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EAP Market Share Growing: Benefits Study

It's not unusual to experience personal problems that can affect your job performance. After all, when issues arise at home or with close friends or relatives, it's not easy to compartmentalize your life to avoid the feelings that go along with difficult times.

To help employees through such experiences, many companies have established Employee Assistance Programs (EAPs). According to the United States Office of Disability Employment Policy (ODEP), EAPs benefit both employers and employees by addressing productivity issues that can impact a person's ability to do his or her job.

The ODEP calls EAPs "*programs that enhance employee and workplace effectiveness and are a vital tool for maintaining and improving worker health and productivity, retaining valued employees and returning employees to work after illnesses or injuries.*"

The organization's website says employers often find it makes financial and business sense to establish proactive, preventive efforts to help employees identify and resolve personal issues before they have serious medical, family, and/or workplace consequences.

Amy Grimes, a human resources professional in Des Moines, Iowa has used EAPs for nearly 20 years at various companies. She believes employees appreciate having the resource available to them at no cost.

"It's been useful on several occasions to me, as an HR professional, to involve an EAP counselor to mediate with work teams that are experiencing dysfunction," Grimes said. "It's helpful to me to have the counselor in place so that I'm not viewed as taking sides. I've also encouraged managers to use our EAP for telephone consultations to talk through the best way to approach performance issues with their direct reports."

EAP Market Share Increasing

According to the Society for Human Resource

Management's most recent benefits survey, 73% percent of organizations have an EAP in place, and 88% of large companies (ones that employ more than 500 employees) provide EAP services.

EAP Benefits

According to the website, EAPs have been shown to contribute to:

- Decreased absenteeism;
- Reduced accidents and fewer worker-compensation claims;
- Greater employee retention;
- Fewer labor disputes; and
- Significantly reduced medical costs arising from early identification and treatment of individual mental-health and substance-abuse issues.

According to ODEP, EAPs provide services to individual employees and family members and to the work organization as a whole. EAP services to individuals include mental health services and referrals, drug- and alcohol-related services and referrals, and services and referrals related to personal issues such as divorce and parenting. They also offer information on such support services as:

- Financial planning;
- Caring for elderly parents;
- Wellness- and health-promotion services such as smoking cessation and weight reduction; and
- Work-related supports such as career counseling.

In addition, they also provide such workplace services as education on handling mental health, stress, addiction and violence issues; **safety and emergency preparedness; guidance on communicating in difficult situations, such as mergers, layoffs or when employees die on the job; absence management; and meeting needs of specific workers, such as returning veterans. (**Editor's note:** See



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previous *Brown Bagger* articles for more information on these topics. ** See the September 2011 *Brown Bagger* for this particular subject matter.)

EAPs Improve Health & Productivity

In a major new study, an EAP gathered information from 53,224 EAP client cases, which opened and closed during 2010. The study showed that intervention through EAPs translates into improved employee mental health and higher productivity, as well as a 25% reduction in costs due to lost productivity.

The Morneau Shepell study collected data to measure four specific outcomes: general health status, mental health status, productivity, and absenteeism. Here are some of its findings:

- Employees rated their mental health 15% higher *after* receiving EAP support.
- EAP intervention resulted in a 34% reduction in costs related to lost productivity.
- Before EAP intervention, decreased productivity and absence was costing organizations almost \$20,000 per employee per year.

“Research shows that workers with depressive disorders, in particular, can have almost four times more health-related lost productive time than those who do not suffer from these problems,” said Karen Seward, senior vice-president with Morneau Shepell. “The toll on the bottom line is huge.”

Do YOU Need an EAP? Consider...

So how do you know if EAP services can benefit you, and if so, how do you go about seeking them? According to ODEP, it may help for an employee to ask him or herself these questions:

- Do thoughts and concerns about this issue or problem in my life keep me awake at night?
- Am I experiencing lack of focus, decreased concentration, decreased productivity and/or mood irritability?
- Is this issue causing me to behave in undesirable ways?

- Am I struggling for answers to my problem and feeling hopeless about my inability to solve it?

Grimes said she feels having an EAP program available as a resource can be reassuring to employees going through difficult times.

“It’s been great to be able to say to employees, ‘You can call 24 hours a day, seven days a week, and speak to a counselor about any issue, whether it’s work-related or not,’” she said.

(EAP services are confidential and free of charge. If the employee is found to need health or mental health assistance beyond the scope of the EAP, the company’s HR department will help coordinate those services with the individual’s health benefits.)

Strategic Value

Moreover, EAPs also offer strategic value to employers. As noted, EAPs currently serve nearly 75% of North American businesses – and are a key component of benefit plans. The Morneau Shepell study makes two key recommendations:

❖ *Organizations should develop a more strategic partnership with their EAP provider as a first step in realizing the return on their investment.* The provider can recommend strategies to optimize the use of the EAP as a preventative measure with the objective of saving costs down the line, and be positioned to make recommendations around the strategic use of EAP services to support the organization’s health priorities.

❖ *Organizations should consider a comprehensive, strategic approach to absence management.* To promote sustained attendance at work, and prevent downstream costs and consequences, they should shift from standalone absence administration programs to attendance management strategies aligned with the company’s business objectives, cost management goals, and strategies related to employee engagement and retention.

Short-Term Disability

EAPs also have a positive financial impact on short-term disability claims. Employees who used EAP services returned to work twice as often at the conclusion of their short-term disability claim (STD) than employees who didn’t, according to a study conducted by The Hartford.

The findings supported The Hartford’s ideas



about STD duration and increased return-to-work rates. Hartford found that two companies with especially high EAP utilization rates had lower STD rates than comparable companies not offering an EAP.

The study involved 22 companies in a wide range of industries with nearly 100,000 employees total. It tracked 62,000 employees with EAP services and compared them to a control group of 31,000 employees without an EAP. The results clearly demonstrated that EAP usage led to shorter STD durations.

The study focused on cases involving EAP counseling for the employee, not for a covered family member, and for which the employee's primary issue was one of the following:

- Alcohol or chemical dependency;
- Critical incident or workplace violence;
- Fitness for duty;
- Health or medical issues;
- Occupational issues;
- Psychological or emotional concerns;
- Stress; and/or
- Supervisor-related issues.

The study also found that EAPs can also help prevent STD claims from becoming *long-term* disability claims.

One of the most important themes to emerge from the study was its substantiation of the theory that treating employees well means effectively treating the *whole person*. Traditionally, EAPs have focused on behavioral issues, but workplace trends show that behavioral AND physical issues cannot be viewed in isolation. When they occur together, they can contribute to one another's severity.

In fact, the study found that 52% of employees seeing EAP services did so primarily for psychological or emotional reasons. Yet, of the employees approved for STD claims, behavioral issues accounted for only 26%.

The report concluded that: "*A well-promoted EAP with 24/7 access to professional clinical, legal and financial counselors and licensed, local providers in communities throughout the country is a benefit employees and their families with value.*"

Making a Difference at an Individual Level

EAPs also make a difference one individual at a time. Consider the following employee we'll call "Joe." Joe was having a lot of work problems, but he could never quite put his fingers on the source. Joe had some short-term memory and attention problems, and periodic issues keeping up with co-workers due to low energy.

After years of struggling with these, and other related matters – and after losing his second job in less than two years – Joe realized that the answers were not, as he had often thought, in landing a "dream" job in a different work environment, but in finally getting to the root of these difficulties.

Out of work and with nothing to lose, Joe contacted his spouse's EAP (one with a 1-to-8 session model) for assistance. After several counseling sessions, the EA professional suspected that Joe had Attention Deficit Disorder (ADD) and low-grade depression.

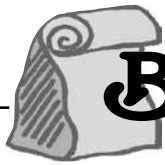
Joe was referred to a psychiatrist who gave him a battery of tests. The EA professional's concerns were confirmed, and Joe was started on a medication to treat symptoms of both depression and ADD.

Today, the same company has gainfully employed Joe for nearly 9 years. His attention and memory problems have greatly subsided, and his depression only resurfaces occasionally. Without an EAP, Joe might be employed, but he'd still be as unhappy and unmotivated as he was before counseling and treatment. And, from an employer's perspective, happier and more motivated workers are also MORE PRODUCTIVE workers.

Summary

Employee assistance programs work on numerous fronts – they save *companies* money, and they help *individuals* overcome various problems to again become productive workers. Legal expert Bill Bransford summarized EAPs as follows, "It's there, it's free, it's confidential, and it makes a difference. Use it." ■

Additional sources: Substance Abuse and Mental Health Services Administration (SAMHSA); "Healthier, More Productive Employees: A Report on the Real Potential of Employee Assistance Programs (EAP)", by The Hartford; the Employee Assistance Professionals Association (www.eapassn.org); and the Des Moines Register.



Health & Productivity Tips for Managers About their Employees

❖ **Allow employees to make suggestions about designing the workflow.** Employees who perform the work and understand the tasks the best often have insights into how they can minimize job-associated stress and increase efficiency.

❖ **Make sure that top management understands the link between productivity and health, wellness, and work-life initiatives.** Ask executives to lead by example, but only in ways that employees can relate to their own lifestyle goals. For example, the CEO training for a marathon may not influence an employee who is working two jobs to make ends meet.

❖ **Survey employees annually.** Ask questions about their role in making decisions and whether their manager fosters teamwork, minimizes work stress, is supportive, offers feedback, schedules work shifts fairly, and so on. Discuss the findings as a group and look for solutions.

❖ **Allow employees to bid on extra overtime hours.**

❖ **Involve labor unions in discussions of problems and resolutions.** Work with unions to secure their buy-in and assistance.

❖ **Establish a mentoring system.**

“Rather than push for maximum productivity, which is unsustainable, companies must promote optimal productivity to help employees achieve a better balance between their work and person lives,” states Marcia Carruthers, chief executive with the Disability Management Employer Coalition (DMEC). “Employers that fail to meet these challenges will lose their most precious resource – their human capital – to burnout.” ■

Source: DMEC.

EAPs Save Employers Money

Statistics clearly document numerous reasons why companies need an EAP. Consider the following:

❖ For every dollar invested in an EAP, employers generally save anywhere from \$5 to \$16 (USDL, *What Works: Workplaces Without Drugs*).

❖ United Airlines estimated it gets a \$16.95 return for every dollar invested in employee assistance. (*Substance Abuse: A Guide to Workplace Issues*).

❖ The Warner Corporation realized an estimated \$1,750 savings per employee, per year, because of lower workers' compensation costs and fewer on-the-job accidents, due to an EAP (Mash & McLennan Companies, *The Economics of a Drug-Free Workplace*).

❖ The Gillette Company saw a 75% reduction of in-hospital alcohol and other drug abuse treatment

costs (*The Economics of a Drug-Free Workplace*).

❖ McDonnell Douglas estimated that its EAP saves the company \$5.1 million annually due to fewer days missed from work, reduced turnover, and lower medical claims of employees.

Of course, this is just the tip of the iceberg. EAPs also save companies money in many other ways. This includes identifying and treating employees with depression (whose lack of productivity costs companies billions).

A study by Abbott Laboratories documented those clients whose mental health treatment was managed through an EAP showed an annual savings of **\$2,200 per year** over a 3-year period, compared to clients who were *not* served by an EAP. ■

Source: Interface EAP.