7-1-1988

An examination of critical issues inherit in the administration of employee assistance programs

Sheree Roxann Young
Atlanta University

Follow this and additional works at: http://digitalcommons.auctr.edu/dissertations
Part of the Public Administration Commons

Recommended Citation

This Thesis is brought to you for free and open access by DigitalCommons@Robert W. Woodruff Library, Atlanta University Center. It has been accepted for inclusion in ETD Collection for AUC Robert W. Woodruff Library by an authorized administrator of DigitalCommons@Robert W. Woodruff Library, Atlanta University Center. For more information, please contact cwiseman@auctr.edu.
AN EXAMINATION OF CRITICAL ISSUES INHERENT IN THE
ADMINISTRATION OF EMPLOYEE ASSISTANCE PROGRAMS

A DEGREE PAPER
SUBMITTED TO THE FACULTY OF ATLANTA UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF PUBLIC ADMINISTRATION

BY
SHEREE ROXANN YOUNG

DEPARTMENT OF PUBLIC ADMINISTRATION

ATLANTA, GEORGIA
JULY 1988
ABSTRACT

PUBLIC ADMINISTRATION

Young, SheRee Roxann
A.B., Hiram College, 1975

An Examination of Critical Issues Inherent in the Administration of Employee Assistance Programs

Advisor: Professor George O. Kugblenu

Degree Paper dated July 1988

The primary purpose of this paper is to examine some of the critical issues inherent in the administration of employee assistance programs (EAPs). The focus is on these critical issues in an attempt to analyze those problems confronting the administration of EAPs.

This study is significant because of the widespread concern over increasing losses in employee productivity within organizations. In an effort to correct this situation, EAPs have been implemented by various organizations both in the private as well as public sectors. Although EAPs are largely successful, critical problems continue to challenge the administration of such programs. Moreover, in order to define successful strategies to deal with troubled employees, management must consider certain critical issues associated with employee assistance programs (EAPs). These issues include the following:

1. Problem areas that exist in a particular employee population
2. The significance of the impact of those problems upon the organization
3. Approaches to be considered in addressing problem areas

4. Compliance with federal and state confidentiality laws and regulations

The major findings of this study reveal that in order for an EAP to be effective, the organization must examine its own individual needs and shape its EAP to those needs. At the same time, it is essential for the organization to strive for the flexibility necessary to adapt the organization's structure to the changing needs of its workforce. Furthermore, these conditions must be continually met in order for employee assistance programs (EAPs) to remain successful. This process of integrating EAP functions with organizational goals is achieved through strategic planning.

This study relies mainly on information obtained from a variety of secondary sources which includes books, scholarly journals, periodicals and unpublished materials.
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LIST OF FIGURES</td>
<td>iv</td>
</tr>
<tr>
<td>I.</td>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>The Purpose of the Study</td>
<td>2</td>
</tr>
<tr>
<td>II.</td>
<td>STATEMENT OF THE PROBLEM</td>
<td>3</td>
</tr>
<tr>
<td>III.</td>
<td>REVIEW OF THE LITERATURE</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Origins of EAPs</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>The Scope and Cost of Troubled Employee Problems</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Chemical Dependency</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Employee Theft</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Compulsive Gambling</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Personal Finances</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Legal Problems</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Mental Health Problems</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Family and Marital Problems</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>The EAP Process</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>The Role of Supervisors</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Trust and Confidentiality</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Goals and Objectives</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>The Scope, Benefits, and Value of EAPs</td>
<td>21</td>
</tr>
<tr>
<td>IV.</td>
<td>METHODOLOGY</td>
<td>24</td>
</tr>
<tr>
<td>V.</td>
<td>ANALYSIS OF THE PROBLEM</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>A Taxonomy of Problem Areas</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Alcohol and Drug Abuse</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Mental</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Physical</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Health Care</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Gambling</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Financial</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Approaches to Problem Areas</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Issues of Confidentiality</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>The EAP Function</td>
<td>40</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>VI. CONCLUSIONS</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>VII. RECOMMENDATIONS</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>


**LIST OF FIGURES**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Procedural Flow Chart</td>
<td>16</td>
</tr>
<tr>
<td>2.</td>
<td>A Taxonomy of Employee Problem Areas</td>
<td>26</td>
</tr>
<tr>
<td>3.</td>
<td>The Traditional Performance Model</td>
<td>35</td>
</tr>
<tr>
<td>4.</td>
<td>The Modified Performance Model</td>
<td>38</td>
</tr>
</tbody>
</table>
I. INTRODUCTION

It is estimated that 20 percent of the nation's workforce is "troubled" to the extent that dependability and job performance are seriously impaired. These employees are referred to as "troubled employees." The term is used throughout this paper to denote those employees indentified as having job related difficulties caused by chemical dependency, mental and emotional disorders, compulsive gambling, financial problems, legal problems, marital and family discord, or a combination of these. It is widely accepted that troubled employees are responsible for the majority of performance deficiencies in attendance, conduct, safety, and work quality and quantity. Perhaps less well known, but equal in effect, are the costs this group of employees cause in such areas as accidents, employee theft, insurance claims, and disability benefits. Individually, the costs for each problem area are significant; however, when they are summed, the total effect is astonishing.

Traditionally, the responsibility for dealing with the magnitude of job related problems has rested squarely on the shoulders of society. Employees with alcohol or drug related problems were terminated and the community paid the cost of shelter and/or hospitalization. For the most part, employers did not view solving social problems as their function. Some organizations however, while no less economically

motivated than their counterparts, began to offer assistance to troubled employees. Due to the pervasive nature of many job related problems (and in an effort to control resultant costs), these organizations began implementing various forms of employee assistance programs ranging from hotline telephone referral systems which utilized external service providers to extensive in-house programs with a comprehensive package of services which included "wellness programs."

There are various estimates regarding the number of employee assistance programs (EAP) currently in existence. The Association of Labor-Management Administrators and Consultants on Alcoholism (ALMACA) approximates that there are better than 8,000 EAPs throughout the United States. However, this figure does not give a complete picture since the majority of the nation's work force is not covered by any type of employee assistance program (EAP). Without employee assistance, the traditional adversarial environment prevails with emphasis on antiquated personnel practices which focus on job performance without regard to personal problems which might be causing employee deficiencies.

The purpose of this paper is to examine some of the critical issues inherent in the administration of employee assistance programs (EAPs).

---

II. STATEMENT OF THE PROBLEM

With the widespread concern over losses in employee productivity, organizations in both the private and public sectors have increasingly realized the direct as well as indirect relationship between their employees' personal problems and performance on the job. As a result, there has been a proliferation of employee assistance programs in organizations to control and reduce the various problems which adversely affect employee performance and, ultimately, productivity.

Most organizations establish EAPs because they are certain their investments will yield returns in one form or another. These returns may be expressed in either quantitative or non-quantitative terms. When considering the success recovery rate of employees referred to EAPs (some report recovery rates as high as 65 percent and 80 percent), the value of EAPs becomes evident.

However, the challenge for organizations and for employee assistance programs (EAPs) does not lie in the success already experienced. The critical problem confronting management of these organizations is to define successful strategies to deal with the problems of troubled employees. This process should include a consideration of the following critical issues:

---

1. Problem areas that exist in a particular employee population

2. The significance of the impact of those problems upon the organization

3. Approaches to be considered in addressing problem areas

4. Compliance with federal and state confidentiality laws and regulations

These issues associated with employee assistance programs are discussed in the analysis section of this paper.
III. REVIEW OF THE LITERATURE

Generally, "employee assistance program" is a generic term used to identify troubled employees and describe any services and/or methods found in the workplace that address personal problems which adversely affect the employee's job performance. Once identified, the troubled employee is directed to an appropriate agency for the expressed purpose of receiving treatment and rehabilitation. The means of identification varies from organization to organization. Occasionally, troubled employees are identified by using computer readouts of employee attendance and medical records. But, usually line supervisors or union representatives are involved in the documentation process and, subsequently, in the referral stage. This latter function may be performed by a specially designated individual or group of individuals.

Typically, EAP methods involve both rehabilitative and disciplinary components. Implicit in the definition of EAP is the potential threat of dismissal if the employee is uncooperative or refuses treatment. This blend of assistance and duress is sometimes referred to as "constructive coercion." 4

In defining EAP, emphasis is placed on the word "generic" since there are numerous program formats involving such issues as utilizing

---

public and/or private sector service providers; engaging assistance full or part time; offering a single service or a range of services (broad-brush programs); and providing free service or charging a fee.\(^5\)

Although the title "Employee Assistance Program" is the name most frequently used to define a formal mode of employee assistance, various program titles are used within any given organization. It might be referred to as the "Employee Counseling Service," the "Personal Assistance Program," the "Occupational Chemical-Dependency Program," the "Special Medical Services Unit," etc.

Most large EAPs are staffed with generalists who are able to handle a wide range of personal problems or are able to make referrals for employees to outside resources. While an EAP by definition addresses the personal problems of employees, a survey of programs show that some EAPs do considerably more. There are some programs that emphasize health and could be called "wellness programs." A sampling of services offered include: problem assessment and diagnosis, career counseling, financial guidance, psychiatric evaluations, family therapy, legal advice, employee education on a variety of health-care topics, chemical-dependency treatment and/or referral for treatment. Some programs, however, are limited in the services they provide; such programs have been designed to address specific problem areas (e.g. alcoholism). The majority of programs fall somewhere in between the single-focus approach and the comprehensive design or "wellness approach."\(^6\)

\(^{5}\)Myers, *Establishing and Building Employee Assistance Programs*, p. 4.

\(^{6}\)Scanlon, *Alcoholism and Drug Abuse in the Workplace*, p. 18.
Origins of EAPs

The contemporary employee assistance program has its origin in the earlier occupational alcoholism program (OAP) model of the 1940s. Although it is difficult to credit any one company with the first OAP, one report by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) credits E. I. Dupont with the establishment of the first known program and Eastman Kodak with the second, both in 1944. Alcoholism was identified as the single most important factor contributing to job impairment and the cause of nearly 70 percent of referrals to such programs. Thus, these initial programs were implemented to combat the problem of alcoholism in the workplace. Examination of the literature reveals, however, that efforts to drive drinking from the workplace actually began before the turn of the century. For example, by the turn of the century, many employers, notably the steel industry, had already begun dismissing employees for drinking on the job and many American railroads required total abstinence—both on and off the job. A number of motivating forces (i.e., the Temperance Movement, Workmen's Compensation, Scientific Management) were cited as the impetus behind industries' efforts to rid the workplace of alcohol. The moralistically desirable personal characteristics of discipline,

---

7 Target: Alcohol Abuse in the Hard to Reach Workforce (Rockville, MD: National Institute on Alcohol Abuse and Alcoholism, 1982), p. 3.

8 Scanlon, Alcoholism and Drug Abuse in the Workplace, p. 20.

self-reliance, and hard work; the new "scientific" concept of efficiency; and the fact that the employer would be held financially responsible for injuries incurred by employees on the job were major societal/industrial influences.  

In spite of these influences, alcohol-related problems persisted within the workplace. In a short time, before World War II, three cogent forces emerged providing industry with renewed inducement to effectively deal with this growing societal concern. The first was the birth and increased acceptance of Alcoholics Anonymous (A.A.). Second, influential medical directors and health professionals came to actively support and initiate programs during the period, providing creditability and high profile to emerging occupational alcoholism programs. Third, these factors converged with the unique labor market conditions during World War II.  

The evolution of the concept from helping employees with alcohol related problems to helping employees with any personal problem gained momentum in the 1960s. This change in technique is largely attributable to a 1965 study by the National Council on Alcoholism (NCA) which indicated that programs should focus on job performance rather than on alcoholism symptoms for the purpose of early identification of alcoholic employees. As a result of this development, organizations began designing their individualized programs. It was discovered that "other personal problems," not only alcoholism, adversely affected job

10 Ibid., p. 173.

11 Ibid., p. 175.

12 Target: Alcohol Abuse in the Hard to Reach Workforce, p. 3.
performance; hence, the beginning of the "broad-brush" concept of troubled employees identification and the term, "employee assistance programs" (EAPs).

The Scope and Cost of Troubled Employee Problems

This subsection provides a brief overview of the magnitude and diversity of employee problems as well as the associated costs incurred by organizations as a result of these problems.

Chemical Dependency

The term "chemical dependency" is used throughout this paper and applies only to those persons who are presently in the workforce and those persons who will enter the workforce. Since "chemical dependency" is a relatively new concept (coined by the Hazelden Foundation which considers drugs and alcohol as two sides of the same problem), it will not be used when discussing information of a historical nature. Alcoholism and/or drug dependency will be used in those instances.

Employee alcoholism and drug abuse are estimated to cost American industry and business billions of dollars each year. A government sponsored study by the Research Triangle Institute indicates that the cost to the economy for drug abuse alone is approximately $26 billion annually. More than $16 billion of this cost is attributable to lost productivity, medical expenses, absenteeism, theft and disability claims--business expenses that are ultimately passed on to the consumer through higher prices and taxes.13 Another study conducted by Croft

---

Consultants, a drug education firm, estimated productivity losses due to drug abuse in the workplace at $17 billion. The Croft firm estimates that there are 4 million workers in the United States abusing drugs to the extent that they have been referred to treatment. According to both government and private industry figures, the resulting costs to all work organizations is $4,200 per employee per year.\textsuperscript{14} Regarding the cost of alcoholism to business and industry, the National Council on Alcoholism (NCA) sets the figure at approximately $20 billion annually.\textsuperscript{15} This figure includes only those losses that are quantifiable. Those losses which are not easily measured include the costs of:

1. Poor decision-making at all levels of management (which is estimated to be greater than all other costs combined;

2. Tardiness;

3. Accidents and injuries;

4. Work errors;

5. Wasted supplies and materials;

6. Replacement and training;

7. Absenteeism; and

8. Adverse effects on the morale and performance of co-workers.\textsuperscript{16}

\textsuperscript{14}Peggy Mann, "The Hidden Scourge of Drugs in the Workplace," \textit{Reader's Digest} (February 1984): 45.

\textsuperscript{15}Myers, \textit{Establishing and Building Employee Assistance Programs}, p. 5.

According to the Industrial Alcoholism Institute (IAI) an employee with an alcohol related problem costs his employer $2,500 per year in productivity, losses, absenteeism and disability benefit claims. The IAI estimates the rate of alcoholism in the workplace to be 10 percent.  

**Employee Theft**

White-collar crime is the largest growth industry in the United States and is among the top three priorities of the Federal Bureau of Investigation (FBI). The problem is so extensive that the Chamber of Commerce of the United States estimates that employee crimes cause 30 percent of annual business failures. Experts estimate that white collar crime in the computer industry alone costs business $100 million annually.

**Compulsive Gambling**

It is estimated that 80 to 100 million people in the United States gamble regularly; approximately 6 million, or 6 percent of the workforce are considered to be compulsive gamblers. Much like employees who suffer with other personal problems, the compulsive gambler may be a

---


20 Myers, *Establishing and Building Employee Assistance Programs*, p. 20.

21 Ibid., p. 6.
troubled employee. The Insurance Information Institute (III) estimates that 40 percent of white-collar crimes are possibly caused by the compulsive gambler.\(^2^2\) A significant amount of this crime is caused by financial difficulties resulting from the employee's obsessive preoccupation with gambling.

There are various estimates regarding the magnitude of gambling in the United States. Gamblers Anonymous estimates that people gamble $100 billion annually and if one includes stock market speculation, the figure rises to $300 billion annually.\(^2^3\)

**Personal Finances**

Financial difficulties are a major social problem (e.g. the credit industry reports that bad debts cost creditors $6 billion annually).\(^2^4\) Reports from The Financial Counseling Project at the Virginia Polytechnic Institute and State University indicate that personal financial problems are growing faster than any other problem affecting employees' job performance.\(^2^5\) Furthermore, there are indications that financial problems are interrelated to one or more other problem areas, such as chemical dependency and gambling.

\(^{2^2}\)Ibid.

\(^{2^3}\)Ibid.

\(^{2^4}\)Ibid., p. 7.

Legal Problems

According to D. W. Myers, employee legal problems are partly due to the litigious nature of today's society.\(^{26}\) He further asserts that employees are increasingly faced with a wide range of potential and real legal problems; and, as a result, today's employees are more likely to seek legal advice because of financial and consumer debt problems, child custody issues, divorce procedures, tax issues, leasing agreements, etc.

Mental Health Problems

Mental health is a pervasive problem among workers in the United States. There are estimates that indicate that as much as 35 percent of the workforce is experiencing some form of emotional dysfunction.\(^{27}\) According to the National Association for Mental Health, businesses lose $17 billion or approximately $1,622 per employee annually due to emotional problems.\(^{28}\)

Family and Marital Problems

A 1969 study of employees showed that 1 percent of their problems involved a conflict between their jobs and families; by 1977 the figure increased to 25 percent.\(^{29}\)

---

\(^{26}\) Myers, *Establishing and Building EAPs*, p. 8.

\(^{27}\) Ibid., p. 8.


Another issue in the area of family and marital problems concerns female-headed households or households that include a working wife. Evidence indicates that a large proportion of women work out of necessity, since one-third of all families headed by females have incomes below the poverty level and about 75 percent of working women are either single, separated, or have spouses who earn annual incomes under $10,000. Thus, the pressures of child care, domestic responsibilities and job demands place tremendous pressure upon families, especially female employees. There is evidence that these pressures significantly contribute to the high rate of alcoholism among female employees.

The EAP Process

There are three ways in which an employee reaches the company EAP: as a self-referral, as a medical referral, or as a supervisory referral. While some organizations boast self-referral rates to EAPs as high as 60 percent, in most organizations employees are referred directly or indirectly by their supervisors. Essentially, many employees who appear to be self-referred may actually have been prompted to contact the EAP as a result of an informal supervisory conference.

In terms of treatment provided to a self-referral versus a supervisory referral, there is no difference. However, the difference becomes apparent when the employee refuses to cooperate in treatment or decides to discontinue the treatment. If the employee is self-referred,

---


31 Scanlon, Alcoholism and Drug Abuse in the Workplace, p. 29.
he has the option to discontinue treatment at any time. An employee referred by the medical department of the organization may also refuse treatment providing that the employee's condition is not affecting job performance and/or the employee's behavior does not endanger personal safety nor the safety of others.

However, the employee who is referred to the EAP by a supervisor has a different status, especially, if the referral was made as an alternative to disciplinary action. An employee's refusal to accept the referral at this juncture may lead to further action, ultimately, resulting in disciplinary procedures (See Figure 1).

The warning interview is a specific management procedure applied when the employee's performance remains unsatisfactory after an earlier intervention interview. In many organizations, this happens regardless of whether or not the employee is currently involved with an EAP. Thus, the warning interview initiates a probationary period during which time the employee must achieve a satisfactory level of performance or realize the possibility of dismissal.

The term used to describe the process in which an employee is encouraged to seek out the services of the EAP is referred to as a "constructive confrontation," a term coined by H. M. Trice. He states that

The decline in job performance that accompanies problem drinking is used as a basis for constructively offering alternative courses of behavior. Such employees should also be given emotional support and practical assistance, designed to direct them toward rehabilitation. Constructive confrontation represents an application of a social learning paradigm that is
Supervisor Recognizes and Documents Employee's Unsatisfactory Job Performance

Consult with Program Coordinator

Consult with Union Representative

Conduct Corrective Interview with Employee

Condition Not Improving

Conduct Second Interview and Offer Help from EAP

Employee Refuses Program Participation

Progress Unsatisfactory

Disciplinary Action

Final Job Action

Employee Accepts Program Participation

Refer Employee for Professional Evaluation and Plan of Action

Satisfactory Progress

Job Performance Improves

Acceptable Job Performance

currently coming into prominence in the field of behavioral sciences. 32

The Role of Supervisors

According to H. M. Trice, the deterioration in job performance which accompanies the problem is used"... as the basis for con-
structively offering alternative courses of behavior."33 The "con-
structive confrontation" method can be effective only if the supervisor is doing a competent job. There are five generally accepted basic steps which must be taken by the supervisor. These steps include:

1. Recognition that a problem exists and that there is a pattern of declining work performance. It is es-
   sential for the supervisor, when presenting the pro-
   blem to the employee, to describe the performance problem as observed and not to diagnose or evaluate the personal problem causing the performance problem.

2. Documentation and keeping an up-to-date file of the employee's work performance are important. The em-
   ployee may actually be unaware that job performance has declined and having proof helps the employee to comprehend the extent of the problem .

3. Action is the progressive formal disciplinary pro-
   cedure consisting of informal verbal warnings, cor-
   rective interviews, work suspensions, and/or termi-
   nation. Whatever the organization does in terms of discipline, it is essential for the supervisor to follow-through with established disciplinary proce-
   dures.

4. Referral is the action of getting the employee to the EAP.

5. Reintegration is particularly important if the em-
   ployee was placed in a live-in rehabilitation pro-
   gram. An employee's return to work is a crucial

---

33 Ibid.
phase of the employee's recovery; it can be mini-
mized if the supervisor is prepared and knows what
to expect.  

Trust and Confidentiality

It is virtually impossible to ignore the importance of "trust" and "confidentiality" in any discussion of employee assistance programs and supervisory referrals. Confidentiality is usually used in the legal sense and is likely to be followed by other legal terms and phrases such as "release of information," "code of federal regulations," "patient rights," etc. The chemically dependent patient is protected under federal and state laws, and other troubled employees are protected under provisions of federal privacy acts and local laws where applicable. These laws, statutes and regulations are intended to protect all patients including employees using the services of the EAP. Employees who are referred either by supervisors or themselves are equally protected. Therefore, confidentiality is assured whatever the status of the employee. In spite of repeated emphasis upon confidentiality, breaches do occur. Nearly 50 percent of the respondents in one EAP survey stated that the employees felt confidentiality was a serious problem.  

Trust refers to "the obligation or responsibility imposed on one in whom confidence or authority is placed." Thus, the distinction

---

34 Scanlon, Alcoholism and Drug Abuse in the Workplace, pp. 32-33.
35 Myers, Establishing and Building EAPs, p. 224.
36 Scanlon, Alcoholism and Drug Abuse in the Workplace, p. 46.
is that "confidentiality" is mandated while "trust" is assigned by a person. D. W. Myers states that "employee trust is vital to counselor effectiveness." He further explains that employees are skeptical of EAPs, particularly those which are newly established. This feeling is reinforced by the confrontation aspect of EAPs in addition to the employees' belief that the program exists to identify and discipline problem employees. These feelings of distrust result in insufficient referrals and lack of employee cooperation with primary prevention efforts.

Goals and Objectives

Whatever services a program offers above or beyond assisting employees to solve problems affecting job performance, the EAP's primary objective is the effectuation of the organization's policies and procedures on identifying and providing assistance for troubled employees. The goal is "to keep the employee working and free of problems that could affect job satisfaction and performance." Scanlon cautions that "neither the range of services nor the program's level of sophistication should interfere with this mandate."

There are three motivations cited in the literature for implementing employee assistance programs: 1) economic, 2) humanistic,

---

37 Myers, Establishing and Building EAPs, p. 222.
38 Scanlon, Alcoholism and Drug Abuse in the Workplace, p. 18.
39 Ibid.
and/or 3) a desire on the part of management to build employee loyalty. The preponderance of literature suggests that economic issues are of primary concern and are the major contributing factors in the increased attention given to EAPs. While cost considerations are undeniably a major factor in installing and maintaining an EAP; the human factor, some authorities in the field assert, is the major impetus for employer assistance programs. They interpret program benefits in human terms, concentrating on recovery rates rather than employing cost benefit analysis as evidence of a program's success. The EAP Manual reports that organizations usually install such programs for "altruistic reasons," and that... "the principal business of these programs is saving lives and by extension, families."  

Scanlon maintains that while there is a cost-benefit side to helping troubled employees, the human side is equally important.  

In referring to EAPs, he further states that "they serve to improve the quality of life and create a work environment where the employee's health is an important corporate consideration." Consequently, the implementation of an EAP establishes a no-nonsense approach to job related problems that many organizations continue to ignore. Thus, dealing directly with job related problems reflects "the viewpoint that is both employee-oriented in

---

40 Duncan, The EAP Manual, p. 11.
41 Scanlon, Alcoholism and Drug Abuse in the Workplace, p. 83.
42 Ibid.
nature and reflects a leadership that knows the value of human capital and how to protect that investment. 43

The Scope, Benefits and Value of EAPs

The number of organizations subscribing to the EAP concept continues to increase every year. In 1959 there were 50 major companies with programs in place and by the year 1973 there were 500 programs nationwide. 44 There are presently 8,000 EAPs operating in the United States. 45 These programs can be found in both the private and public sectors and in virtually every type of organizational setting. Smaller companies often band together to form consortiums or enter into contractual arrangements with EAP consulting forms. A study by the American Society of Personnel Administrators in 1983 indicated that 55 percent of all companies with more than 5,000 employees offer EAP services. 46 Another study which was conducted during the same year reported that 56.7 percent of the top 1,000 companies listed by Fortune had programs aimed at helping the chemically dependent employee. 47 Moreover, there are predictions by authorities in the field of employee assistance

---

43 Ibid.
44 Target: Alcohol Abuse in the Hard to Reach Workforce, p. 3.
45 Ready, "ALMAC's Membership Problem," p. 3.
47 Duncan, EAP Manual, p. 11.
programming that as much as 90 percent of the employee population in the United States will have access to an EAP by 1990.48

The literature suggests that there are a number of reasons for the continued growth and success rates of EAPs across the nation. For some organizations, the establishment of an EAP is an economic venture with expectations of increased profits. Other organizations believe it to be their social responsibility to provide such services, while some organizations consider the EAP as an investment in human capital.49 Whatever the rationale for offering employee assistance, the primary objective remains the same, that is, to assist troubled employees with their personal problems and to return them to the job as full functioning employees. It is during the process of achieving this goal that the EAP makes significant contributions to the organization. The benefits of EAPs are well-documented throughout the literature, many of which include, but are not limited to the following:

1. Lost productivity, absenteeism, and poor job performance are reduced and troubled employees become productive employees;

2. EAPs promote well-articulated policies and standards on troubled employee problems affecting job performance;

3. Supervisors and managers are trained to address employee problems appropriately;

4. Reduced number of grievances processed and reduction in turnover;

48 Scanlon, Alcoholism and Drug Abuse in the Workplace, p. 124.

49 Ibid., p. 55.
5. Reduced incidence in on- and off-the-job injuries as well as the number of disability claims and compensation applications filed.

6. Reduced insurance premiums and/or payments for employee medical expenses;

7. Improved employer-employee relations;

8. Alcohol and drug education programs are sponsored and information on other related issues is disseminated;

9. Improved morale and satisfaction results; and

10. Rehabilitation is realized as an alternative to employee termination.

The value of establishing an EAP can be expressed in many ways. The program's value extends to the community, the family, and to society. Whichever methods or values are used to determine the viability of the EAP concept, the ultimate benefactor must be the organization paying the cost of the program. J. M. Spencer highlighted the employer's responsibility to troubled employees and the benefits of EAPs to both employers and employees by stating that:

In all, it seems certain that more employers will assume responsibility for the rehabilitation of the troubled employee as the most constructive, humane, and least cost path available. In doing so, the employer at best will be able to convert non-productive employees into productive ones and at least to cut short company losses attributed to long term tolerance of the non-productive employee by identifying those employees, fulfilling company obligations to them with respect to rehabilitation and terminating the employees who cannot comply. In the long run, these policies will benefit employers as well as employees.50

---

IV. METHODOLOGY

This study basically describes employee assistance programs (EAPs) and some of the critical issues inherent in the management of such programs.

Descriptive analysis is employed to examine these issues and to make generalizations and comparisons regarding contemporary EAPs. The primary aim of this analysis is to gain a clearer understanding of problems confronting the management of EAPs and to ultimately provide alternative solutions for these problems.

The study relies mainly on information obtained from secondary sources such as books, scholarly journals, periodicals, and unpublished materials.
V. ANALYSIS

A major criticism of EAPs is that they tend to be treatment-oriented; that is, they focus on the mechanics of identifying and treating troubled employees. This orientation often results in treating the symptoms rather than the causes of problems. For example, treating an employee's alcohol problem is not appropriate if perhaps a stressful occupation is causing the alcohol abuse. Therefore, the EAP can not be reasonably expected to carry the entire burden of troubled employees. It has been suggested that a dual orientation is more plausible in which the EAP aims at preventing problem causes (particularly those within the work organization) and treating those problems which could not be prevented.51

A Taxonomy of Problem Areas

The areas which cause employees to be troubled and may eventually lead to problems on the job are shown in Figure 2. For purposes of analysis, these problem areas are classified into work-related and personal problem causes. Classifying problems into two general categories will assist in accomplishing the following objectives:

1. To understand the problem areas and their interrelationships;

2. To provide an examination of those problems which are often misunderstood and/or overlooked;

51 Myers, Establishing EAPs, p. 27.
FIGURE 2
A TAXONOMY OF EMPLOYEE PROBLEM AREAS

<table>
<thead>
<tr>
<th>Work-Related</th>
<th>Job</th>
<th>Personal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>Job conditions</td>
<td>Alcohol</td>
</tr>
<tr>
<td>Discrimination</td>
<td>Expatriate reentry</td>
<td>Drugs</td>
</tr>
<tr>
<td>Favoritism</td>
<td>Temperature</td>
<td>Family</td>
</tr>
<tr>
<td>Skill deficiencies</td>
<td>Noise</td>
<td>Mental</td>
</tr>
<tr>
<td>Management style</td>
<td>Toxicity</td>
<td>Physical</td>
</tr>
<tr>
<td>Theory X</td>
<td>Weather</td>
<td>Health care</td>
</tr>
<tr>
<td>9.1</td>
<td>Ventilation</td>
<td>Age</td>
</tr>
<tr>
<td>Autocratic</td>
<td>Safety</td>
<td>Legal</td>
</tr>
<tr>
<td>Sexual harassment</td>
<td>Job structure</td>
<td>Gambling</td>
</tr>
<tr>
<td></td>
<td>Variety</td>
<td>Financial</td>
</tr>
<tr>
<td></td>
<td>Complexity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Autonomy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Opportunity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Role conflict</td>
<td></td>
</tr>
</tbody>
</table>

3. To formulate goals and strategies to reduce or control conditions that cause employee problems; and

4. To provide the framework for presenting alternative solutions.

Work-related problems are those problems which are precipitated by either management or the work environment. These are not discussed in this analysis; they are merely presented in (See Figure 2) to distinguish those problem areas from problems which are personal in nature. Generally, personal problems are the concern of the EAPs; thus, this analysis concentrates on those problem areas rather than on work-related problems. The following subsections discuss significant problem areas that cause employee deficiencies and examines their impact upon organizations.

Alcohol and Drug Abuse

Among the experts there is no clear distinction between the terms "problem drinker" and "alcoholic." Generally, a problem drinker is viewed as a person who needs a drink to deal with situations; who admits to being intoxicated; who is intoxicated on the job or while driving a vehicle; and possibly has experienced an encounter with the legal system because of intoxication. The alcoholic's symptoms are similar to those of a problem drinker. Other characteristics include drinking alone, needing a drink in the morning and hiding the problem from others.\(^{52}\)

\(^{52}\)Ibid., p.3.
D. W. Myers maintains that alcohol abuse is associated with more of the personal problems in Figure 2 than any of the other problems.\(^{53}\) There are a full range of deficiencies which are caused by alcoholism or alcohol use; some of which include:

1. Absenteeism (e.g. the United States Postal Service found through patterning attendance records that compared to average employees, problem drinkers take from 22 to 45 more days off each year)

2. Tardiness—in the early stages of problem drinking the lunchtime tardiness often occurs or lateness at the beginning of the work day—results from the need to recover from a week-end drinking binge or hangover

3. Accidents—there is evidence which suggest that the middle stage of alcoholism is characterized by repeated minor injuries (both on and off the job); one study found that compared to a non-alcoholic control group, alcoholic employees were absent three and one half times longer after accidents

4. Conduct—uncooperative behavior and falsifying reports or making false statements are symptomatic of many problem drinkers

5. Work quantity—employee recovering from a hangover may have temporary physical ability impairments that reduces production level or prevents them from meeting job standards

6. Work quality—some of the first symptoms of problem drinking is evident in either declining or erratic work quality.\(^{54}\)

Some authorities describe the problem of chemical dependency as reaching epidemic proportions. While alcohol remains at a relatively constant rate, the growing use of other mood-altering drugs has created

\(^{53}\) Myers, *Establishing and Building EAPs*, p. 36.

\(^{54}\) Ibid., p. 48.
special problems within the workplace as well as challenges for the EAP (i.e., legal, ethical, cost, and policy considerations). Drug abuse contributes to other job related problems such as employee theft, financial and marital problems, and gambling.

Family

Family conditions which cause employees to be troubled are usually defined as traumas arising from the domestic or family situation. These traumas have a debilitating effect upon employee functioning and may eventually spill over into the workplace. However, the effect of family problems within the workplace is not easily determined, primarily, because individuals handle traumatic situations differently and because of the scope of these problems.

Mental

There are two aspects of mental conditions that may cause employee problems. One is the employee's mental health which could be adversely affected by one or more of the following: drugs, alcohol, long-term predisposing conditions, or immediate precipitating factors. For example, depression is a mental problem that some authorities estimate may affect from 6 to 10 percent of the employee population. Stress, a non-specific bodily response to pleasant and unpleasant stimuli, is estimated to cause productivity losses of $77 billion annually.

---

Stress is also related to a variety of other job problems; for example there are estimates that it is a factor in 85 percent of industrial accidents.  

The other condition is the employee's mental capabilities. Two examples affecting an employee's mental condition are senility and mental handicap, either may cause job problems.

**Physical**

In analyzing physical causes of employee problems, there are two dimensions which need to be considered. The first is the employee's physical condition which is partially a function of other personal problem areas such as chemical dependency, age, and health care. Heredity and work conditions (i.e., safety) are also involved. The other dimension is primarily concerned with physical handicaps. D. W. Myers indicates the importance of distinguishing between these two physical dimensions. He clarifies this point by stating that

> an employee who might be physically handicapped due to loss of a limb should not be considered disabled if the person is capable of performing the job; however, an employee who is not handicapped may be disabled to perform a specific job due to poor health.

Both conditions are potential problem areas if they are not effectively handled through the process of a thorough job analysis and, ultimately, job placement.

---


58 Myers, *Establishing and Building EAPs*, p. 39.
Health Care

Health care is a function of several variables such as smoking habits, diet and exercise, caffeine intake, and forms of relaxation. Smoking, for example, a major health and wellness issue costs organizations an estimated direct loss of 78 million work days per year. A number of organizations have adopted exercise and wellness programs to assist employees with health problems. Since preventive health care emphasizes educating and informing employees regarding the dangers of chemical dependency, health care and other problem causes, such as alcoholism are interdependent. Also, health care programs teach employees techniques for reducing stress.

Concern over the rising costs of health care is motivating the use of EAPs. In 1960, American businesses spent an estimated $27 billion on health care and in 1980 these costs escalated to well over $159 billion. Thus, in an effort to contain health care costs, employers recognize the direct relationship between the availability of EAPs and controlling the number of resultant health insurance claims. According to R. T. Hellan, the EAP is being used more frequently as a mechanism for monitoring health care within the organization.


61 Ibid.
**Age**

The fastest growing segment of the United States population is people over the age of 75. In 1980, 11 percent of the population was over 65; this is in marked contrast with the year 1900 when the same group constituted only 4 percent of the total population. By the year 2030, it is estimated that from 17 to 20 percent of the population will be over the age of 65.62

Employees who are experiencing mid-life crisis and those who are considering retirement may have job problems caused by these factors and their unique circumstance. Both mid-life crisis and retirement can be traumatic for those employees who fear income reduction and/or have health care problems. These concerns as well as other worries may lead to severe depression and emotional difficulties. Alcoholism is an increasing problem among the older worker and the risk of serious related health problems is even greater in this group.

**Legal**

Through the use of factor analysis with 14,000 cases in an EAP within a large organization, it was determined that legal problems ranked number three in priority out of nine factors for employees over age 60. Also, in other methods of quantitative analysis variables such as race, sex, and occupational comparisons, legal problems were of

---

little importance among the nine factors considered. Therefore, it appears that except for older employees, legal assistance does not have top priority among employees.

Gambling

Gambling, particularly compulsive gambling in which there is a psychological dependence, is both a symptom of employee problems and a factor in other problem areas (e.g. alcohol abuse and financial problems). While much remains unknown regarding this problem area, there is increasing evidence that gambling may cause more problems within the work setting than was previously suspected.

Financial

Financial conditions which cause employees to be troubled include the following:

1. Income loss due to layoffs, reduction in workforce, job changes, terminations, overtime reduction, demotions, etc.;

2. Failure to notify creditors when emergency situations occur preventing employees from paying obligations in a timely manner;

3. Excessive medical expenses;

4. Major expenses due to catastrophes such as uninsured fire, accidents, etc.;

5. Lack of knowledge regarding credit use and credit methods.

---


64 Myers, Establishing and Building EAPs, p. 37.
In addition to these factors, there are problem areas which cause financial distress, such as chemical dependency, family and marital difficulties, and gambling.

**Approaches to Problem Areas**

EAPs may differ both in operating approach and structure. This section discusses the major approaches used by employers in regards to employee job performance.

The two major approaches to EAPs are the "preventive" or primary prevention approach and the "performance" or "confrontation" approach. The preventive approach is concerned with controlling employee problems before the employee exhibits job performance deficiencies while the confrontation approach focuses attention on the employee whose job performance is adversely affected.

However, it is important to first examine these major approaches within the context of management's response to employee problems through the traditional performance model. The traditional performance model structures jobs so there is clear delineation of duties and responsibilities. The basic features of this model are outlined in Figure 3. This model emphasizes organizational goals, job parameters and the employee. R. Leavitt maintains that an employee's behavior in the workplace is governed by three assumptions. First, employment is a contract between the employer and the employee which provides the employee with wages and benefits in exchange for work performed at a specified level of quality and quantity, and in a socially acceptable fashion (i.e., adequate attendance, acceptable interaction with other employees, etc.). Second, the employee is expected to work continuously allowing the
FIGURE 3

THE TRADITIONAL PERFORMANCE MODEL

Organizational Goals
Customers
Stockholders/citizens
Employees
Society/public

Job Requirements
Duties
Procedures
Productivity
Quality
Other

Supervisor
Employee Effectiveness
Abilities
Knowledge
Skills
Motivation
Training

Disciplinary
Warning
Suspension
Demotion
Discharge
Other

SOURCE: Donald W. Myers, Establishing and Building Employee Assistance Programs (Westport, CT: Quorum, 1984), p. 23.
organization to maintain predictable levels of productivity. Third, the supervisor is management's representative and is responsible for regulating the contract between employer and employee.\(^{65}\) Thus, the supervisor's role is to ensure that duties are accomplished according to the organizational plan and in accordance with specified procedures. The following scheme is used by supervisors for interpreting an employee's unsatisfactory performance:

1. Stress or environmental paradigm: an employee's performance is affected by unusual conditions in the workplace.

2. "Bad employee" paradigm: an employee acts inappropriately on the job.

3. Behavioral paradigm: an employee requires additional supervision to assist him conform, adjust, or cooperate with co-workers.

4. "Troubled employee" paradigm: an employee's job performance problem is viewed as a personal problem which the employee is unable to control.\(^{66}\)

Regarding the final paradigm, a supervisor has three options: (1) the problem can be viewed as transitory and self-correcting within the normal course of events (i.e., warnings, disciplinary procedures); (2) the supervisor can counsel the employee to the extent that the employee becomes aware of the problem and resolves it; or (3) the supervisor can interpret the employee's problems as falling outside the realm of his supervisory control.

In summary, the traditional model (with its emphasis on adversarial relationships between manager and employee) is the one presently followed

---


\(^{66}\) Ibid.
by most public and private sector organizations. However, within the past decade organizations have taken a serious look at the traditional model and found it to be lacking in a number of areas. In spite of efforts to train employees, for example, deficiencies continue to occur in excess of what management considers to be reasonable. Furthermore, the progressive implementation of disciplinary measures appears to be ineffective in producing improved job performance. More importantly, regardless of efforts to improve this model, employee deficiencies continue to occur and even increase.

The second approach to employee performance is fundamentally different from the traditional model; therefore, the resultant model has been appropriately referred to as the modified performance model (See Figure 4). There are two components which distinguish this model from the traditional one. Employee problems are included as a factor affecting employee effectiveness. Also, an employee assistance component has been added to the performance model to deal with such problems. Thus, the principal difference in the two models is the latter's emphasis upon both prevention and treatment of employee problems.

Issues of Confidentiality

Confidentiality is an essential component in any EAP and one of the necessary conditions for ensuring its success. One of today's most pressing concerns is the issue of compliance with federal and state confidentiality laws and regulations. W. E. Scanlon points out that

---

FIGURE 4

THE MODIFIED PERFORMANCE MODEL

Organizational Goals

Customers
Stockholders/citizens
Employees
Society/public

Job Requirements

Duties
Procedures
Productivity
Quality
Other

Employee Effectiveness

Abilities
Knowledge
Skills
Motivation
Training
Problems

Disciplinary

Warning
Suspension
Demotion
Discharge
Other

Employee Assistance

Counseling
Problem
Identification
Referral
Service delivery
Follow-up

SOURCE: Donald W. Myers, Establishing and Building Employee Assistance Programs (Westport, CT: Quorum, 1984), p. 23.
"employers often assume that these laws are not applicable to them."⁶⁸ These employers erroneously assume that only external treatment programs must be concerned with such issues. However, most EAPs are considered treatment programs and therefore obligated to comply with federal and/or state regulations protecting the confidentiality of EAP clients.

Since confidentiality is ensured by federal and state laws, it would behoove any organization contemplating an EAP or with an EAP in place to have a written policy and procedure establishing the following: (1) how records are to be maintained; (2) who will have access to confidential records; (3) for what length of time will records be maintained after an employee has left the treatment program; (4) what information will be released and to whom; and (5) under what conditions, if any, can records be made available for the purposes of research, evaluation, and reports. Scanlon advises "that those individuals involved in the administration of EAPs be aware of all federal statutes and regulations governing confidentiality of records."⁶⁹ He cautions against allowing client records (maintained by the EAP) to become a permanent part of an employee's personnel file. In addition, he recommends that the organization's written policies and procedures regarding confidentiality be disseminated to all employees and supervisory personnel. Such written guidelines must be closely adhered to and should be fully understood by everyone within the organization. This will help to ensure employee rights and simultaneously reduce legal actions taken against the employer.

---

⁶⁹ Ibid., p. 109.
The EAP Function

The EAP concept provides a unique opportunity to serve the humanitarian as well as pragmatic concerns of employer and employee alike. However, the EAP's primary objectives are the objectives of the organization. These objectives are, in fact, both functional and pragmatic. H. M. Trice must have considered both the value and function of EAPs when he stated:

EAPs are an expression of humane pragmatism. The EAP does its best job for the corporation, society, and the individual when it abjures the soul-saving posture and is faithful to its definition as primarily an organization strategy to keep the competent worker working.70

Thus, in order to be most effective the EAP must be integrated into the larger organization and must be implemented cautiously. Essentially, this goal has been realized in neither the private nor public sector programs. Overall, these organizations have EAP programs that are underdeveloped, poorly integrated into the entire organization and quite distant from replicating the ideal model advocated in the literature. It has been suggested by D. W. Myers that strategic planning is essential in order to deal with the challenges of underdevelopment, lack of integration and the potential for "paper" or symbolic programs. Thus, according to Myers, strategic planning is a prelude to an effective program and ensures its continued success.71

---

70 Ibid., p. 140.

VI. CONCLUSION

The primary purpose of any employee assistance program (EAP) is to provide assistance to employees whose personal problems are interfering with their job performance. Whatever the rationale for establishing an EAP, whether it is humanistic, pragmatic, or a combination of both; it is a major decision which should not be entered into lightly. The decision to implement an EAP is a long-term commitment of organizational resources. Acceptance of this fact by management will help to ensure that thorough planning precedes the actual implementation of the program.

Thus, several critical issues must be carefully considered before an EAP is put into place and periodically reviewed during an EAP's existence. Some of these issues include the following:

1. Problem areas that exist in a particular employee population
2. The significance of the impact of those problems upon the organization
3. Approaches in addressing problem areas
4. Compliance with federal and state confidentiality laws/regulations.

In order for an EAP to be effective, the organization must examine its own individual needs and shape the program to those needs while at the same time strive for the flexibility necessary to adapt the organization's structure to the changing needs of its workforce. Furthermore, these conditions must be continually met in order for EAPs
to remain successful. Through strategic planning, integration of EAP functions and organizational goals are achieved. Consequently, EAP effectiveness results from requiring the EAP to accomplish that which is consistent with organizational goals.
VII. RECOMMENDATIONS

The following recommendations are offered to enhance the overall effectiveness of the EAP when implemented by either private or public sector organizations:

1. Management should identify the specific problem area(s) which adversely affect employee job performance and determine to what extent those problem areas impact upon the entire organization. Management information systems within the organization should be modified to show the incidence of employee problems by work location, job title, and other characteristics to assist management in taking corrective action(s).

2. The EAP should adopt a dual approach aimed at preventing problem causes (particularly those within the organizational setting) and treating those problems. The primary focus should be on the causation of problems rather than on merely treatment of symptoms.

3. In order to protect the confidentiality of employees involved with EAPs, organizations should establish written policies to govern procedures regarding employee records. This information should be disseminated to and understood by everyone within the organization. More-
over, EAP administrators must be cognizant of all federal and state laws/regulations governing the confidentiality of employee records.

4. EAP functions should be integrated into the larger organizational scheme through the process of strategic planning. It is recommended that any organization considering an EAP should begin with a feasibility study to determine organizational goals. The next phase involves defining the EAP approach and designing the structure. The final planning phase should involve the defining of goals, policies and procedures. This process, if implemented properly, will ensure EAP effectiveness by requiring the EAP to accomplish that which is consistent with organizational goals.
VIII. BIBLIOGRAPHY


Target: Alcohol Abuse in the Hard to Reach Workforce. Rockville, MD: National Institute on Alcohol Abuse and Alcoholism [1982].


