to \$2973 for family coverage. Cadmus, a publishing-services company based in Richmond, Virginia, reports that “its overall health-care costs grew by only \$500,000 [during 2005], after rising by \$2 million in each of the preceding four years” (McQueen, 2006). Cadmus attributes this improvement, at least in part, to its nearly two-year-old wellness program. Other companies, including supermarket chain Safeway Inc., also find that they have saved money through efforts to keep their workers healthier (McQueen, 2006).

### **4. Advantages in recruiting**

Companies providing CABs may also experience increased interest from job seekers. For example, the SAS Institute employs approximately 10,000 workers worldwide, yet when a 60 Minutes story publicized its flexibility and unique employee benefits offerings the company

was overwhelmed with 20,000 applications, or more than double the current size of its workforce (Shellenbarger, 2007).

Similarly, Children's Healthcare of Atlanta, a hospital listed as one of Fortune magazine's "Best Companies to Work For," has also seen recruiting benefits from adopting an alternative approach to employee benefits. In November, 2006, the hospital launched a large-scale recruiting effort to hire 100 nurses in 100 days. To encourage staff referrals, the hospital gave away 100 tanks of gas, \$100 in groceries, 100 iTunes songs, 100 hours of baby-sitting, and other assorted prizes. Despite a nursing shortage in the labor force, the firm was able to achieve its goal of hiring 200 nurses, (twice the original goal), in the process (Joyner, 2006).

### **C. Current Examples of CABs in the Workplace**

As mentioned in the previous Part, companies have become aware that alternative benefits may have a positive effect on their bottom line. This Part provides examples of companies that have adopted various alternative benefits. Section 1 begins with describing perks early adopters have included in their benefit packages followed by two illustrative case studies in Section 2.

#### **1. Early adopters**

There are a number of firms that appear to be early adopters of a CAB approach to health benefits. For our purposes, this paper focuses on companies identified by *Fortune Magazine* as the Best 100 Companies to Work for in 2007 (CNNMoney.com, 2007). A list of these companies, sorted by industry, is provided in the Appendix.

Apart from the basic health care coverage most firms offer, some early adopters go a step further by providing generous benefits for new mothers (Deloitte, 2007), offering opportunities to stay fit (Valero Energy, 2008), including perks that take away some of the pressures of daily life (Genentech, 2008), and taking away stress related to health care costs by increasing coverage (Microsoft, 2008; CNNMoney.com, 2007(a); CNNMoney.com, 2007(b)). For example, Microsoft (Microsoft, 2008), The Boston Consulting Group (CNNMoney.com, 2007(a)) and Whole Foods (CNNMoney.com, 2007(b)) pay 100% of employee health care premiums. Google reimburses employees who have recently had a baby for up to \$500 in takeout food to ease their first four weeks at home and offers twelve weeks paid maternity leave (Google, 2008). Microsoft provides free grocery delivery, dry-cleaning services, and valet parking (Microsoft, 2008), while Google similarly offers free meals to all employees and has on-site carwash, laundry, and dry-cleaning services (Google, 2008). To help employees stay fit, Google subsidizes health care classes and has on-site doctors (Google, 2008). Qualcomm provides on-site fitness programs and reimburses employees in offices without on-site fitness centers for health club memberships, offers health education, and also has an on-site medical and dental clinic (Qualcomm, 2007).

Other approaches include providing employees with more flexible work options as well as opportunities for participating in non-work social activities. For example, the Container Store tries to meet families' needs by providing a shift option, enabling employees to work 9:00 a.m. until 2:00 p.m. (CNNMoney.com, 2007(c)). Wegmans, another retailer, puts emphasis on employees' fitness and time spent away from work. The company offers reduced memberships to fitness centers and has its own sports leagues available to employees (Wegmans, 2007). Wegmans also offers many discounts to employees for non-workplace social activities such as

discounted admission to movies, ski resorts, museums, theaters, skating rinks, local zoos and even Disney theme parks (Wegmans, 2007).

Retailers are not the only companies who have come to see the advantages of providing alternative benefits. Valero Energy has a wellness program in place that provides employees with the opportunity to learn healthy behaviors and integrate them into their lives. Issues addressed are nutrition, fitness, work and family, injury prevention and stress management. Employees furthermore have access to a fitness center (Valero Energy, 2008). American Century Investments has a similar wellness program among its benefits. In addition, its employees are eligible to receive an annual reimbursement for expenses such as home fitness equipment or music lessons (American Century Investments, 2007).

## **2. Case Studies: Capital One and Best Buy**

This Section presents case studies of two companies that are trying to create value by using non-traditional means. Both approaches focus on employee flexibility.

### **a. Capital One**

Capital One tries to increase flexibility through the Future of Work project (Bacon, 2005). This project creates workspaces that meet employees' needs, eliminating assigned cubicles (Bacon, 2005). Employees use laptops, Blackberries and cellular telephones to communicate and can work from wherever they are most comfortable - at home, outside on a bench, or at a coffee shop (Bacon, 2005). When office space is needed it can be reserved by calling in (Bacon, 2005).

Because employees are able to work from wherever they want and only need to come into the office when it is necessary, their flexibility and mobility is significantly enhanced. This may enable them to maintain a healthy work-life balance, take away stress associated with commuting and provide a greater sense of freedom.

The Future of Work project also benefits Capital One. The goal of the project is to reduce real estate costs, while increasing productivity (Durfee, 2006). For most companies, real estate costs are second only to salaries and benefits (Durfee, 2006). By getting employees out of the office, companies can thus save considerably - at Capital One 1100 Future of Work employees are making use of an office building designed for only 600 (Bacon, 2005). Worker surveys conducted by Capital One to measure the effect of the Future of Work project on productivity are equally promising. Seventy-five percent of the employees say they are now working as productively as possible, and more than half say that group productivity has increased (Durfee, 2006).

The concept that Capital One is using is not new (Durfee, 2006). Other companies have considered unassigned workspaces in the past, but real experiments never came off the ground due to midlevel management resistance (Durfee, 2006). However, this time things may be different. In addition to booking success in reducing real estate costs and increasing productivity, Capital One employees are embracing the Future of Work project. When given the option, eighty percent of the employees choose an unassigned workspace (Durfee, 2006). Moreover, a recent Gallup poll found that twenty percent of large companies expect to have between twenty-five and fifty percent of their employees working in unassigned space by 2010 (Durfee, 2006). Examples of other companies adopting a similar approach are Motorola, Ernst & Young and Cisco Systems (Durfee, 2006).

## **b. Best Buy**

Best Buy is experimenting with another method of providing workplace flexibility. Best Buy uses a Results-Only Work Environment (ROWE) in which performance is measured by output rather than hours (Conlin, 2006). The official policy of the company is that employees may work wherever they want, whenever they want, as long as the work gets work done. One of the co-founders of the program says it is like “TiVo for your work” (Conlin, 2006). Best Buy’s goal in implementing ROWE was to reduce the high levels of stress, burnout, and turnover among their employees (Conlin, 2006).

Not being tied to any particular schedule increases employees’ flexibility, while also increasing their mobility. The Results-Only Work Environment appears to be producing results. In departments that have adopted ROWE, the average productivity is up by thirty-five percent. Likewise, employee satisfaction has increased and voluntary turnover rates have dropped (Conlin, 2006).

Best Buy did not invent the clockless approach - companies such as IBM and AT&T led the way (Conlin, 2006). The trend does not seem to be ending with Best Buy either. According to a Boston Consulting Group study eighty-five percent of executives expect a significant rise in the number of unleashed workers over the next five years (Conlin, 2006). To help other companies make this transition Best Buy has formed the subsidiary CultureRX (Conlin, 2006).

## **III. Ethics and Peace Justification for CABs**

This section addresses the business ethics and peace justifications for a company to offer CABs for its employees when it is otherwise not required to do so. Are these benefits consistent with the major business ethics and peace-building theories? The simple answer is, yes. This

section first examines how CABs comport with the Integrated Social Contracts Theory and Stakeholder Theory in the Business Ethics literature. Next, it focuses on how these benefits can play a role in fostering peaceful societies by drawing on the previous work by Fort and Schipani and other writers in this area. Specifically, we examine how reducing stress can assist in the corporate mediating roles of nourishing a sense of community and exercising a form of track two diplomacy.

#### **A. Integrative Social Contracts Theory and Peace as a Hypergoal of Business**

The overarching appeal of the Integrative Social Contracts Theory (ISCT) is that, by definition, it provides a comprehensive framework for a business, regardless of cultural context, to engage in ethical decision making and action (Donaldson and Dunfee, 1999). The theory, developed by Professors Thomas Dunfee and Thomas Donaldson in their influential book, *Ties that Bind* (1999), suggests that corporations, particularly those that operate across borders, can act within ethical bounds by doing more than simply taking into account the interests of their stakeholders. They argue that businesses need to provide the best overall outcomes by integrating ethical norms derived from the business communities and societies where they operate (Donaldson and Dunfee, 1999, p. 21). Consequently, a firm can find practical, pluralistic solutions that reside in the moral free space between relativism and universalism (Donaldson and Dunfee, 1999, pp. 19-24).

A central tenet of ISCT is the idea of communal consent to universal moral boundaries, or hypernorms. These hypernorms can be procedural, structural, or substantive (Donaldson and Dunfee, 1999, pp. 51-54). The substantive hypernorm of efficiency includes the provision of necessary social goods, such as social justice and just treatment of individuals (Donaldson and



Dunfee, 1999, pp. 118-119). The principle of treating employees with respect is one such hypernorm. Consequently, because CABs are a method for enabling that social efficiency, providing those benefits fits neatly within ISCT. The CAB externality of helping a company's bottom line feeds economic efficiency and at the same time generates an ethically sound impact on workers' health.

Within the spirit of the ISCT social contract argument, Professors Thomas Dunfee and Timothy Fort further argue that business should adopt hypergoals (Dunfee and Fort, 2003). A hypergoal is a normative ideal that refers to "a set of specifiable goals applicable to all publically owned, for-profit corporations independent of their purpose, type, business, or legal governance" (Dunfee and Fort, 2003, p. 565). According to Dunfee and Fort (2003), one of these hypergoals should be sustainable peace. This is an extension of the ideas of community consented-to hypernorms based on the concept of the adapted firm. An adapted firm is, at a minimum, a firm that is a good corporate citizen as defined by conventional business ethics norms (Dunfee and Fort, 2003, p. 565). These authors take the idea further and conclude that a truly adapted firm is one that takes into account the "immediate, local emotions and sentiments of the stakeholders affected by corporate action" and actively strengthens the voice of stakeholders (Dunfee and Fort, 2003, p. 565). The adapted firm, in their view, ultimately pursues a hypergoal of sustainable peace (Dunfee and Fort, 2003, p. 565).

The importance and potential rewards of providing CABs (both financially for the company and for the health of employees) demonstrate how CABs are consistent with ISCT theory. The physical health of the workforce is a legitimate goal of the adapted corporation, as suggested by ISCT notions of hypernorms, such as those of social necessity and efficiency.

Thus, the teleological aim of fostering peace in society is a further spillover of treating employees well and making their workplace more stress free and peaceful.

## **B. Stakeholder Theory**

Most famously developed by R. Edward Freeman, stakeholder theory emphasizes the connection between corporate action and the impact those actions have on so-called stakeholders, as opposed to a narrow view of a company's constituents as simply shareholders (Freeman, 1984). Over time, commentators have argued for an expanded view of parties considered stakeholders to include constituents within the firm such as employees (Dunfee and Fort, 2003, p. 575). Among others, employees have generally become classified as being within the group of primary stakeholders

Stakeholder theories follow two streams - instrumental and normative. An instrumental justification for considering the interests of stakeholders is that resolution of stakeholder interests is important for a corporation's profitability (Dunfee and Fort, 2003, pp. 236-237). Further, to the extent that consideration of stakeholder interests is necessary for securing profitability means that a firm should also consider employee interests in its decision making process following an instrumental approach.

On the normative side, irrespective of the consequences to the business, an entity is said to have an ethical obligation to address stakeholder interests (Dunfee and Fort, 2003, pp. 236-237). Accordingly, as with ISCT, the normative stream of stakeholder theory suggests that employers have an obligation to treat their employees with respect. Thus, firms should take employee interests into account, even beyond their importance to the firm as a source of human capital.

When a firm acknowledges that employees have a stake in the decision making of the company it is recognizing the importance of the employees' well-being and satisfaction. Thus, both the instrumental (profit aiding) and normative (ethical) justification for stakeholder theory, supports a firm's adoption of CABs. This is because, as discussed above, CABs can reduce costs and, thus, help the bottom line. In addition, as an ISCT approach to ethical decision making shows, providing CABs, and particularly benefits that reduce stress and have a spillover of reducing violence, is ethically correct. Furthermore, to the extent CABS may reduce stress and violence, they further the hypergoal of peace identified by Dunfee and Fort.

### **C. Nourishing a Sense of Community and Exercising Track Two Diplomacy Through CABs**

As mentioned previously, Fort and Schipani have indentified four ways in which business may, as a mediating institution, foster more peaceful societies. As they put it, companies that act as mediating institutions may "mirror peaceful societies" (Fort and Schipani, 2004, p. 127). Two of their insights, that business may promote peace by nourishing a sense of community and exercising track two diplomacy, may be implemented, in part, with CAB programs. These are discussed further below.

#### **1. Nourishing a sense of community**

Firms may nourish a sense of community through efforts impacting the firm internally as well as in geographic areas where the company is located (Fort and Schipani, 2004, p. 126). The first prerequisite is recognizing that businesses can indeed act as communities and, thus, become mediating institutions beyond their own confines. Institutions of relatively small size, such as

families, religious communities, neighborhoods, or community-based associations, are examples of traditional mediating institutions (Fort and Schipani, 2004, p. 127).

Fort and Schipani argue that even large, often bureaucratic business entities can also serve this important mediating role. Although businesses “do not necessarily lend themselves to being communities . . . creating a connection among members of an organization can provide a sense of security and identity to the people who work there” (Fort and Schipani, 2004, p. 127). Giving employees a role in problem-solving to create better products can assist in developing a sense of community within corporations. Yet it is important to note that “[t]his kind of contribution can only occur when there is a baseline of essential respect for and protection of the human rights of employees” (Fort, 2007). In addition, employee voice in decision making is also crucial in developing a sense of community in the workplace and “can be linked to the goal of sustainable peace” (Fort, 2007, p. 28).

The question is, then, how might CABs nourish a sense of community. There are at least three ways in which CABs can create this particular spillover. First, CABs may be used to build camaraderie and understanding among employees. Second, CABs may help promote employee loyalty to the firm by providing enviable treatment to employees. Finally, a firm, through its CAB program, may become a leading example for society.

#### **a. Camaraderie**

Camaraderie and teambuilding is the first way in which CABs can nourish community inside the workplace. Recent human resources research finds that, “[t]he most effective way to fulfill the drive to bond [in the workplace] – to engender a strong sense of camaraderie – is to create a culture that promotes teamwork, collaboration, openness, and friendship” (Nohria et al.,

2008). It follows that CABs that include group activities such as exercise classes, employee outings, and even shared transportation, can give employees opportunities to interact outside of their work pressures and allow for these prerequisites of workplace bonding.

Businesses can also provide a nonpartisan “safe space” for these sometimes rival groups in society to interact with less cultural pressure than in other contexts. Group activities that allow employees to meet colleagues from other areas of the firm, with whom they otherwise would not interact help serve this role. Moreover, this spillover of group oriented CABs can have a particularly important peace building effect when the employees participating in the activity are from diverse backgrounds that otherwise might not mix naturally elsewhere in society. For example, high profile free services such as in-house child care, a corporate bus with wi-fi, meals, and dry cleaning services provided by some high tech employers, can reduce stress by alleviating the pressure of some errands and daily needs, but may also provide the space for community interaction and development among a firm’s employees.

#### **b. Developing employee loyalty**

The second community nourishing aspect of CABs may be attracting top employees and gaining their loyalty. For instance, Google provides an extensive commuter bus service “to make commuting painless for its pampered workers – and keep attracting new recruits in a notoriously competitive market for top engineering talent” (Helft, 2007). When a benefit sets the employees apart as privileged for working for a progressive employer there can also be a coalescing effect, where the workers identify with each other because of their shared advantage derived from the business. For example, when Motorola, provides breakfast for its employees in Brazil, presumably the recipients of this benefit became more connected to the company

(Schipani and Fort, 2002).<sup>6</sup> There is also evidence that employee perceptions of the ethical integrity of managers can positively influence those employees job and life satisfaction, as well as be negatively related to potentially draining issues such as stress, absenteeism, and poor health (Prottas, 2008). Any benefit that is voluntarily provided has the potential to add to the positive mix of factors that an employee uses to evaluate their employment package. Similarly, an employee who is less stressed because of CABs at their current employer would seem less likely to take a new job without those valuable benefits unless attributes such as salary, culture, or prospects for advancement outweigh the value of staying with the current firm.

### **c. Leading by example**

Finally, companies providing CABs may serve as an example for society and perhaps even as a model for future government action. When a company or industry takes the lead on promoting certain benefits, others may follow. Once the value of the benefit, for instance, for employee recruitment or retention, becomes obvious and mainstream, other firms will likely follow suit to stay competitive. The history of the spread of traditional benefits bears this trend out, as does the provision of certain benefits first for unions under collective bargaining that later became standard for other workers in the economy. When these trends take hold and permeate society, there can be a sense of community among all the groups sharing in a certain type of CAB. Also, where the CAB sets the standard for what all citizens should expect, the company is leading by example and can potentially influence government policymakers to promote similar benefits for everyone.

## 2. Track Two Diplomacy

Track two diplomacy has been defined as “unofficial interaction among non-state actors with the goal of creating an environment in which political leaders are freer to reach accords”<sup>7</sup> (Fort and Schipani, 2002, pp. 30-31). Because businesses are nongovernmental entities they do not need to follow strict diplomatic protocols and, thus, can exercise a different type of influence on the policies of their host governments than may governmental officials, and can even help to humanize the different sides of a debate (Fort and Schipani, 2002, p. 124). Businesses have a clear interest in operating in peaceful regions and, thus, are predisposed to act as mediators to diffuse potential unrest in the areas where they are located or operate.

In addition, Fort and Schipani identify another type of informal track two diplomacy that may occur in the workplace. They find that businesses can be “unofficial ambassadors for their countries” (Fort and Schipani, 2002, p. 125) by the way their actions reflect on their home country and spread goodwill. Moreover, efforts by the employer to promote understanding in the workplace may also build trust across groups that might otherwise be inclined to self-segregate because of existing tensions. This lessening of tensions in the workplace is good for business and, thus, employers, “particularly those with employees from diverse ethnic groups, [who] ... have a significant opportunity, and perhaps a self-interested responsibility, to provide a forum for contributing to more harmonious relationships between groups” (Fort and Schipani, 2002, p. 125).

Some companies have taken this opportunity further by providing an opportunity for rival groups, who might not otherwise have an opportunity to interact with each other, to work together. For example, Fort and Schipani describe a business in Northern Ireland that employs both Catholics and Protestants. As a result of members of these rival groups working together

and talking about their experiences, they may be less likely to resort to violence against each other outside the workplace. In this way, the company may be a positive influence in society (Fort and Schipani, 2002, p. 124).

It is also possible that a business can take a track two mediating role at the local level. For example, if the business provides a CAB in the form of time off or other incentives for its workers to go into the local community and volunteer their time, a peace spillover might ensue. Moreover, a company that leads by example, such as through incentivizing its employees with CABs to work on blight reduction or on a neighborhood anti-violence campaign, would likely build goodwill in a community. Similarly, a firm, by providing a valuable employment benefit, such as medical benefits or employer-provided paid maternity leave, may be able to establish a cultural norm in that host country for such benefits, bringing with it goodwill from its home country.

### **3. Other Spillover Effects of CABs**

Beyond the previous discussion, there is additional support for the peace influencing potential of some CABs – particularly those that are group oriented or participatory – available from other authors. For instance, in analyzing the influence of business on peaceful societies, Spreitzer finds that:

From these more participatory work practices, employees will be exposed to some of the key characteristics of peaceful societies. When people get a taste of empowerment at work, they may then seek opportunities for empowerment in civic and political domains. In short, business organizations can develop collective agency so people believe they can intervene in civic and political life as well, leading to more peace (Spreitzer, 2007, p. 1091).

Zollers and Callahan conclude that trust, participation and acknowledging dignity are integral to reducing workplace violence and fostering peaceableness because they “imbue many



of the structures and processes [that are] useful to bring peace to the workplace” (Zollers and Callahan, 2003, p. 481). Similarly, Beck-Dudley and Hanks (2003) found that, in general, there were gains to fostering peace achieved through business prioritizing workplaces where their employees “flourish” through participating in resolving conflicts.

Although these areas of research may not explicitly address CABs, there are implicit connections. This is because many types of CABs promote community building, trust, and dignity, as well as provide participatory influences that may promote peaceful societies. Therefore, at a minimum, the spillovers of identification, community, and loyalty from the interaction of employees taking advantage of CABs may tend toward the prerequisites of a peaceful workplace. Moreover, CABs fit within existing scholarly conclusions that functioning, collaborative, and participatory workplaces foster peace.

## **Conclusion**

Although much of the research, thus far, into the role of business in fostering peace has focused on a macro impact on a given society, it is important to also consider the mechanisms through which these employers can positively influence their workforce and, therefore, beneficially impact society. It seems that companies can play a direct role by taking care of their workforce through employment practices designed to reduce stress, and promote camaraderie in the workplace. These practices could include helping employees balance the demands of work, home, and family, and offering complementary and alternative health benefits to promote health, relaxation, well-being, and promote interaction among members of its workforce. It is, thus, logical that if stress is minimized and health is promoted by the workplace, and if employees are team players, violent outbursts in the workplace, home, and society may be reduced.

In this way, the efforts of progressive companies to reduce stress and violence – both intra-firm violence and violence in the societies where they do business – can benefit a multitude of stakeholders. In addition to improving the lives of their employees and benefiting shareholders, providing employees ways to reduce stress and promote health may also have a positive impact on society.

Many companies today already take the issue of workplace stress seriously and are offering employees a number of benefits to help assist with the work/life balance and promote health and employee interaction. In this paper, we highlight some of the current practices of the companies that have earned the reputation as being among the best companies to work for. It is hoped that highlighting these practices will promote further development of practices geared toward reducing stress and supporting camaraderie, and by doing so, promote more peaceful workplaces and societies. From a pure business perspective, these ideas will also be attractive because reducing stress and, therefore, reducing costs associated with things like absenteeism, sick time, and premature turnover, can increase profits along with employee health. Accordingly, multiple stakeholder groups benefit from CABs, along with the violence reduction in society generally.

This analysis demonstrates that companies can act as private sector leaders and perhaps pave the way for these sorts of benefits to become the norm for U.S. companies. Moreover, it also follows that these benefit programs are important for multinational companies that engage with foreign societies to the extent they initiate positive externalities from their business activities.

Some companies appear to recognize the advantages of offering alternative work-life and wellness benefits to their employees. Time will tell whether CABs will become integrated into

best workplace practices. In the meantime, these benefits appear to create value by reducing health care costs (McQueen, 2006), in some cases real estate costs (Bacon, 2005), lowering the turnover rate (Webber, 1998, p. 152),<sup>8</sup> and increasing productivity (Joyner, 2006, p. 60). For example, a Deloitte study compared the overall performance of Standard & Poor’s stock to the stock performance of fifty-six publicly traded companies on *Fortune’s* “100 Best Companies to Work For” list (Joyner, 2006). The stock of the *Fortune* companies performed better than the stock of Standard & Poor’s companies by seven percent (Joyner, 2006). Taking care of benefits seems to facilitate a firm’s ability to take care of business and peace may be a significant byproduct.

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## Appendix

### Companies Providing Complementary Alternative Benefits from *Fortune’s* “100 Top Companies to Work For 2007” list – Sorted by Industry

<u>Industry</u>	<u>Company (<i>Fortune</i> Ranking noted in parenthesis)</u>
<b>Information Technology (12 companies):</b>	Google (1), Network Appliance (6), Cisco Sys. (11), Qualcomm (14), Adobe Sys. (31), Intuit (33), Yahoo (44), SAS Inst. (48), Microsoft (50), MITRE (60)*, CDW (82), National Inst. (86).
<b>Health (10 companies):</b>	Methodist Hosp. Sys. (9), Griffin Hosp. (21), Children’s Healthcare of Atlanta (35), Nw. Cmty. Hosp. (37), OhioHealth (52), Baptist Health Care (54), Mayo Clinic (62), Lehigh Valley Hosp. & Health Network (80), Baptist Health S. Florida (81), Mem’l Health (91).
<b>Professional Services (17 companies):</b>	Boston Consulting Group (8), Alston & Bird (19), Ernst & Young (25), Arnold & Porter (26), Kimley-Horn & Assocs. (28), Plante & Moran (32), Bain & Co. (45), Nixon Peabody (49), PricewaterhouseCoopers (58), SRA Int’l (61), Booz, Allen Hamilton (63), Perkins Coie (64), Paychex (70), Deloitte & Touche USA (76), Bingham McCutchen (94), KPMG (97), Stanley (100).

**Finance (12 companies):** Quicken Loans (17), Vision Service Plan (23), Umpqua Bank (34), First Horizon Nat'l (46), American Fidelity Assurance (47), HomeBanc Mortgage (67), Aflac (73), American Express (74), Principal Fin. Group (77), Capital One Fin. (84), Synovus (98), A.G. Edwards (99).

**Investment (6 companies):** American Century Inv. (15), Edward Jones (29), Russell Inv. Group (30), Goldman Sachs (36), Robert W. Baird (38), Vanguard (95).

**Real Estate (1 company):** Jones Lang LaSalle (66).

**Construction (6 companies):** David Weekley Homes (12), PCL Constr. (42), Granite Contr. (56), Pella (59), TDIndustries (79), Standard Pacific (85).

**Natural Resources  
(2 companies):** Valero Energy (22)\*, EOG Resources (83).

**Retail (15 companies):** Wegmans (3), Container Store (4), Whole Foods (5), Nugget Mkt. (13), Starbucks (16)\*, QuikTrip (20), Valero Energy (22)\*, Nordstrom (24), REI (27), Stew Leonard's (51), Publix Super Mkts. (57), Nike (69)\*, Timberland (78)\*, Men's Wearhouse (90), IKEA (96).

**Bio & Medical Technology  
(7 companies):** Genentech (2), Amgen (40), Genzyme (43), Dow Corning (55), Alcon Labs. (65), AstraZeneca (71), Medtronic (72).

**Production/Development  
(8 companies):** S.C. Johnson & Son (7), W.L. Gore & Assocs. (10), Starbucks (16)\*, J.M. Smucker (39), Procter & Gamble (68), Nike (69)\*, Timberland (78)\*, Milliken (93).

**Hospitality (3 companies):** Station Casinos (18), Four Seasons Hotels (53), Marriott Int'l (89).

**Other (6 companies):** J.M. Family Enterprises (41), MITRE (60)\*, Quad/Graphics (75), Texas Instruments (87), CarMax (88), Bright Horizons (92).

\* These companies were categorized in more than one industry.

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## Notes

<sup>1</sup> This Bureau of Labor Statistics survey found that 5% of all business surveyed, and 50% of those employing over 1,000 employees, had a violent incident in the previous year. Moreover, the survey found “of those establishments reporting an incident of workplace violence in the previous 12 months, 21 percent reported that the incident affected the fear level of their employees and twenty-one percent indicated that the incident affected their employees’ morale.”

<sup>2</sup> In this article Laden and Schwartz describe the popularized version of an increase in the severity of workplace violence and they then proceed to challenge popular assumptions about the issue.

<sup>3</sup> The International Labour Organization, *Global Employment Trends*, January 2008 report  
Globalization combined with rapid technological advances is another challenge for labour markets in the [European] region. It is important for workers to be ready and able to adjust quickly to change and stiffer competition. This can be fostered by not only giving them the right skills, but also giving them a feeling of security to handle the mental stress caused by changes. Those in low-skilled labour jobs seem to be most affected by rapid changes because they are less well prepared, and also because it is often their type of job that is either transferred to other countries or is threatened by labour migration.

<sup>4</sup> For arguments on the value of these approaches, see Fort and Schipani, (2004, pp. 1-3, 23-31, and 129-131).

<sup>5</sup> The estimated data and approach contained in this chart is from the SAS discussion found in Webber (1998).

<sup>6</sup> Schipani, Cindy A. and Fort, Timothy L.: 2002, Corporate Governance, Stakeholder Accountability and Sustainable Peace: An Overview of the Symposium, 35 *Vand. J. Transnat'l L.* 379, 384 (citing Lee Tavis, Corporate Governance and the Global Social Void, 35 *Vand. J. Transnat'l L.* 487, for the example of Johnson and Johnson providing breakfast for workers in Brazil that counteracted malnutrition, improved employee health, and made the company a positive force in the community).

<sup>7</sup> Fort and Schipani: 2004, pp. 30-31, citing Huntington, Samuel: 1996, *The Clash of Civilizations*, p. 36.

<sup>8</sup> In his article Webber (1998, p. 152) discusses the dilemma of whether a company should consider providing bonuses or better benefits when deciding on an employee retention strategy.

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