

The Journal of
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EAP in Latin America

Developing Customized Services in a Global Market

“...specialized services have opened the door to EAP services in general...”

By Eduardo Lambardi & Jenny Espinoza

Latin America is evolving in different ways. The population is increasing, and the EAP market in these countries is also growing – although there are also challenges in offering these services that need to be addressed.

According to the World Bank (International Monetary Fund, 2012), the population of Latin America and the Caribbean nations will increase more than 25%, from 508 million to over 620 million people by 2015.

The region shows significant EAP growth opportunities, matching the expected economic

progress of the area. In the area of employee assistance, Latin America currently represents between 5%-10% of the global market for some worldwide suppliers, occupying third place after India and China among the external market suppliers based in North America.

In recent years, EAP global markets have developed extensively in the United States, Canada, the United Kingdom and Australia. In Latin America, *Brazil, Argentina, Chile* and *Mexico* are the four countries where more development is occurring, due to the increasing

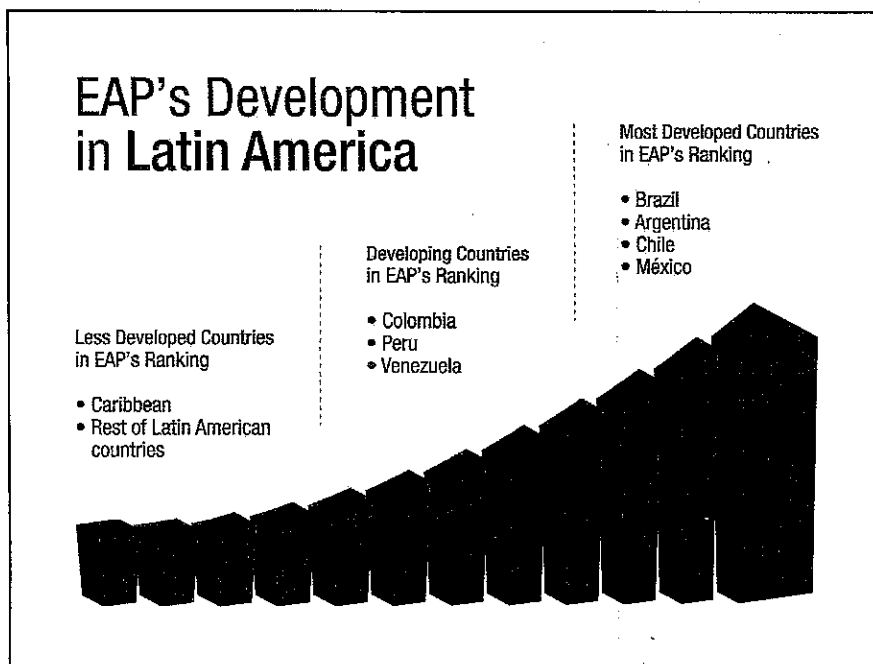
number of companies that have started implementing EA initiatives. The use of EAP services in these countries is also increasing overall, which in some areas is reaching a 10% level of use annually (among the total employee population). This surpasses the international benchmark of 3%-5% annually, which is typical of other markets.

In contrast, Colombia, Peru and Venezuela are countries where the EAP market is still under development, while the Caribbean and the rest of the Latin American countries, such as Ecuador, seem to be emerging markets in this contest.

Challenges

➤ **Customizing services** – EAP vendors must develop customized services in a complex global market – and in a manner that is both relevant in the language of the employees who are being served, *and* which is also culture-sensitive (Pompe, 2011). This development is occurring in a context that is changing – socially, politically, and economically.

And yet, when multinational companies decide to offer an EAP globally or when employee assistance programs are implemented domestically – and this is happening with increasing frequency – the program is inherently very



well received. That's because EAP is perceived as a means of accessing professional counseling and other services that are otherwise expensive and restricted to only certain sectors of the population. In general, the limited purchasing power and the high fees of legal and financial professionals (about USD \$100 per hour) make this area of EAP and Work/Life service an attractive benefit. Indeed, these kinds of *specialized services* have opened the door to EAP services in general – and in many organizations in Latin America, individualized services have become the backbone of program use, with up to 60% of total EAP consultations occurring in legal and financial areas.

➤ **Poverty** – Poverty is another challenge to expanding EAP services. Among Latin American countries, the segment of the population that is below the poverty line varies widely between a low of 13% and a high of 60%. As expected, the ranking of countries with higher percentages of the population in poverty coincides with the group of countries where EAPs are *less* developed (i.e., Bolivia, Honduras, Guatemala, Nicaragua.)

➤ **Health care and mental health care** – Factors related to the health system are also driving the demand for mental health counseling – and thus for EAP counseling services. During the launch or sales phase of a new

EAP, a common question among EAP champions (i.e. organizational leaders) and employees relates to the relationship between the service and the local health system – in the hope that the EAP can cover some of the deficiencies. With few exceptions, the health systems of these regions have many deficiencies related to a lack of resources. *Consequently, the EAP is expected to assist the employees or their family groups in reaching the health services that otherwise would not be accessed.*

For example, in countries such as Venezuela, Mexico and Colombia, many people cannot afford mental health care, which is not covered by the Social Security plans. To make matters



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worse, the public resources that are available for mental health care are insufficient and lengthy waiting times are typical. This means it can often take months before a person may access the public counseling service.

The most recent figures presented by the World Health Organization (WHO, 2011) show that over 60% of people who live in countries with low-income levels (such as Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Paraguay, and Nicaragua) are *not* protected by policies or legislation on mental health issues. In comparison, only 8% of countries with high-income levels (such as the United States, Spain, Switzerland, and Sweden, among others) *lack* this legal framework.

The WHO reports that an average of \$2.00 (US dollars) is spent globally on mental health per person per year, while the average in low-income countries is barely \$0.25 (thus, only one eighth as much money).

In this context, *how is it possible to maintain these prices and the quality of the services for mental health and related issues?* This financial context presents a formidable challenge for EA suppliers in low-income countries in order to offer a local EAP model that is: both culturally sensitive and flexible; that has ample coverage for both the employee and his/her family, with up to six counseling sessions per case; and maintains low costs to the purchaser of the EAP service.

Another challenge lies in providing quality EAP services that includes covering *specialized*

treatments (such as for addictions) in areas where resources are either limited or non-existent due to economic pressures. In these cases, psycho-education is essential – in terms of the program's scope, and the expectations for clinical follow-up and case management, both of which help overcome obstacles so that people *are* able to use specialized resources when they *are* available.

Future Overview

Overall, these challenges could be considered overwhelming, or at least discouraging, to those interested in providing EAP services in Latin America. Nonetheless, the population covered by employee assistance programs has grown to such an extent that it has quadrupled (over the past three years) in countries such as Mexico and Costa Rica. This is consistent with the 2011 Towers Watson report on employee benefits in Latin America. After analyzing the risk management of the region's workforce, this report concludes that many Latin American companies are ready to, and capable of, expanding in spite of global economic challenges. The report goes on to highlight that the success of such benefit programs will rely on their ability to identify the critical *needs* of employees and to simultaneously define the *strategies* necessary to ensure that they are in line with business priorities.

➤ **Workplace wellness** – Similarly, the 2012 Insurance Market Report for Latin America (Marsh & McLennan, 2012) shows that a key driver of having a healthy workforce despite

economic pressures is to *encourage the use of workplace wellness programs*. These programs seem to be a way for employers to control costs and mitigate expense fluctuations.

According to the report, the approach that some companies have taken on health management involves using simple tools to identify health risks and costs. Wellness programs have been identified as an effective way of motivating employees in becoming responsible for their own health. The outcome is targeted to increasing productivity and to reducing health service costs.

➤ **Human capital** – Latin America is also affected by problems connected to human capital – in other words, employers' increasing need to retain talented employees. In this context, the employee assistance program (in its full format, including employee assistance work/life, legal and financial services) becomes a powerful and innovative tool for employers. The EAP, in turn, improves employees' satisfaction and productivity while strengthening feelings of loyalty and fellowship.

Future Challenges

Beyond the socio-economic and political conditions that affect the context in which EAP is developed in Latin America, the *EAP service itself* poses certain challenges. Potential solutions are as follows:

➤ Deconstruct the services offered so that the service responds to the needs of a market that takes into account fluctuations

and short-term crisis cycles. The service should always offer control of expenses and maximize advantages so that the EAP improves the benefits plan for its customers.

➤ Request that the workforce is aware of the benefits plan that is purchased. The company needs to provide more and better communication campaigns, promotional materials, and the use of technology to access it.

➤ Customize the content of EAP offerings to match the needs and values of the local cultural context, rather than forcing EAP concepts and practices developed in North America (Pompe, 2011). ❖

Eduardo Lambardi is Founder & Director of EAP LatinA Corporation S.A., a company delivering employee assistance

services throughout Latin America. Eduardo's professional background is clinical psychology, with a master's degree in cognitive therapy. He has 15 years of experience working with national and multinational companies in most of the Latin American Spanish-speaking countries. He can be reached at elambardi@eaplantina.com.

Jenny Espinoza is Regional Account Manager at EAP LatinA Corporation. Jenny's professional background is clinical psychology, with a master's degree in health psychology. She channels efforts to ensure client satisfaction of regional services, bridging operations with global partners when delivering EA to multinational companies. She can be reached at jespinoza@eaplantina.com.

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News briefs

Social Media Training is Lacking

A survey from the Society for Human Resource Management (SHRM) shows few employees tasked with social media duties are trained to do so by their employer.

The Social Media in the Workplace survey shows that 73% of employers do not provide social media training to employees engaged in social media outreach to external audiences.

The survey defined social media services and multimedia platforms to include Facebook, LinkedIn, Twitter, and YouTube. Also included is MySpace, Foursquare, Second Life, photo-sharing applications, and video-sharing sites other than YouTube.

Those organizations that use social media tend to use four sites: Facebook (45%), LinkedIn (34%), Twitter (28%), and YouTube (18%).

Most human resource professionals report social media to be only a "somewhat effective" mechanism.

The lack of social media training may explain the low marks for effectiveness. Few HR professionals rated social media as a "very effective" mechanism for achieving goals such as sharing content, improving brand awareness, or increasing website traffic.

Employers Urged to Implement EAPs

The Malaysian Mental Health Promotion Advisory Council urged

Malaysian employers to introduce EAPs into the workplace. The Council explained that EAPs not only impact the overall efficiency of an organization, but also can help in boosting the overall development of the nation.

In the last two decades, suicide rates in Malaysia have increased significantly, and many countries are facing mental health issues in the workplace.

According to Top News You Can Use, Australia is another of the nations, which are in need of introducing programs for boosting mental health awareness in workplaces.