

## GUIDE 2

# The Return on Investment of an Employee App

Reach everyone... everywhere!

**+ 800%**

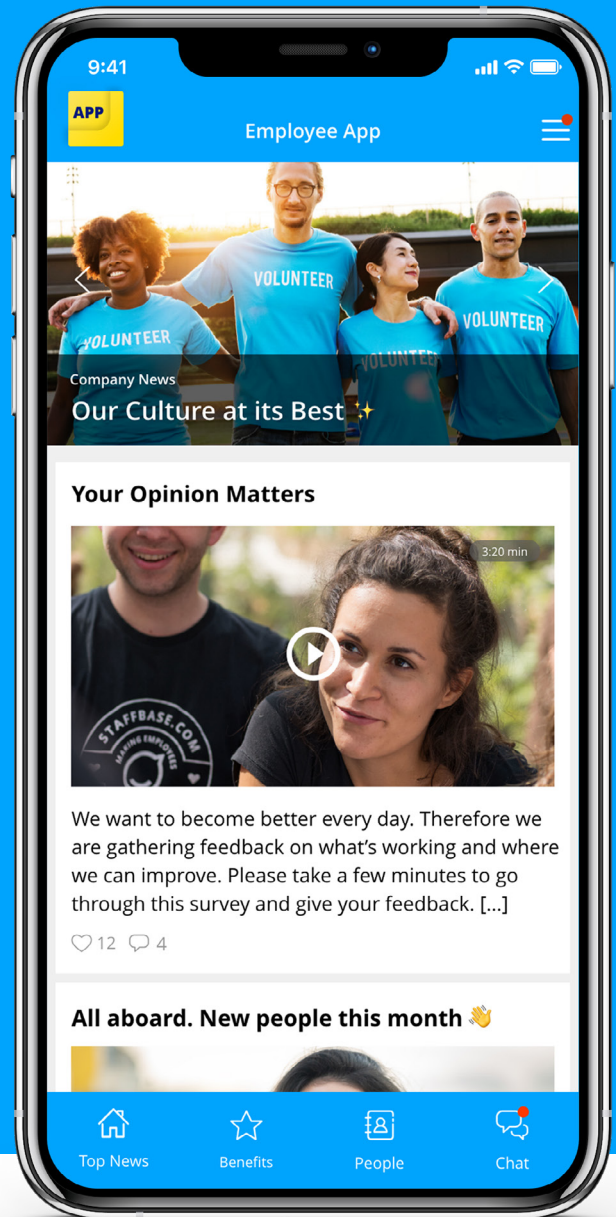
Readership  
increase from  
mobile push  
notifications.



# Communication Creates Culture

Companies of all shapes and sizes are finding value in adopting an employee app, whether they're looking to boost employee engagement or even reduce work-related accidents.

In this study, we measure the value of an employee app for reaching business goals and help build a case for digital transformation in internal communication.



**Recommended by customers worldwide who use Staffbase to drive their digital transformation.**



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A man with brown hair and a beard, wearing glasses and a dark suit jacket over a light-colored shirt, is seated at a desk. He is looking down at a smartphone held in his right hand. His left hand rests on the desk near a laptop. The background is blurred, showing office shelves and lights. The overall tone is professional and focused.

01

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# Introduction



## Introduction

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### **The Current State of Internal Communication**

In the digital world, communication has become a pastime; nonetheless, companies are struggling to find a connection. Employees are plugged in to their personal lives and checked out of their professional ones. Seventy percent of the workforce does not work at a desk or have a corporate email address, and among those that do, less than 50 percent of employees with intranet access log in daily. Communication professionals are flooding channels that have long been deserted. Millennial employees are constantly checking their phones for Facebook posts and Snapchats, yet employers keep sending emails despite the fact that 30 percent of emails are trashed or ignored today. Surveys show that 74 percent of US employees feel they are missing out on company news and information.

It's clear that internal communication needs a makeover for its own sake, but the current state of internal communication is costing businesses as a whole, too. A lack of connection yields a lack of commitment—turnover has been rising for the past nine years, and 67 percent of workers report feeling uncommitted to their jobs. As workplaces go digital, change is occurring faster than ever, and change-related stress is an undeniable consequence which hinders employee performance. Studies show that an additional 17 percent of productivity is lost to employee disengagement. Disengagement hinders not only efficiency, but also frontline performance. Well-informed and engaged employees are significantly less likely to cause accidents and significantly more likely to deliver positive customer service.

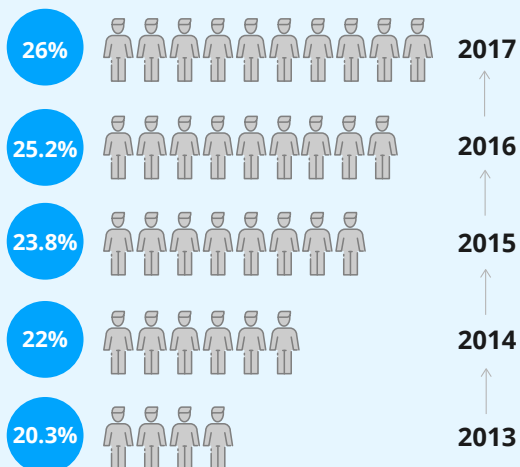
## Linking Internal Communication to Business Outcomes

There is a clear connection between internal communication and business outcomes, but companies need to make a shift to capitalize on it. They need to not only find a way to reach employees and maintain that reach, but also enable different layers of communication—specific to jobs, teams or locations, or the company as a whole, as well as external communication. When they activate these various levels, internal communication starts to transform company culture and create positive business outcomes.

### Cost of poor communication to businesses:



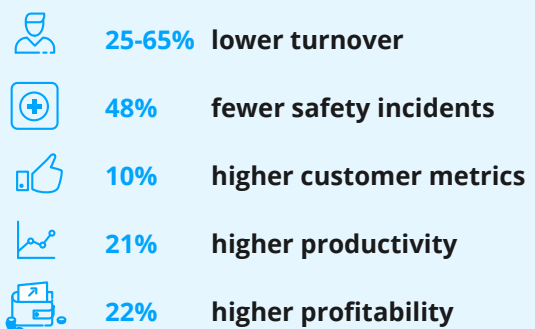
### Number of employees that quit their job each year



Source: Bureau of Labor Statistics

### Engagement

Compared with bottom-quartile engagement companies, top-quartile engagement companies have...



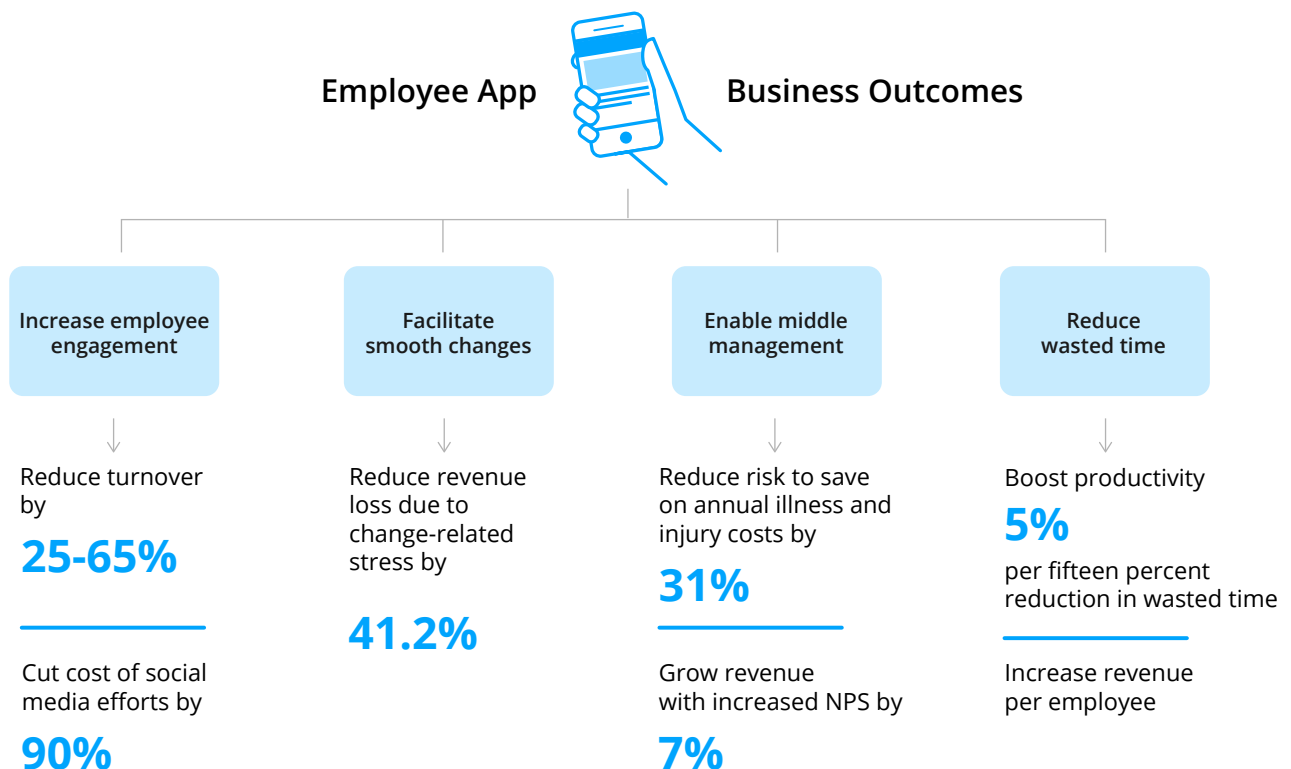
Source: Gallup



Until now, internal communication has focused on relaying top-down information pertaining to organization-wide issues and company culture, or on enabling collaboration between individuals. Operational communication, on the other hand, is the responsibility of process and project leaders, and involves planning, organizing, and overseeing work-related activities. Communication that happens on this level can profoundly impact business operations, risk, customer satisfaction, and the success of change. Traditional internal communication has not been strategic enough in enabling these leaders to communicate well.

### The Business Value of Going Mobile

Employee apps are growing in popularity and reinventing internal comms. Part of staying competitive in the digital age means drawing on the reach and power of mobile devices to keep employees engaged.



If companies want to reach employees at all, they need to switch to the channel that employees are using. But the battle isn't won so easily—a mobile solution is most successful when it continually offers content and features that keep employees coming back. When employees are plugged-in to their workplaces, the negative consequences of disengagement offset substantially.

Apps enable internal communication professionals to decentralize communication efforts, empowering people who already have a voice in employees' lives to also create and distribute content. This frees up communicators to act strategically, identifying and advising on opportunities to increase influence and engage employees to reach business goals. In addition, a mobile channel makes it easy for employees to share information and advocate for their employers in their personal networks.

Employee apps are helping companies utilize communication to improve efficiency and compliance, lower turnover, reduce risk, improve customer satisfaction, and reduce stress. This paper summarizes research on a number of business metrics impacted by internal communication, and identifies how and to what extent an employee app improves internal communication and, in turn, business outcomes.



A background image showing two hands giving thumbs up, with colorful confetti falling around them. The left hand is wearing a blue denim sleeve, and the right hand is wearing a white wristband with text. The text '02' is centered above a horizontal line.

02

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# Lower Risk and Improve Customer Satisfaction

## Lower Risk and Improve Customer Satisfaction

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### **The Problem**

Top-down communication approaches that are consolidated to one central communication department fail to influence communication occurring at an operational level, which directly impacts business outcomes. Work accidents that consume time, money, and resources on various levels occur due to business risks such as poor incident management and noncompliance, often as a result of poor operational communication. In 2016, employer costs of work injuries and damage to company property in work accidents amounted to 69.6 billion dollars.<sup>1</sup>

Customer satisfaction is also highly dependent upon the ability of organizations to successfully guide employees in delivering positive customer experiences. This is a huge asset for companies. Businesses in the US lose 83 billion dollars yearly due to poor customer experiences, and 60 percent of consumers say they have stopped doing business with a brand due to poor customer service experiences.<sup>2</sup> It is 5 to 25 times more costly to attract a new customer than it is to retain an existing one.<sup>3</sup>

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<sup>1</sup> <https://injuryfacts.nsc.org/work/costs/work-injury-costs/>

<sup>2</sup> [http://www.smartcustomerservice.com/Best-Practices/2016-STATE-OF-GLOBAL-CUSTOMER-SERVICE-REPORT\\_6636.aspx](http://www.smartcustomerservice.com/Best-Practices/2016-STATE-OF-GLOBAL-CUSTOMER-SERVICE-REPORT_6636.aspx)

<sup>3</sup> <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>



## **The Solution**

Until now, internal communication departments have been seen as responsible for providing organizational news and producing content for employee magazines and intranets. Companies with this approach have been unable to use internal communication to create value and support business goals.<sup>4</sup> Decentralized communication approaches use central communicators to distribute messaging responsibility and empower operational leaders to communicate effectively. This can play a tremendous role in reducing risk and providing information that improves performance on the front line, improving customer satisfaction.

## **The Role of an Employee App**

Work injuries often occur due to poor training or onboarding processes and insufficient enforcement of good practices in the moments that matter. A distributed approach to internal communication made possible by an employee app gives operational leaders the tools to disperse job-critical information in meaningful moments to ensure compliance. One work accident costs an employer on average \$20,000. When an employee app reduces the incidence rate to 2.0, a company saves 31 percent on the annual costs of occupational injuries and illnesses<sup>5</sup> (≈ \$135,000 for a company with 750 employees).

Customer satisfaction is often measured by the Net Promoter Score (NPS). This measures the likeliness of a customer referring a company and its products or services to someone else. An employee app makes it possible to empower and equip operational leaders to communicate information to better serve on the

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<sup>4</sup> <https://blochoestergaard.dk/how-internal-communication-delivers-business-value-in-the-future/>

<sup>5</sup> See table 5.

front line. Operational leaders are able to recognise employees, allow them to give project- or location-specific feedback easily, and provide them with product information and material to guide them in acting according to company values. By these measures an employee app can be reasonably expected to improve NPS by 10 percent. Every increase of 10 percent leads to a 7 percent increase in revenue growth.<sup>6</sup>

### **Theory in Practice: Reinert Logistics**

Reinert Logistics, a German transport company with 83 percent non-desk workers, implemented an employee app in 2017. The company used the app to give process and project leaders the opportunity to distribute information when and where it mattered—in the field. The operational managers created safety videos for their employees in order to help them with daily tasks and improve compliance. After one year, the company saw a 15 percent reduction in incidents resulting in damages to company assets.

**15%**

damage  
reduction



Comparative period January 2017 to June 2017 and January 2018 to June 2018

<sup>6</sup> <https://hbr.org/2009/12/closing-the-customer-feedback-loop>



03

# Raise Revenue with Increased Productivity



## Raise Revenue with Increased Productivity

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### The Challenge

Inefficiency is the product of time-consuming activities that hamper employee productivity and workflow, such as searching for already available information and performing administrative tasks (vacation requests, filing expenses, filling out timesheets, etc.) Several studies confirm that employees spend on average 20 percent of their work time searching for and gathering information they need to do their jobs effectively.<sup>7</sup> Additionally, 12 percent of time is spent on administrative tasks.<sup>8</sup> Another cause of inefficiency is the inappropriate use of tools, programs, or machines which can lead to attrition and the wasting of resources. Inappropriate use is often due to a lack of training or inadequate information when new tools are implemented.

### The Solution

An easy way to reduce the aforementioned inefficiencies is to improve access to and quality of information employees need to do their jobs. Additionally, companies can simplify processes for executing administrative tasks and provide better access to training videos and material that facilitates appropriate use of tools and resources.

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<sup>7</sup> <http://www.kmworld.com/Articles/Editorial/Features/The-high-cost-of-not-finding-information-9534.aspx> and <https://www.mckinsey.com/industries/high-tech/our-insights/the-social-economy> and <https://www.linkedin.com/pulse/workers-spend-too-much-time-searching-information-hung-cao/> and <https://simply-communicate.com/uk-employees-spend-over-a-quarter-of-their-time-each-day-searching-for-information/>

<sup>8</sup> <https://www.entrepreneur.com/article/240076>

### **The Role of an Employee App**

When an employee app is capable of storing and organizing documents and information relevant to employees' jobs, it puts this information in direct reach of the employee and cuts down the time they would otherwise spend searching for it. This is especially the case for apps capable of linking to existing intranets via single-sign on. Employee apps that offer HR tools (timesheets, vacation requests, etc.) substantially accelerate administrative tasks, particularly for non-desk employees working without access to desktop computers. Some employee apps are even able to embed onboarding and training materials through supporting checklists and videos, which also improve

these processes. This reduction in time wasted searching for information and performing administrative tasks can increase revenue per employee by 5 percent.<sup>9</sup>

*Use of an employee  
app could reduce time  
wasted on redundant  
activities by*

**15 %.**

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<sup>9</sup> See table 4.

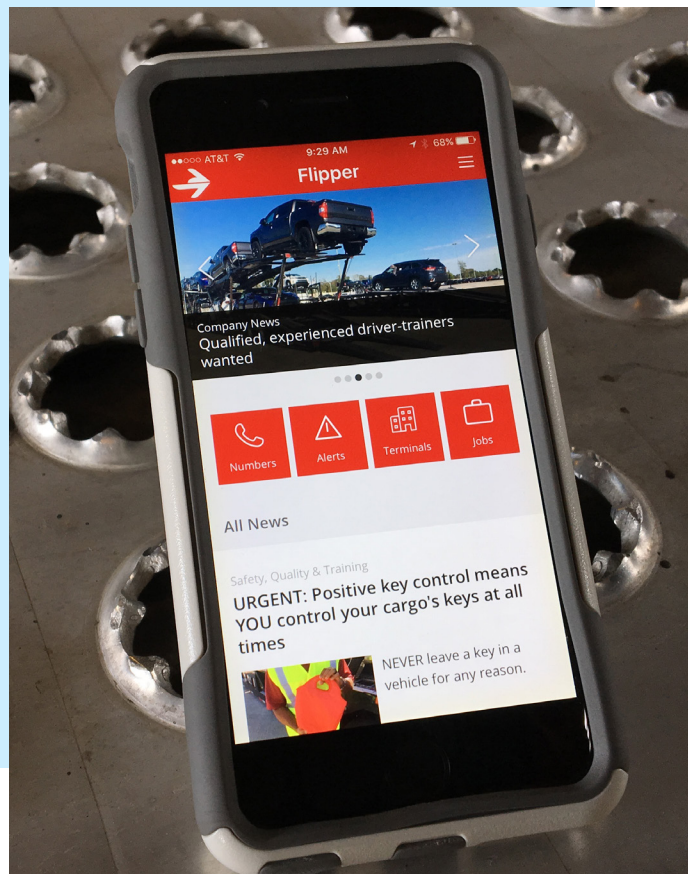


## Theory in Practice: US AutoLogistics

Information workers and non-desk workers require different kinds of information to do their jobs, and they gather this information in different ways. Still, wasting time searching for information is just as real a problem for non-desk workers. US AutoLogistics has 80 percent non-desk workers and implemented their employee app in 2017. After several months, Troy Griggsby, Communications and Brand Manager at the company, explained:

*“The employee directory alone is pure gold. We’ve learned that some of the things that seem like small inconveniences of outdated communication are really decisive in how well employees can do their jobs. The employee app addresses a lot of inefficiencies that hinder the day-to-day activities that keep our business running smoothly.”*

In this case, the employee directory proved to be not only highly effective in breaking down barriers between employees who did not often see one another face-to-face, but also built relevance into the app. Employees opened their apps many times per day because of this tool, and in turn were left more informed and connected to the company while decreasing time wasted searching for job-critical information.





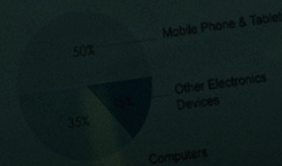
03

# Save on Recruiting and Retention

## Company's Growth



## GLOBAL BUSINESS REVIEW



	2016	2017	2018	2019	Growth
Company's Revenue	100,000	110,000	120,000	130,000	30%
Department Store	30,000	35,000	40,000	45,000	50%
Super Center	40,000	45,000	50,000	55,000	37.5%
Shopping Center	30,000	30,000	30,000	30,000	0%

## Save on Recruiting and Retention

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### The Challenge

All companies allocate indispensable resources in their efforts to hire and retain employees. Human resource teams spend valuable time and energy in hiring processes, and the loss of an employee means not only a loss of knowledge and workplace literacy, but also a loss of productivity due to an empty position. It takes an average of 42 days to fill a position<sup>10</sup> and

*Replacing a lost employee costs on average  
**20 %**  
of their annual salary.*

each day with an empty seat costs money. Recruiting costs such as paying headhunters and running job advertisements can cost up to 35 percent of the annual salary of a new hire, and onboarding expenditures for new employees add even more to turnover costs. Replacing a lost employee costs a company on average 20 percent of the annual salary of that employee.<sup>11</sup> Over one third (36 percent) of employees leave their jobs each year, reflecting tremendous turnover costs for companies each year.

### The Solution

There are three ways to reduce turnover costs—filling job vacancies more quickly, speeding up onboarding processes, and keeping current employees engaged and thus less likely to leave their jobs. Employee advocacy is a profitable way to promote better recruiting communications by utilizing employee voices to spread news about vacancies and create greater trust in the company. Onboarding processes can be accelerated by

<sup>10</sup> <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2016-Human-Capital-Report.pdf>

<sup>11</sup> <https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>



digitalization. Employee engagement is a key indicator of turnover risk in companies; highly engaged employees are significantly less likely to leave their employer, and research indicates that 45 percent of low-turnover-risk employees are highly engaged.<sup>12</sup>

## The Role of an Employee App

Employee engagement is driven by several different factors, including recognition, purpose and goal

alignment, good communication by leadership about business goals, and the ability of employees to give feedback.<sup>13</sup> All of these factors can be well addressed with an employee app. An employee app plugs employees back in to their organizations by giving them a constant connection to their employer, which integrates seamlessly into their everyday communication habits. Through an employee app, employees are kept up to date on company happenings through news and posts, and they ideally also have information

regarding goals and company culture at their fingertips in pages and folders. An employee app encourages the type of reciprocity that keeps employees attentive by empowering them to take part in conversations with comments and likes, as well as direct feedback functions such as surveys and polls, as opposed to receiving top-down news and information.

### Engagement

Compared with bottom-quartile engagement companies, top-quartile engagement companies have...



**25-65%** lower turnover



**48%** fewer safety incidents



**10%** higher customer metrics



**21%** higher productivity



**22%** higher profitability

Source: Gallup

<sup>12</sup> <https://www.towerswatson.com/en-US/Insights/Newsletters/Americas/insider/2015/06/seven-things-to-know-about-employee-retention-risks>

<sup>13</sup> [https://hbr.org/resources/pdfs/comm/achievers/hbr\\_achievers\\_report\\_sep13.pdf](https://hbr.org/resources/pdfs/comm/achievers/hbr_achievers_report_sep13.pdf)

*Improving internal  
communication  
can recover  
**80%**  
of costs  
of disengagement*

When an employee app is branded, employees carry a little piece of their organization with them on the devices that accompany them in their everyday lives, bolstering identification with the company and its brand.

Employee apps which by above mentioned measures drive engagement levels to the top-quartile<sup>14</sup> can lower turnover rates to 12.6 percent, saving 65 percent on turnover costs.<sup>15</sup> An employee app can be reasonably expected to reduce time needed to fill an empty position by up to 25.8 days, reducing the cost of an empty position by 15 percent. Gallup reports that the cost of disengagement is equal to 35 percent of employees salaries,<sup>16</sup>

and that 80 percent of these costs are recoverable through improved internal communication.

Employee apps boost advocacy by keeping employees up to date about current events and opportunities as well as providing them with shareable materials that promote business. An app empowers employees to share this information to their personal networks with a few easy clicks. And a native employee app lives on employees' personal devices, making it easy to link to personal networks. Increased engagement resulting from the app makes employees more motivated to share this content in the first place and leadership can use direct communication channels to guide them regarding how and when to advocate for the brand.

<sup>14</sup> <https://www.gallup.com/services/176657/engagement-work-effect-performance-continues-tough-economic-times.aspx>

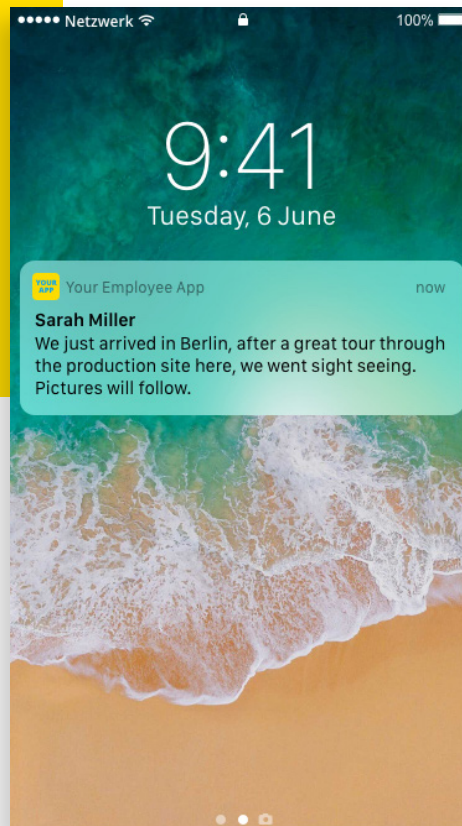
<sup>15</sup> See table 1.

<sup>16</sup> <https://www.allbusiness.com/how-much-should-you-expect-to-pay-a-recruiter-7606468-1.html>



Employee apps using push notifications are shown to quadruple message cut-through and increase reach by over 800 percent.<sup>17</sup> Reaching 1,000 people via social media costs on average about \$2,000.<sup>18</sup> This means a company using an employee app to drive advocacy could reach 9,000 people via social media for the same price, saving them \$16,000 on recruiting. Recruiting strategies enabled via an employee app offer further cost savings by increasing reach to substantially reduce the need for job advertisements and headhunters.

*Employee apps using  
push notifications  
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**800%.***



<sup>17</sup> See table 2.

<sup>18</sup> <https://www.socialmediatoday.com/marketing/how-social-media-marketing-stacks-against-traditional-advertising>

A top-down view of a collaborative workspace. A black laptop is open on the left, displaying a document. A tablet lies flat to its right. Several yellow sticky notes are scattered on the white surface, with handwritten text such as 'CONTROL TION!', 'UNIQUE', and 'OR INADVERTENT?'. Multiple hands are visible, interacting with the devices and notes. One hand holds a pink and yellow highlighter. The scene is dimly lit, with the text overlaid in the center.

05

# Reduce Costs of Change Processes

## Reduce Costs of Change Processes

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### The Problem

Change is commonplace in 21st century organizations. Digitalization, reorganization, mergers and acquisitions, technology upgrades, personnel transitions, and other changes within an organization cost time and money and require employees to adapt quickly. Uncertainty during change (e.g. regarding job security or ambiguity in reasoning and objectives for change) has financial

*Change-related stress  
lowers employee  
performance by  
**5%.***

implications resulting from faulty decision making that leads to plunges in productivity, project delays, budget overruns, etc.<sup>19</sup> In addition, there are costs associated with employee stress during times of change. Employees suffering from change-related stress perform 5 percent worse than the average employee,<sup>20</sup> resulting in lost revenue for companies.

### The Solution

Strong communications is one of the most essential factors enabling success during organizational change. Companies with excellent organizational change management (OCM) programs achieve project ROIs of 143 percent. One of the main determinants of successful OCM programs was that they allowed reasons for change to be understood and accepted throughout an entire organization—not just in leadership.<sup>21</sup>

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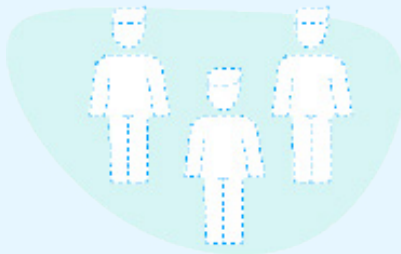
<sup>19</sup> <https://www.npd-solutions.com/resources.html>

<sup>20</sup> <https://www.gartner.com/en/insights/change-management/change-communication>

<sup>21</sup> <https://gbr.pepperdine.edu/2010/08/the-business-impact-of-change-management/>

## The Cost of Stress to Your Organization

On average, financial stress costs businesses **\$5,000** in lost productivity per year.



Unscheduled absenteeism costs roughly **\$3,600** per year for an hourly worker and **\$2,650** for a salaried employee.

In the U.S., distracted workers will cost employers nearly a **trillion dollars** in 2016.



Work/family conflict contributes to **\$24 billion** a year in healthcare expenditures for employers.

Source: [http://experts.randstadusa.com/hubfs/Randstad\\_GenZ\\_Millennials\\_Collide\\_Report.pdf](http://experts.randstadusa.com/hubfs/Randstad_GenZ_Millennials_Collide_Report.pdf)

## The Role of an Employee App

An employee app can substantially reduce the costs of change, accelerate change processes, and facilitate successful transitions. Having employees who are reachable simplifies and accelerates the communication of change by ensuring that all employees are furnished with sufficient relevant information. Traditional channels often do not reach all employees or fail to reach them in a timely manner, giving employees inadequate time and information to adjust to change. This increases uncertainty, which often leads to stress and faulty decision making.

*Traditional channels often do not reach all employees or fail to reach them in a timely manner, giving employees inadequate time and information to adjust to change.*

Involving employees in the change process is necessary for them to understand and accept change, and providing the opportunity for feedback and exchange is a big part of this involvement. Giving feedback is made easy through employee app features like surveys and polls, as well as commenting on and acknowledging having read articles and documents.

This reduces stress and increases the speed and quality of change processes. Assuming that these mechanisms of an employee app can reduce the performance gap due to change-related stress by just 2 percent, a company going through a change process could expect to reduce revenue loss due to change-related stress by 41.2 percent.<sup>22</sup>

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<sup>22</sup> See table 3.



### Theory in Practice: RHI Magnesita

Northwestern research found that mergers and acquisitions fail at a rate of 50 to 75 percent<sup>23</sup> and *Management Accounting Quarterly* reported that the average loss from organizational change is 12 to 15 percent of revenue.<sup>24</sup> RHI Magnesita is a global leader in the production of heat resistant materials. Prior to 2017, the company existed as two separate entities: RHI AG based in Vienna, Austria, and Magnesita Refratários in São Paulo, Brazil. In 2017, at the beginning of their massive merger, the company implemented an employee app for their combined 14,000 employees, 8,400 of whom were non-desk workers. The app was used to facilitate the fusion of two different company cultures and was critical in keeping employees at peak performance amidst the change. At the end of 2017, the successfully merged company reported an astonishing 11 percent revenue growth. Their app won various awards for outstanding corporate and workplace communication.



<sup>23</sup> <https://www.sesp.northwestern.edu/masters-learning-and-organizational-change/knowledge-lens/stories/2015/resilience-and-commitment-after-a-merger-or-acquisition.html>  
<sup>24</sup> <https://www.imanet.org/-/media/e8b91a8125194eb7a84dceead0986c2.ashx>

06

# Conclusion



## Conclusion

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### **Business Issues Surrounding Poor Communication**

Old internal communication structures are no longer working to create business value. Yet, internal communication is more important than ever in rising to the challenge of engaging an uncommitted workforce, keeping employee performance high during times of change, addressing inefficiencies, and boosting compliance and customer satisfaction.

The digital age, with its multiple channels and mediums, also comes with hidden inefficiencies for employees searching for information. Frontline employees are often completely lacking access to job-critical information, and knowledge workers must wade through these various channels. Changing methods, technologies, and business structures are also putting pressure on employees to adapt quickly, and the resulting stress is impacting employee performance. Additionally, turnover is also costing business like never before—it has been rising steadily for the past nine years. Companies are now obliged to address the problem of employee

disengagement in order to lower these costs.

*Changing methods, technologies, and business structures are also putting pressure on employees to adapt quickly, and the resulting stress is impacting employee performance.*

Work accidents and injuries cost companies billions yearly and are often preventable through better operational communication. Customer satisfaction is also heavily affected by the ability of operational leaders to successfully deliver guidance on the front line, and customers often shift their brand allegiances based on customer-service experiences.



## **Key Findings**

Research shows that improved internal communication alleviates business problems and supports employee performance. The findings in this paper highlighted four main areas where internal communication appears to be most effective: 1) lowering risk and improving customer satisfaction by guiding frontline employees in their tasks, 2) increasing productivity by enhancing delivery of information and administrative processes, 3) lowering turnover and strengthening recruiting by increasing employee engagement, and 4) reducing costs related to change by ameliorating change-related stress that hinders employee performance. This paper explored the degree to which implementing an employee app can positively affect these areas and found that:

- Use of an employee app can improve communication enough to reduce costs of occupational injuries and illnesses by 31 percent and improve Net Promoter Score by at least 10 percent.
- An employee app can increase access to job-critical information and automate administrative processes enough to reduce time wasted in this area by 15 percent, which increases revenue per employee by 5 percent.
- An employee app can boost engagement levels to above 75 percent, which saves companies 25 to 65 percent on turnover costs.
- Communicating via an employee app during times of change can reduce change-related stress by at least 2 percent, which lowers related revenue loss by 41.2 percent.

### **Creating a Stronger Business with a Mobile Employee App**

Insights into the effect of internal communication on business outcomes—and subsequently the impact of a mobile employee app on internal communication—point to a concrete and calculable return on investment (ROI). Many decision makers are choosing to invest in internal communications by adopting an employee app, and their success stories are the framework for this research. Companies looking to thrive in today's changing business landscape cannot ignore the need to modernize company communication to suit their audience. When companies go mobile, doors are opened wide for internal communication professionals to create real value for their businesses.

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07

# Appendix



## Appendix

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Table 1: Costs saved on turnover

median salary per employee	\$45,000 <sup>25</sup>
costs of turnover per employee (20%)	\$9,000
36% annual turnover rate	271 (750 employees)
cost of turnover per year	\$2,443,442
employee app lowers turnover rate by 65% 12.6% annual turnover rate	94 (750 employees)
cost of turnover per year	\$846,000
Costs saved on turnover	65%

Table 2: Social media reach<sup>26</sup>

assumed number of company's facebook fans/followers	5,000
number of followers that view a post	3,200
assumed number of employees	400
average number of friends of each employee	150 <sup>27</sup>
average number of people that view a post	120
percentage of facebook users	68%
number of all employees on facebook	272
number of employee's followers	40,800
number of employees' followers that view a post	32,640
number of employees that know how to advocate	108,8
potential reach of not ignoring messages and employees knowing how to advocate	13,056
<b>percentage of employees reach</b>	<b>1020%</b>
<b>percentage of employees reach if only 40% know how to advocate</b>	<b>408%</b>

<sup>25</sup> <https://www.thebalancecareers.com/average-salary-information-for-us-workers-2060808>

<sup>26</sup> <https://getbambu.com/blog/data/downtime-to-work-marketing-report/>

<sup>27</sup> <https://expandedramblings.com/index.php/by-the-numbers-17-amazing-facebook-stats/>

## Appendix

Table 3: Reduce cost of change-related stress

median revenue per employee (FTE)	\$143,000 <sup>28</sup>
average number of employees per US firm with more than 100 empl.	754
revenue per employee/ day (261 working days <sup>29</sup> )	\$548
revenue per employee/ day under change-related stress (261 working days)	\$520
change requiring 6 months (130.5 days) loss of revenue per employee under stress	\$3,654
employee app reduces stress-level 2% revenue per employee under reduced stress (per work day)	\$531
change requiring 6 months (130.5 days) loss of revenue per employee under reduced stress	\$2,145
<b>revenue increase due to reduced stress under change</b>	<b>41.2%</b>

Table 4: Increased revenue due to increased productivity

median revenue per employee (FTE) at 68% productivity due to time wasted	\$143,000
median revenue per employee (FTE) at 73% productivity (15% reduction in wasted time)	\$150,150
<b>Increase in revenue per employee (FTE) per 15% reduction in wasted time</b>	<b>5.0%</b>

Table 5: Costs of work accidents

yearly costs for all US employers	\$69.600.000.000 <sup>30</sup>
number of US employees	120.091.800 <sup>31</sup>
nonfatal occupational injury incidence rate	2.9 <sup>32</sup>
number of occupational injuries and illnesses (750 employees)	21.75
costs per occupational injury and illness	\$19.985
Total cost of status quo	\$434,673
Projected incidence rate with an employee app	2.0
Total cost with an employee app	\$299,275
<b>Reduction in cost of occupational injuries and illnesses</b>	<b>31%</b>

28 <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2016-Human-Capital-Report.pdf>

29 <https://www.reference.com/business-finance/average-number-work-days-per-year-including-vacation-days-7460cd1712f7f13a>

30 <https://injuryfacts.nsc.org/work/costs/work-injury-costs/>

31 [https://www.census.gov/ces/dataproducts/bds/data\\_estab2015.html](https://www.census.gov/ces/dataproducts/bds/data_estab2015.html)

32 <https://www.bls.gov/iif/soii-chart-data-2016.htm>

## Plug in your numbers

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### Cost associated with engagement

(Headcount)	x 0.172	= # disengaged employees
(Median annual salary)	x 0.34	= annual cost per disengaged employee
(# disengaged employees)	x (annual cost per disengaged employee)	= total cost of disengagement

### ROI related to retention

(Headcount)	x (turnover rate)	= # annual turnover
(Median annual salary)	x 0.16	= annual cost per turnover employee
(# annual turnover)	x (annual cost per turnover employee)	= total cost of turnover
(# annual turnover)	x (0.75 to 0.35)	= projected turnover with employee app
(Median annual salary)	x (projected turnover with employee app)	= <b>ROI related to retention</b>

### ROI related to productivity

(Headcount)	x (median annual salary)	= cost of work
(cost of work)	x (0.15 to 0.25)	= cost of unproductive work
(cost of work)	x 0.06	= <b>ROI related to productivity</b>

### ROI related to operational communications

(Headcount)	x .029	= # work incidences/ year
(# work incidences/ year)	x \$20,000	= cost of work incidences
(cost of work incidences)	x 0.15	= <b>ROI due to operational communications</b>



## The Authors

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Lara Dobson is a researcher and lateral thinker at Staffbase with a diverse qualitative and quantitative research background. Her fields of concentration include solution-oriented research, trend identification, data presentation and interpretation, secondary market research, and competitive analysis.

### Frank Wolf



As co-founder and CMO of Staffbase, Frank Wolf is focused on building a great company with a product that helps customers reach every one of their employees in a smart and easy way—directly to their mobile devices.

### Dr. Jenny Meyer



Dr. Jenny Meyer has been analysing how digital technologies change communication, collaboration and work routines in companies, and how this affects firm performance for more than 12 years. After she completed her PhD on this topic she began work as a consultant. She combines her experiences from customer projects, her theoretical background knowledge, and latest research and statistics to help decision makers navigate the changing communication and collaboration landscapes with new technologies.

# From Theory to Practice

Read more about companies from various industries who are putting the numbers to the test and seeing real results with an employee app.



We'd love to hear from you. Here's how you can reach us ...

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