

Employee Assistance Programs
The Return on Investment for an EAP

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Abstract

This paper examines the subject of employee assistance programs (EAP) and whether they provide a return on investment that merits their use. The historical background of the EAP will be first looked at to demonstrate its purpose and growth in the business world. Research will be presented in relation to EAP use in companies and the outcomes that resulted. Criticisms against EAP use occurs in the business world as well and therefore will be investigated in conjunction with research that supports EAP use. Finally, statistical proof for the return on investment of using an EAP will be given to conclude that EAPs are effective, cause positive outcomes related to performance, and therefore result in a return on investment for the employer.

Employee Assistance Programs

The Return on Investment for an EAP

In today's business world corporations strive to increase profits and maximize shareholder wealth in creative and new ways. Businesses implement methods such as drawing top talent with attractive compensation packages, funding innovative research and development to produce new technology, or improving the productivity and efficiency of employees' work. Each of these factors contributes to the growth and development of a corporation along with helping increase the bottom line. Arguably the most important asset of any business is its people. When businesses ensure their employees are working at their greatest potential, productivity and efficiency usually follow; however, many issues can inhibit and restrict a business's employees from working at their prime. Physical and mental issues both stand as potential hazards to employees and employers alike. These problems may come in the form of depression, sickness, disability, stress, burnout, absenteeism, and presenteeism (Attridge et al., 2009a). Businesses endeavor to reduce or eliminate these negative elements present in the organizational environment. Various workshops or counseling activities may be provided to increase employee awareness of such issues and how to cope with them.

One tool corporations can use to reduce or eliminate these problems is an employee assistance program. Employee Assistance Programs (EAPs for short) are programs sponsored by the employer intended to support the removal of various workplace problems. Attridge explains,

EAPs typically provide screening, assessments, brief interventions, referrals to other services and case management with longitudinal follow-up for mental health

concerns and substance abuse problems. The source of these employee problems can be either personal or work related (2009a, p. 1).

Despite their design and growth, though, many businesses today are reluctant to invest in an EAP because of the debate over their return on investment. Copious amounts of research cite utilization rates or the number of times employees click through a web page to access resources provided by the EAP; however, many of these studies never truly address the effectiveness of a specific employee assistance program (Lennox & Sharar, 2009). Lennox & Sharar note, “In other words, are employees achieving positive outcomes, and is the employer realizing the benefit—i.e., is an employee more productive at work because he or she is no longer suffering from depression, combating stress, dealing with substance abuse, or coping with marital conflict?” (par. 2). By examining various studies and examples from specific businesses using EAPs, a case will be presented that businesses that use EAPs do in fact achieve a sufficient return on investment, thereby justifying and recommending the implementation of EAPs by businesses worldwide.

History of Employee Assistance Programs

As defined above, employee assistance programs are used to help employees cope with issues affecting their job performance. This may sound a lot like counseling, but there is a difference. Attridge explains, “What ultimately distinguishes the EAP profession from other forms of mental health counseling, coaching, and occupational health services, is that it emphasizes employee work performance as a central theme guiding all program practices and services to the organization” (2009a, p. 2). Services provided by a therapist to people suffering from mental disorders focus on the betterment

of the patients so that they may live life with greater contentment, but with an EAP, all services offered are aimed at assisting the employee with his or her issues to accomplish the end result of increasing an employee's work performance. Employee assistance programs began in the 1940s with an emphasis on correcting job performance related to the use and abuse of alcohol (National Business Group on Health, 2008). World War II necessitated a skilled and stable workforce; however, in New York City, male workers were specifically desired and as a result, businesses began to recruit workers from the Bowery district. Alcoholics dominated that part of New York City, causing an influx in the amount of alcohol-related workplace issues. Upon addressing the problem, corporate medical directors proposed that rehabilitating the men as opposed to replacing them could be more cost effective. Thus, Occupational Alcoholism Programs (OAPs) were born (Attridge et al.).

The growth of the EAP remained stagnant until the early 1970s. At this time EAPs were used to address problems beyond alcohol and substance abuse (National Business Group on Health, 2008). The government began to promote OAPs through the passing of the Hughes Act of 1970. This act required all federal and military establishments to have an OAP. Additionally, the government created the National Institute of Alcohol Abuse and Alcoholism (NIAAA) to foster the growth and circulation of EAPs across the nation. Private EAP consulting firms, such as Personnel Performance Consultants and Human Affairs International, also formed during this time (Attridge et al., 2009a).

By the 1980s EAPs were being offered to assist employees with a variety of issues. Congress passed the drug-free workplace legislation in 1988, further strengthening

the growth of the EAP. During this decade, EAPs began to shift from being internally operated by the business to being externally offered. By 1994, less than 20% of EAP programs were offered internally (Attridge et al., 2009a). Large companies offered EAPs as a standard element of benefit packages at this time. This growth brought about the diversification of issues addressed by EAPs. No longer was the EAP viewed as something used to assist recovering alcoholics. Programs involved with workplace violence, elder care, work-life balance, and supporting company-wide changes like downsizing and mergers began to arise (Attridge et al.).

The following timeline summarizes the growth of the EAP. In 1985, around thirty-one percent of businesses in the United States provided an EAP to their employees (Hartwell et al., 1996). That number grew to only thirty-three percent by 1995; however, by 2003 about sixty percent of full-time workers were employed in a job that had an EAP (Roman & Blum, 2004). According to SHRM, in 2004, seventy percent of employers provided an EAP. The growth trend continued in 2007 when *Employee Benefit News* conducted a survey that found that seventy-five percent of companies offered an EAP (Employee Benefit News, 2007). SHRM also reported that in 2008 seventy-five percent of employers offered an EAP.

This evidence indicates that EAPs have grown in popularity over the past twenty years, but does this growth validate the funds invested into these programs (Employee Benefit News, 2007)? Further research and examples must first be examined. Another factor to consider with the growth rate of EAPs is the size of the businesses offering them. In companies with staff between the numbers of 1 to 99, only 52% offered an EAP. For companies with 100 to 499 members on staff, 76% offered an EAP, and for

companies with 500 employees or more, 89% offered an EAP (Attridge et al., 2009a). Clearly there is a correlation between a company's size and whether or not they offer an EAP. This relationship could be the result of the financial ability of a company or even the utilization rate of the EAP. Certainly businesses with a greater amount of employees have a higher amount of potential users for the EAP, but before these factors are examined, one must analyze further information about EAPs to better understand what they offer and how they can potentially create a positive return on investment for the company.

Types of EAPs

Today, most Fortune 500 companies provide EAPs that deliver an assortment of health services in order to improve job performance, in addition to assisting the employees and their dependents (National Business Group on Health, 2008). In an EAP, practitioners offer services to prevent and resolve problems affecting employees and their work performance. The National Business Group on Health adds, "EAP practitioners provide consulting services to managers and supervisors regarding employee performance and serve as behavioral consultants to corporate leaders when unexpected events occur, such as natural disasters, plant accidents, mergers and bankruptcies" (2008, p. 7). Other services offered include referrals for diagnoses; supervisor training to help recognize behavioral, health, or job-related performance issues; and wellness programs.

Potential threats of organizational effectiveness exist in many forms, both physical and mental. Here are some of those problems EAPs are used to help alleviate: marriage and relationship issues, substance abuse, financial issues, workplace violence, stress and burnout, work-life balance, trauma, retirement concerns, and downsizing or

mergers. In today's workplace, EAPs not only help improve job performance but also assist in reducing health care costs, preventing expensive lawsuits, and reducing the costs of staffing by keeping employees longer and keeping them effective. Cost savings also occur specifically in the form of reduced absenteeism, reduced presenteeism, fewer accidents, savings in worker's compensation claims, and fewer grievances and arbitration (Lockwood, 2004). Some benefits cannot be directly measured financially such as increased morale, increased employee engagement, and increased organizational commitment. All of these factors provide the foundation for the return on investment for an EAP and will now be further expounded upon to support that claim.

The ROI for an EAP

The Need for an EAP

The current state of our nation's economy has only fueled the demand for EAPs. A poll in 2009 stated that 47% of the respondents were worried about paying their bills, 65 percent were worried about being able to pay their bills, and 69 percent were concerned that their retirement investments and stocks will decrease in value (Babcock, 2009). When one considers this information in conjunction with the state of the economy over the past couple of years it becomes clear that during an economic downturn the demand for an EAP may increase. According to ComPsych Corporation, a Chicago-based global EAP service provider, its call volume had increased by 30 percent, with financial problems being the top concern (Babcock). Miller agrees with this concept stating, "During economic downturns, there is an increase in disability rates. Encouraging the adoption of healthy coping behaviors, and offering high-quality health and wellness programs and services, can help to ensure that employees are better able to withstand a

stressful time” (par. 12). With the added financial stressors of the economy, an employee’s job performance is more prone to regress, thereby increasing the current usefulness of an EAP.

The necessity of an EAP appears evident when one considers the myriad of problems employees can face; however, even viewing the benefits of an employee assistance program addressing one problem can rationalize their use. For example, a business considering investing in an EAP could ignore all the potential problems an EAP could address and look solely at stress. Stress plagues employers no matter what their business. Attridge verifies, “An estimated 1 in 4 (25%) adults have a diagnosable mental disorder” (2009b, p. 2). P. Allen, the vice president of the health solutions and research group at Shepell:fgi, asserts that research demonstrates that workers who experience financial stress have increased absences, lower performance ratings, and lower job productivity (Miller, 2009). The threat posed by stress is not one that can go overlooked. Left untreated, stress may cause mental or even physical conditions resulting in illness, lost productivity, absenteeism, on-the-job accidents, poor customer relations, and turnover (Babcock, 2009). Stress can even cause chronic illnesses such as cardiovascular disease and depression. Stress also exacerbates other health related problems such as tobacco and alcohol use and one’s diet. Research shows that half of people suffering from stress overeat and eighteen percent of people drink more when under stress. Stress also can cause relapses in tobacco use (Babcock). The National Business Group on Health states, “According to Watson Wyatt, factors such as mental health conditions, sleep problems, mental health stigma and substance use and abuse affect business performance

by reducing productivity and increasing both planned and unplanned absences” (2008, p. 6).

To help quantify the information given above, the National Business Group on Health (2008) state that behavioral health problems, including those related to stress, cause 217 million missed work days per year in the United States and make up 7.6% of health costs. A survey of senior human resource executives shows that the number one driver of indirect business costs now is mental health. What makes this information even more important is the fact that indirect costs are typically more expensive than direct costs (Attridge et al., 2009b). Businesses cannot afford to ignore the problems stress brings to the workplace. According to Towne, an organizational development consultant and executive coach, the most common mistake an employer can make in dealing with employees’ stress is never to acknowledge it (Babcock, 2009). Some managers falsely believe that acknowledging the issues that arise from day to day will create problems the company is unable to fix. In their minds, they believe they can do nothing, so why address an issue which they cannot correct (Babcock)? The inaction on the part of the leader can then foster a negative perspective of the supervisor in the eyes of the employee. They may begin to view management as uncaring and may even question their ability to lead. Employee engagement will then start to fall and eventually lead to higher turnover.

As demonstrated above, stress alone can lead to numerous complications for a business. This information could be reason enough for an employer to provide its employees with an EAP. Stress must be addressed one way or another. MacArthur concurs that, “Employers that eliminate or severely cut back on EAPs and disability

management programs run the risk of increasing the costs of absenteeism while reducing productivity and adding to labor costs—exactly the opposite of what they want to be doing” (2009, p. 11). If this is the case, it would make sense to remedy this situation with an EAP, for not only will the EAP assist in addressing stress and stress related issues but also a number of potential other problems that may affect an organization and its performance. How much exactly does a company save though when it funds an EAP to correct issues such as stress? A closer look at some basic ways an EAP provides value to a business will now be examined to answer this question.

Basic Occurrences of ROI within an EAP

Mixed opinions exist on the validity of an EAP’s provision of a return on investment. Some research indicates that benefits, in fact, do occur that result in savings which actually exceed the cost of the EAP itself. Other studies criticize the methods used in such research, stating that there are no industry standards to define what is and what is not successful when it comes to EAP usage. While mostly positive information will be shown demonstrating the return on investment of an EAP, criticisms must be examined as well; however, the research supporting the return on investment of an EAP will address concerns that critics in the past have raised against research evaluating EAPs.

As discussed earlier, EAPs bring in benefits to the company in the form of lower insurance premiums, increased productivity, reduced absenteeism, improved morale, reduced presenteeism, and increased employee commitment and engagement (Mulligan, 2007). These proposed benefits all carry the potential of cost savings, but simply because EAPs have the potential to do so does not guarantee these results. Research aiming to prove or deny these claims are abundant, yet companies themselves are not performing

their due diligence in most cases when funding an EAP. The National Business Group on Health illustrates, “When it came to measuring return-on-investment (ROI), 78% of surveyed employers did so for human resource functions, while only 39% measured ROI for their EAP” (National Business Group on Health, 2008, p. 13). Regardless of what today’s most popular research indicates, businesses must evaluate their own individual EAP service provider. Research cannot always be taken at face value; with individual service providers, a business must monitor its own results to evaluate whether or not its EAP service provider is meeting certain requirements.

According to the National Business Group on Health (2008), one study showed that the use of EAP services resulted in an avoidance of work loss in 60% of cases, with an average savings of 17 hours per case. Additionally, 72% of the people involved with these cases exhibited improved work productivity, with an average gain of 43%. Other research also supports that user satisfaction with EAP users is generally high. A national study involving an independent firm used follow-up interviews for over 1300 cases found that 95% of the EAP users were satisfied with it (Attridge et al., 2009c). Often, the biggest savings provided by an EAP occur in the form of improved productivity and reduced work absence. Most studies conducted seek to measure these outcomes. A more current study provides even more insight into the questioned monetary return an EAP could potentially bring.

This research consisted of the most comprehensive national study as of the November of 2009. Over 3,000 employers were surveyed and the results showed that on average, a U.S. business paid a total health benefit of \$7,983 per employee (Attridge et al., 2009c). In relation to this total amount, the cost of an EAP accounts for less than a

third of one percent of the average cost spent on an employee's health benefits. EAPs thus compose one of the smallest areas of all employee benefit costs and, as a result, can be one of the most cost effective tools in the employee benefit package (Attridge et al). These data cause one to wonder just how much an EAP really does cost. Attridge points out:

For perspective, the fees charged for EAPs in the last decade have mostly been in the range of \$12 to \$40 per employee per year and have remained fairly stable during this period despite large increases in other areas of employee health care benefits spending by employers. (p. 2)

Factors that contribute to determining these costs include utilization rate, program model, and the size of the employer.

Several corporations have found that EAPs produce benefits that legitimize their investment (Attridge et al., 2009c). Case studies assessing outcomes of EAP use involved companies such as America On Line, Campbell Soup, Abbott Laboratories, Detroit Edison, Crestar Bank, Chevron, Los Angeles City Department of Water & Power, DuPont, McDonnell Douglas, Marsh & McLennan, New York Telephone, NCR Corp, the U.S. Postal Service, Southern California Edison, and the U.S. Federal Government. These cases all support the general conclusion that an EAP produces a good return on investment. Each of these studies demonstrates a typical ROI of between three and ten dollars per one dollar invested in the EAP (Attridge et al.). As with all good arguments, however, attention must be given to those who raise challenges to these claims.

Some studies conducted to assess EAP outcomes and how they relate to a ROI face criticism by some who say the experimental research designs lack control and

standardized metrics; however, very few studies performed in the whole field of worksite health promotion have used true experimental research designs (Attridge et al., 2009c). A point to consider though is the numerous studies that have found that positive outcomes including ROI are occurring as a result of EAP use (Attridge et al.) With so much research pointing towards a link between ROI and EAP use could all of the research be faulty? A more legitimate concern, though, is that more research focusing on identifying which types of EAP practices and programs influence positive outcomes and ROI, needs to be done.

One final area that is difficult to address by critics and researchers alike is the ROI that may occur with EAP use in relation to avoided costs. These are the savings a company realizes from the prevention of incidents that would normally result in some financial ramification. For example, an EAP may cause savings when used to assist people suffering from depression. The employees would first have improved productivity because they can focus on their job more. They also would have reduced absenteeism which saves costs related to hours of work missed, but how does one measure the ROI of the money saved on sexual harassment suits that never occur due to the anti-discrimination training received by management through the EAP (Trieber, 2005)?

Several other outcomes may occur that do not directly contribute to ROI. These outcomes result from the fact that the employee most likely feels valued by the employer since the employer is providing an EAP. To what extent can metrics determine the level of increased employee morale, engagement, or loyalty to the organization? Another area of savings that can result from EAP use is staffing costs. When provided, an EAP can lead to increased retention if the employee's performance problems improve (Attridge et

al., 2009c). Conversely, if an employee receives multiple warnings through an established performance management system but does not improve the employer may decide to fire the employee and replace him or her with someone else. According to human-resources consulting firm Bersin & Associates, the cost of hiring a new employee now averages \$3,479 (Weber, 2012). When the yearly price of an EAP (between \$12-\$40 per employee) is compared to the cost of hiring a new employee, the value of implementing an employee assistance program is clearly seen.

Specific Examples of ROI

To further prove that ROI results from EAP use, consider the following case studies. The EAP for the Federal Occupational Health program aids federal government agencies in America. They conducted a study on EAP outcomes which included nearly sixty thousand clients (Selvik, Stephenson, Plaza, & Sudgen, 2004). The participants were evaluated on workplace performance and overall functioning. Over a period of three years, data were collected using a standardized procedure that included counselor-assessed measures and validated self-report instruments. The results found that employees who said they have “quite a bit” of difficulty performing their work dropped from 15% to 5% in all EAP cases (Selvik et al.). Tardiness and absenteeism were also significantly reduced as a result of the program. Prior to the use of the EAP, clients reported an average of 2.37 days of unscheduled absences in the previous month; however, after finishing the EAP sessions, the average dropped to .91 days (Selvik et al.). Additional examples of statistics related to employee work performance after EAP use include: 50% of cases had improved absence and/or productivity at work (Harlow, 2006); 57% of cases had improvement in ability to work productively after use of the EAP

(Attridge, 2003); number of “work cut-back” days in past 30 days was reduced from 8.0 to 3.4 days after EAP use (Baker, 2007); 64% of cases with work issues as primary problem had improvement after EAP use, and 46% of all types of cases had improved work productivity (Amaral, 2008).

A study of Canadian companies with one hundred or more employees also provides insight into the assessment of the cost effectiveness of EAPs. Companies who already had an EAP in place listed well-being, improved morale, and reduced absenteeism as the top three reasons for having an Employee Assistance Program, and the results of the survey indicated that human resource managers of businesses that have EAPs believe the programs do in fact reduce absenteeism and increase productivity (Csiernik et al., 2010).

Another study of a high-tech company in Taiwan focused on the effect an EAP has on workers dealing with stress and burnout. Several other studies have shown that EAPs help employees deal with stress and burnout and the study in Taiwan was no different. The findings gave evidence that an effectual EAP could lower stress for high-tech employees (Chiu-Chuan, Ming-Chu, & San-Yuan, 2009). One last study that supports the claim that EAPs benefit a business came from an EAP company itself. The company polled 1,411 of its clients. The study consisted of two groups of people that both used the same EAP; however, one group consisted of workers who suffered from depression. The results of the study showed that the EAP was useful in reducing absenteeism and work impairment for both groups, but there was a greater degree of improvement with the employees who suffered from depression than of those in the non-depressed group (Cayley, Lain, Preece, & Scheuchl, 2005). The findings of this study

showed that the Employee Assistance Program benefited distressed employees but was more successful in reducing work impairment and absenteeism in employees who were identified as depressed.

Challenges to the ROI of EAPs

Now that the reasons for having an EAP have been looked at in these specific cases, the arguments against using them will be examined. In the previous studies examined, evidence against EAP utilization was also revealed. The study conducted in Canada included responses of companies that did not provide Employee Assistance Programs. The top three reasons given by the companies that did not have an EAP were no need for a program, a lack of empirical evidence that they reduce absenteeism, and a lack of empirical evidence for cost effectiveness (Csiernik et al., 2010). From the research, it's evident that the opinions on EAPs differ depending on whether or not a company has one itself. The study conducted in Taiwan focused on EAPs and their relationship to stress, burnout, and perceived self-efficacy (Chiu-Chuan et al., 2009). The study supports the notion that stressors influence employees to perceive that the EAP is ineffective (2009). This seems to indicate that an employee's perception of an EAP can affect the results of the program.

One last issue with EAPs and their questioned positive effect on a business in the form of reduced absenteeism or increased productivity is a lack of good evaluation methods. When examined in isolated incidents, an Employee Assistance Program could be found to be either beneficial or pointless, depending on which study is evaluated. No standard evaluation method has been developed that can be used to determine the success or failure of an EAP. With so many variables such as the differing problems EAPs are

used to treat, the different industries EAP users come from, and the personal perspectives users have on the capability of the EAP, it is no wonder why research does not fully support the full adoption or rejection of EAPs.

Researchers have conducted studies indicating that using an EAP is linked to positive outcomes for the business. At the same time, other researchers have conducted studies that found benefit managers ranked EAPs as second worst for improving productivity (Csiernik et al., 2010). The effects of an EAP appear to be existent in some companies but nonexistent in others. After implementing an EAP, a business should closely monitor certain factors in order to determine whether or not the EAP they are using is operative. Other factors contributing to its strength are the provider and the employee utilization rate of the EAP (Collins, 2001). According to the information presented above, EAPs can in fact provide an ROI; however, to ensure that ROI, the EAP used must be adequate and utilized. These aspects of an EAP will now be examined to demonstrate what specific kinds of EAPs do in fact merit the money invested.

Ensuring ROI with EAP Use

How to Evaluate an Effective EAP

Lennox and Sharar observe, “Historically, measurements of the performance of an EAP in the workplace have not truly captured whether EAP vendors achieve results that are necessarily meaningful to employers. The most popular metrics for measuring EAP success fall short of this goal” (par. 4). These metrics include user satisfaction surveys, first-hand accounts of an employee’s experience, and published studies. The problem with simple user satisfaction surveys is that a number of variables can impact the results of the survey, such as if the EAP provider is likable or how many employees actually

complete the survey (Lennox and Sharar). The issue with published studies is that they validate approaches rather than specific programs meaning a certain study may prove that a certain method works; however, this does not guarantee that any EAP service provider can reproduce those same results using the same method (Lennox and Sharar). Lennox and Sharar are in agreement with Attridge (2009d) when they say that the big question employers should be asking is not whether EAPs are effective, but rather which specific EAP service providers are effective. EAP providers differ across the industry. An employer must be able to distinguish one EAP provider from another no matter the model, service delivery, or size of the EAP. This ensures the ability to evaluate and compare the quality aspects of each program. As an industry, the EAP field does not have consistent benchmarks or metrics (Courtois et al., 2004). According to a survey by the Employee Assistance Industry Alliance in 2002, the EAP industry is not using the same indicators to assess the major components of their programs. Courtois contends, "Before EAPs can demonstrate the value of services to employers, they will need to have components of their programs standardized across the industry in order to create benchmarks in the field" (p. 49).

No one service provider operates in the same way. This is why it is critical for employers not to adopt an EAP blindly, expecting great outcomes for the bottom line. Instead, companies must be diligent to monitor the effects of the EAPs after their implementation. In light of this information, most EAP outcome measures are not viewed as credible or highly persuasive causing price to play the only role in value proposition (Lennox and Sharar, 2009). Unless a business can link the outcomes of an EAP to positive outcomes in the workplace, they may not invest in an EAP. The problem,

though, is that a lack of direct monitoring tools to assess the EAP causes businesses to see no apparent link between cost and expected results. To resolve this issue, businesses should evaluate their EAP provider on five key elements that affect workplace functioning: presenteeism, absenteeism, life satisfaction, work engagement, and workplace distress (Lennox & Sharar, 2009).

To show how to measure these outcomes, look at an example for measuring presenteeism. Ask employees to what extent they agree with the following questions according to a scale of strongly disagree, somewhat disagree, neutral, somewhat agree, and strongly agree. Here are the questions:

1. I had a hard time doing my work because of my personal problems.
2. My personal problems kept me from concentrating on my work.
3. Because of my personal problems I was not able to enjoy my work.
4. My personal problems made me worry about completing my tasks.
5. I could not do my job well because of my personal problems. (Lennox & Sharar, 2009)

Assessing an EAP in this way focuses specifically on work outcomes. Doing so eliminates information that may be potentially misleading or unrelated to the actual efficiency of an EAP. In fact, establishing measures based on workplace outcomes paves the way for calculating the return on investment. Researchers already have been adopting this new approach of using a workplace outcome process, and according to Lennox and Sharar, “Yes, EAPs do work and, most important, specific programs and services do deliver real benefits and results for both employees and employers.”

EAP Utilization

Another factor that can influence the ROI of an EAP is employee utilization of the EAP. Utilization of an EAP plays a crucial role when it comes to measuring the return on investment. An employer could provide an EAP, using one of the most successful EAP providers in the market, but without a good utilization rate, the business will never see any return on investment. One of the problems with assessing the utilization rate of an EAP, however, is that there are no standard metrics for reporting it. Attridge reveals, “For example, some EAPs consider a ‘case’ to be any call that comes into the EAP whether it involves additional services or not; while other EAPs define a case only when the call turns into a face-to-face interview or use of other services with a counselor or associate” (2009e, p. 1). Due to the lack of agreement on industry-wide standardizations of measurements for EAP utilization, any statistics provided by an EAP service provider should be met with caution. Studies that present information on utilization rates may or may not be applicable to another company.

One study sent a survey to 524 random employers in Long Island in 2007. Out of the 524, 24.6% responded which comes out to about 129 companies (Lockwood, 2004). Out of the respondents, 92% of them reported having an EAP (Lockwood). When asked the question concerning employee utilization rate of their EAP, most replied 8-10% (Lockwood). Exactly what is considered to be an employee utilizing the EAP is unknown. For some it could be that the employee called the center, for others it could be that the employee accessed information from the EAP provider’s website, or it could mean that the employee had a session on the physical premises at the EAP’s headquarters. Some better indicators to measure utilization include: the number of

employee and dependent cases opened, supervisory case consultations, follow-up services provided to employees, management training programs, employee education programs, and organizational services (Lockwood).

To help increase utilization, there are many tips a company can use. One of the most important factors related to increased utilization is employee awareness. It is critical for employers to increase the visibility of their EAP. Studies show that although EAPs are widely available, employees don't use them that often. Babcock cites, "A September 2008 study for CIGNA and its EAP, based in Eden Prairie, Minn., found that 67 percent of Americans said access to an EAP would improve their work/life balance, but only 35 percent knew whether their employer offered a program" (2009).

Assessing the Quality of an EAP Service Provider

One final way to ensure that a company's use of an EAP will result in a return on investment is to evaluate the EAP service provider themselves. Several factors can be examined, but three key areas should be looked to as indicators of quality: the programs use of the core technology of the industry, individual certification and program accreditation, and how network affiliate counselors are used (Attridge et al, 2010a). Research shows that the use of core technology provides substantial value in relation to ROI. Attridge states, "The EAP Core Technology represents a set of practices that defines the distinguishing properties of delivering employee assistance programming" (p. 2). Components of core technology include manager awareness, work-performance focus, substance abuse focus, and linkages to internal and external sources (Attridge et al.).

The next factor to examine is designations of professionalism. The Employee Assistance Professional Association has created independent certification procedures for

individuals within the EAP service provider industry. One such certification is the Certified Employee Assistance Professional (CEAP). This credential recognizes individuals who have met standards for competent practice and who follow a professional code of conduct. The final factor to examine refers to how network affiliate counselors are used. Most of the counseling sessions used in an EAP are generated from a vendor delivery model that uses counselors who support an EAP as a paid contractor. These counselors are part of a network that is located in the same geographic region as the organization that is using the EAP. In most cases, the counselors are not employed by the EAP full-time but rather are “affiliates.” EAP work only comprises a small portion of an affiliate’s work load. Consequently, many EAP providers in the industry are concerned that the affiliate will not put as much effort into the cases involving clients from the EAP or that their knowledge of client organizational issues will pale in comparison to that of an EAP specialist. So, a company should investigate to what extent affiliates are used and if any of them have attained the status of a first tier or premier level affiliate.

A Summary of EAP Value

To encapsulate the information on how an EAP can provide a return on investment for the employer, three categories of value will be given. The first is workplace performance value. This includes cost savings related to effective prevention and intervention services of the EAP. Work performance problems that result from stress and depression can be remedied through the EAP resulting in reduced absenteeism and presenteeism as well as less turnover and higher employee engagement (Cayley, 2005; Babcock, 2009). The second category is benefit cost value. These savings come in the form of health care, disability, and workers compensation. By utilizing an EAP, accidents

that may result from high levels of stress or inattention due to mental anxiety can be prevented (Chiu-Chuan, 2009). Additionally, claims of workers comp can be reduced. These all contribute to a lower health care cost for the employer. The last category is organizational value. This includes factors such as a positive organizational culture, improved morale, attraction of top talent, increased job commitment, and increased job satisfaction (Attridge et al., 2010b).

By offering an EAP, a business communicates the message that it values its employees. This, in turn, can cause a response by the employee of increased commitment to the company. Higher employee engagement improves company sales, customer satisfaction, and staff retention (Trieber, 2005). Attridge points out, “The highest goal for an EAP is to be a positive process that is embedded in the organizational culture” (2010b, p. 4). Ultimately, the EAP provides value in a variety of ways to an organization that all contribute to its success.

Conclusion

Employee assistance programs have come a long way since the early 1900s. What once began as simply a program to rehabilitate alcoholic employees is now being used to address a myriad of problems that afflict employees in all areas of the workforce today. Common risks and liabilities faced by employers include absenteeism, reduced productivity, presenteeism, and decreased employee engagement. The research and case studies presented indicate that these issues can be remedied through the implementation and use of an EAP. Several examples have been provided that suggest the use of EAPs may result in positive outcomes for the employer. Clients using an EAP have shown increases in performance and job satisfaction. Second, EAP use has also been shown to

produce a return on investment for the employer. The cost of an EAP in relation to the overall health care cost of an employee comprises only a few percent. With such a low cost per employee, EAPs easily produce returns for the employer; however, various factors can affect this return. An employer must make sure employees are aware of the program. If utilization of the EAP is low then a company will not realize as much return as possible. Additionally, an employer must also make sure the EAP provider is credible and effectual. Practicing and implementing these tips in conjunction with an EAP provides an compelling way for a business to increase its productivity and overall success, thus resulting in a good return on investment for the employer.

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