

Wisconsin Employee Assistance Program Survey

Executive Summary

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UNIVERSITY OF WISCONSIN SURVEY CENTER

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***Abstract:** This document summarizes the results of an Employee Assistance Program (EAP) survey among a representative sample of Wisconsin employers. The findings provide employers and state policy makers with information about how many Wisconsin employers have EAP programs and how the programs are structured and used. The report recommends increasing the use of EAP's among small and large employers.*

INTRODUCTION

In September, 2003, Wisconsin Governor Jim Doyle proclaimed October, "Employee Assistance and Drug-Free Workplace Program Awareness Month," conveying to Wisconsin employers the importance of Employee Assistance and Drug-Free Workplace programs. There is good reason for doing this.

Troubled employees and their families, whether it be from stress, trauma, marital and family problems, grief, loss, anger, family violence, mental illness, alcohol and other drug abuse, or financial problems can be found in any organization, large or small, and in every type of job, from an hourly worker to an office employee, to top level management and professionals. About 15 percent of a company's employees may be struggling with personal problems affecting their job performance and as a result can lose 25 percent of their on-the-job time.

In Wisconsin, this loss of productivity is estimated to cost employers \$810 million each year. Add to that an additional \$36 million lost to employee tardiness and an estimated \$1.8 billion lost to absenteeism, and one can see why employers are concerned about this. Not addressing these problems can result in high absenteeism and employee turnover, inappropriate and unnecessary use of supervisors' time, grievances, theft, decreased productivity, on-the-job accidents, damage to a company's reputation, decreased employee morale, increased use of overtime and training, and greater use of health benefits.

Up to this point, company management has always had the option of simply discharging the troubled employee. However, that action compounds the problem by generating additional replacement costs incurred through recruiting, training, and supervising new employees, not to mention the discharged employee simply takes his/her problems elsewhere, often to the next job.

In light of these vast consequences, Employee Assistance Programs (EAP) are one solution that has been proven effective in addressing substance abuse and other employee problems. Employee assistance programs can result in a healthier and more productive work force and save the company money.

Employee Assistance Programs recognize that the health and well-being of the employee can be impacted by factors both in and outside the work place. The goal of an Employee Assistance Program is to confidentially and properly assist persons whose personal problems may be affecting their job performance and on-the-job safety.

The benefits of an EAP are significant. Studies of EAP programs have found that each \$1 invested in an EAP program results in savings and increased productivity of anywhere from \$3 to \$24!

That ratio is based on studies indicating that the average cost of a troubled employee is 25 percent of his/her salary each year. When considering that 15 percent of a company's employees have

personal problems that adversely impact their jobs, one can calculate the losses by using this simple formula and example of a business with 100 employees and an average salary of \$25,000/year:

1. Total number of employees - 100
2. Troubled employees - (.15 x 100) or 15
3. Average employee salary - \$25,000
4. Average salary loss per employee (.25 x \$25,000) or \$6,250
5. Annual loss to company (\$6,250 x 15) or \$93,750

A small investment in an EAP can reap savings and improved productivity.

METHODOLOGY

The principal purpose of the survey was to find out how many Wisconsin employers have EAP programs and how the programs are structured and used.

The sample for the study was obtained from the Wisconsin Department of Workforce Development's employer name and address database. Of the database's 21,240 employer sites with 20 or more employees, a random selection of 3,209 employers (stratified by company size) were mailed surveys during the summer of 2003. The following table depicts the survey sample by employer size:

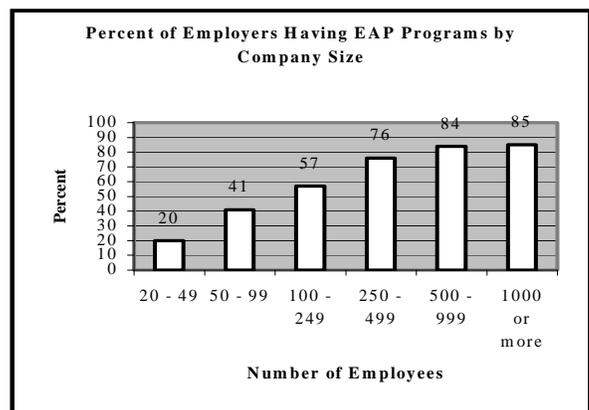
No. of Company Employees	Original Survey Sample	Surveys Returned
20 – 49	698	337 (48%)
50 – 99	697	335 (48%)
100 – 249	698	350 (50%)
250 – 499	672	387 (58%)
500 – 999	295	181 (61%)
1000 or more	149	88 (59%)
Total	3,209	1,678 (52%)

As of the end of the survey period, 1,678 (52%) of the surveys were returned and included in the analysis. Response rates for larger company's were about 10 percentage points higher than smaller companies which may introduce a small amount of bias into the findings. In order to reduce response bias, companies were asked to return the survey even if they did not have an EAP program. While the survey returns were

considered ample enough for statistically valid results, the reported rate of EAP's among Wisconsin employers may be slightly elevated.

KEY FINDINGS

- 55 percent of Wisconsin employers having 20 or more employees report having an EAP program. There were no significant differences among the geographic regions of the state as 52 percent and 54 percent of northern and southeastern companies respectively utilized an EAP. Similarly, there were no significant differences in the size of employers responding to the survey from region to region.
- 70 percent of the reported EAP's were external (contracted) to the company.
- As might be expected, smaller company's used EAP programs less frequently than larger companies (see the following chart).



By comparison, a 2002 Society for Human Resource Management (Alexandria, Virginia) national survey reported that 51 percent, 69 percent, and 82 percent of small, medium, and large companies, respectively, have EAP's.

- The majority (58%) of EAP's were coordinated by the company's human resource or personnel department.
- In addition to employees, family members could receive services from 79 percent of the reported EAP's; 72 percent extended EAP services to W-2 employees.

- Among those companies having EAP programs, 9 percent of employees have used the EAP in the past year.
- The essential EAP functions and services were present in the vast majority of companies having EAP's, though larger companies were more likely to have more comprehensive programs. There is a need for some improvement in the areas of supervisory training, employee intervention, maintaining regular communication with service providers, promotion of the EAP among company employees, addressing employee legal or financial problems, provision of disability management, and evaluation of the impact of the EAP.

RECOMMENDATIONS

1. While the survey shows that Wisconsin employers use EAP's at about the same rate as a national sample, for a healthier and more productive workforce, to intervene early, and to save money, there is a need to increase the number of Wisconsin companies, both small and large, utilizing EAP programs.
2. There is a need to encourage existing EAP's to include all the essential EAP functions and services particularly supervisory training, employee intervention, maintaining regular communication with service providers, promoting the EAP among company employees, addressing employee legal or financial problems, providing disability management services, and evaluating the impact of the EAP.
3. There is a need for Wisconsin employers with EAP's to publish statistics on their utilization, costs, and savings.

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Authors: Vince Ritacca and Michael Quirke
Bureau of Mental Health & Substance Abuse Services

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Bureau of Mental Health & Substance Abuse Services
1 W. Wilson St. #437
P.O. Box 7851
Madison, WI 53707

