By Stephenie Overman

B

y practicing what it preach-es, a Whitby, Ontario well-

ness-consulting firm saves

about $100,000 a year on absen-

teeism costs.

Buffett, Taylor & Associates Ltd., is

a winner of the 2005

National Quality Institute

Healthy Workplace Award. The

small firm has what President Ed

Buffett describes as a “mature”

Employee Assistance Program,

one that has been in place for

more than 10 years.

Reduced absenteeism

Absenteeism is one of the easi-
est ways to evaluate the

Return on Investment of an

EAP, according to

Buffett. He says

while the national

absenteeism

average in

Canada is

nine days

per employ-

eee a year, Buffet-

Taylor &

Associates’

average is less than two days

a year per employee.

Doing the math, Buffett

calculates “my absenteeism cost

avoidance is $100,000, with only

30 people. That’s significant. That

far exceeds what we spend on our

EAP. Forgetting the altruistic rea-
sions, it’s a good investment. I wish

some of my own investments were performing at

that level.”

The reason Buffett associates such low absen-
teeism with EAP services is that “we don’t have a

lot of people who need ‘mental health’ days” be-

cause the firm concentrates on keeping employ-

ees well. Too often, he says, the focus is on

employees who are at immediate

risk, rather than on preventing

healthy employees from becom-

ing at risk.

Among other benefit features, Buffet-

taylor & Associates has a

Heart/Health Day, and receives

quarterly drug utilization reports

to identify the amount of stress

and depression in the workplace.

But employees often tend to

overlook the benefits of their

Employee Assistance Program, so

Buffett works with provider C.J.

Brown & Associates Inc. to keep

the EAP “front and center” in

their minds.

“We have town hall meetings

every week on a range of issues.

We monitor awareness levels. We

have a questionnaire yearly to

make sure people are aware of the

program and know how to access

it. We get a report from our

provider annually,” he says. “We

scrutinize the report closely.”

ROI calculator

EAP provider Ceridian Canada Limited, based

in Markham, Ontario, wants to help companies do

a better job of scrutinizing the ROI of their EAPs.

Ceridian recently brought an ROI tool to the

Canadian market, which, “to our knowledge doesn’t

(See Calculating on page 30)
Calculating the ROI of EAPs

(From page 29)

exist elsewhere,” says Sean Slater, director of client services. “We went to an industry expert to build a return on investment calculator” to measure ROI in five areas: Employee retention, health costs, absenteeism, productivity and time saved. “Through a number of studies we’ve been able to take unique client data on benefit costs and absenteeism and so on and run [the data] through the calculator to kick out a return on investment,” he says.

Although use of the ROI calculator is still in the early stages, Slater sees “a lot of interest” from clients, who are particularly concerned about health costs and absenteeism. An added advantage of the calculator is that it encourages companies to do a better job of tracking the data they need to effectively measure results, Slater says.

External comparisons

Moneris Solutions, one of Ceridian’s clients, isn’t using the ROI calculator yet, but plans to in the future, says Joan Mitchell, vice president of human resources. “To date we have a fair number of measurements and this will only enhance them,” she says.

The Toronto-based company, which processes debit and credit card transactions, has doubled its employee population in its five years of existence. It now has more than 1,200 employees, mostly in Canada, including call center employees. “It’s a busy, tense environment. You can only keep the jets on so long,” Mitchell says.

Moneris Solutions not only uses data from Ceridian, based on the company’s population, but also external comparisons with similar companies to monitor how well the EAP is working. “We watch the topics; we watch our population. We see where the attention is: half is lifestyle such as day care and elder support. The other half is personal health issues such as wellness, smoking cessation, drug and alcohol use,” she says.

“I watch utilization. There are real tension points that you can put your finger on. We can see that 11% of the people who called in [to the EAP] were looking for financial or legal support. We’re happy they can do that at our expense. Another 20% called regarding health and wellness.”

Action plans

All this measuring and studying leads to action. “The data helps the company better determine its policies and procedures mechanisms. We use our EAP and benefits provider to continue to look at and revamp our program. We can change our benefits offering to respond to trouble spots,” Mitchell says. “We’re nimble enough to push our providers to satisfy employees’ needs and wants.”

Stress, for example, “has taken a higher profile than we’d like to see.” To counter that, “we have lunch-and-learn sessions. We invite [Ceridian] in to conduct workshops.” Moneris Solutions is working with Ceridian to reduce the short-term disability costs that result from stress. “It’s difficult at this point to measure, but it’s on our radar. There’s a lot of stress in the workplace. If they can get in the door before things get desperate, they can most certainly make a difference.”

Employees had so many suggestions concerning health and wellness that Moneris Solutions created a Health and Wellness Day, she continues. “We brought in Ceridian and other service providers. We had exercise specialists and nutritionists to make information available. Those days were created based on information sources.”

“It is important to have the pulse of the different needs” of different groups of employees, she says. “There are easily three generations in this company. It’s important to track them. It’s amazing how different they are, even just 10 years apart.”

Boomers, for example, need information about elder care, not child care, and “we have pockets of employees who say they are not interested in traditional prescription drugs” so Moneris Solutions recently launched an alternative medication program.

Preventing recurrent costs

WarrenShepell, a Toronto-based EAP with 2,500 clients, helps companies analyze data and use it to prevent what are often recurring health costs, says President and CEO Rod Phillips.

For example, he says, if a company finds that anti-cholesterol drugs are a high-cost item, “we can help employees modify their behavior, and speak to them in a way that is difficult for the company to do. People know what they need to do — the trick is to do it. Our expertise is around behavior change.”

“When one company had a lot of women in their 30s who were on the partner track but were leaving the organization,” he says, an analysis of the data found that many were leaving because the company failed to reintegrate them after they had children. WarrenShepell was able not only to find the root of the problem but to offer maternity support and programs that helped them re-enter the workplace.

“EAPs have both the needed psychological and social health expertise and the tools to connect with employees on a confidential basis. You have a conduit that has employees’ confidence,” Phillips says.

Homewood Employee Health’s EAP uses a series of 32 self-administered questions to help demonstrate outcomes. “We assess at the beginning of a counseling case to get their impressions of their relations with the workplace. In the fourth session, we conduct an assessment again to monitor the employee’s relationship with the workplace and his/her ability to function both pre- and post-use of the EAP.”

Homewood tries to help companies look not only at where they can measure in dollars and cents, but “how they can measure in other ways that are as important, such as retention through changes and levels of satisfaction,” Ulbricht says.

EAPs can be especially helpful when a company is going into a business cycle where there will be dramatic changes — layoffs or even rapid growth, she says. “It’s not a positive time, but companies see the EAP as something to give employees as a way to feel cared for when they’re going through tough times.”

Often it’s simply the fear of the unknown that can cause stress, she adds. “One of the beneficial things is the EAP’s ability to consult around communication. We help companies put communications plans together. Nothing is worse than not knowing what’s going to happen.”

Again, measuring results is important. Homewood measures through a series of employee satisfaction surveys so “we can take the temperature throughout the business change.” — E.B.N.C.

Stephanie Overman is a freelance benefits writer located in Washington, D.C.