

Increasing the Human Capital Impact and Financial ROI of Employee Assistance Programs

Cal Beyer, CWP, CSDZ; and Bernie Dyme, Perspectives, Ltd.

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Shortly after the onset of the pandemic in 2020, Cal Beyer and Bernie Dyme collaborated on an article titled “Why Employee Assistance Programs Are Valuable During and After COVID-19.”¹ Almost a year and a half later, the advice offered remains relevant. Mental health and wellbeing continue to be top of mind. Yet, Employee Assistance Programs (EAPs) continue to be an underutilized resource by employers and employees. In fact, a vast majority of EAP sponsors Cal Beyer has collaborated with, have seldom considered the utilization rate, organizational impacts, or ROI of their EAPs.

Employers sponsoring an Employee Assistance Program (EAP) must build a collaborative partnership to broaden the EAP from crisis-based mental illness counseling to holistic mental wellbeing and life/work balance. On top of that, we would like to encourage employers to demonstrate a caring culture focused on transparency and psychological safety to instill a prevention-oriented approach and destigmatize mental health. The goal is for employees to feel safe to openly ask for and seek help around their mental wellness.

Balancing technology-based point solutions with personal care

Today’s multi-generational workforce uses technology to communicate. EAPs need to embrace technology to successfully impact users with a variety of access methods available to them, including in-person/office, telephonic, virtual/video, and text/chat capabilities so that they have multiple options that reflect their communication styles.

Before the pandemic, technology-based mental health and wellbeing apps were growing in popularity. These so-called “point solutions” proliferated during the pandemic and several are now incorporated into many EAP platforms.

Mark Attridge, President of Attridge Consulting, Inc., is an internationally acclaimed researcher and consultant on EAPs. He has seen this trend take off first-hand, noting, “During the COVID-19 pandemic, the much greater use of technology to access online services and phone apps for supporting mental health has helped to provide anonymous and immediately available starting

points.”² Attridge adds, “Up to a third or half of workers are at least trying out an online or smartphone tool to see if they... could benefit from some level of self-directed educational support or interacting with a licensed counselor.”²

This increased attention has helped to diminish the shame and fear about getting emotional help. However, while point solutions provide easy access to counselors, without proper triage by an EAP counselor, the chance of a good fit with a professional is diminished. Users need to be able to set up appointments and receive “in-the-moment” support and coaching. Upfront, thorough triage at the outset is critical as some situations like substance abuse, depression, anxiety, and performance issues may need in-person solutions alone or along with other modalities of access.

Measuring the impact of EAPs

EAPs should be measured by the number of people that use them for clinical services, but EAP success is not just defined by utilization. Other important measures include engagement, human impact, and return on investment (ROI).

Attridge is a major believer in the benefits of EAPs for employers and employees alike. Attridge asserts, “The effectiveness of brief counseling from an EAP for the typical individual case on common clinical and work outcomes is already well established – and this is true for in-person, telephonic, online video, and even text or email sessions.”²

Attridge was the lead researcher on a 2013 study by the National Behavioral Consortium involving 56 different EAP vendors. The study found that, “94 percent of clients were satisfied with the service overall, 86 percent of users reported an improvement [in their problem] due to use of the EAP counseling, 73 percent of users reported an improvement in work performance or productivity, and 64 percent of users reported an improvement in work absenteeism” (p. 55).³

Not all EAPs are equal

In a February 2021 *Employee Benefit News* article, EAP Industry leader Kathy Greer compared the results of full-service standalone EAPs and embedded (so-called “free”) EAPs. Greer asserted that “not all EAPs are equal” and stated, “Free and bundled programs are shown to be less effective than more robust programs.”⁴ One metric Greer cited compared utilization data from many different EAPs. It found that, “On average, full service EAPs purchased directly by employers averaged three times the counseling cases and six times the work-life cases.”⁴ Greer demonstrated that, “Studies show that employers also get more than nine times more organizational consultations than EAPs that are bundled into an insurance program.”⁴ Greer concluded that a likely reason for the higher utilization, “is that full-service EAPs are more likely to be integrated with other well-being benefits and thus promoted across many points of contact with employees.”⁴

Promotional strategies

The most successful EAPs are those that are “baked in” to everything the organization does, including employee benefits and health/wellness programs and practices. This demonstrates the

importance of the EAP and keeps it visible and relevant. Employers are wise to focus on aggressively promoting EAPs to employees. Regularly communicating about the eligibility, the services available through, and the various ways of accessing the EAP is essential. It is important for the EAP sponsor to develop an annual strategic promotional plan with periodic check-ins to ensure goals are being met and to adjust, if needed. Driving people to resources on a website or via an app with push notifications also helps.

Capturing ROI

In terms of ROI, a 2020 study in the United Kingdom by the Employee Assistance Program Association calculated the financial value of EAPs as they impact absenteeism, presenteeism, and productivity with an ROI of greater than 7:1 for every British Pound invested.⁶ The 2020 Workplace Outcome Suite (WOS) report analyzed six measurable work outcomes from EAP performance:⁷

1. Presenteeism
2. Absenteeism
3. Workplace distress
4. Engagement
5. Life Satisfaction
6. A new measure that combines the results of the absenteeism and presenteeism data converted into hours of Lost Productive Time (LPT) at work.

Major findings summarized in the 2020 WOS included:

- ROIs ranging from 3:1 for small employers, 5:1 for medium employers, and to 9:1 for large employers.
- Cost savings ranged from \$2,000 to \$3,500 per case for typical counseling cases.
- 87 percent of the cost savings was from the reduction in presenteeism vs. the 13 percent reduction in absenteeism.⁷

Interestingly, the WOS determined “Only one in every six users (16 percent) sought assistance from the EAP for issues related directly to work.... Yet, three fourths of all EAP cases (75 percent) began their counseling at a problem level on at least one of the four WOS work outcomes”.⁷ The WOS concluded, “This finding reveals the hidden negative impacts of employee mental health, relationship, and life issues on core aspects of work functioning experienced by employees who seek professional counseling.”⁷

Conclusion

Utilization rate and ROI for EAPs are important metrics. However, it is imperative for sponsoring organizations to consider the long-term human capital impacts of effective EAPs, including increased employee engagement, employee morale, life/work satisfaction, and retention. Moreover, EAPs can achieve improvements in productivity, quality, safety, and other risk mitigation resulting from distracted or impaired employees. EAPs can therefore be a vital partner to sponsoring organizations by improving overall company culture and performance.

Cal Beyer, CWP, is vice president of workforce risk and worker wellbeing for CSDZ, a Holmes Murphy company. Reach Beyer at cbeyer@CSDZ.com.

Bernie Dyme, LCSW, is the founder and president/CEO of Perspectives, Ltd., in Chicago, IL. Since 1981, Perspectives is an Employee Assistance Program, and a work life management consulting company. Reach Dyme at bsd@perspectivesltd.com.

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