

# Davidson Trahaire Corpsych

## EAP RETURN ON INVESTMENT SUMMARY



## Return on Investment

An EAP provides three financial benefits to an organisation:

1. A **health care value component** which includes workers compensation and salary continuance insurance savings
2. A **human capital value component** which includes savings from reduced absenteeism and turnover and increased productivity and engagement and morale
3. An **organisational value component** which includes savings in regard to issues such as safety risks, employee grievances and legal claims as well as the positive benefits in demonstrating employee concern and support.

DTC is the first Australian EAP provider to measure and quantify the ROI from an EAP. We have been undertaking the study and analysis of the EAP intervention since 2007 with the first data published in 2009 and the second published in 2011. The summary results from the 2011 paper are detailed below.

EAP counselling clients from all major industry sectors across public and private sector employees in Australia have been included. The results of the current ROI study are based on matched pre and post EAP data from 4,459 clients. DTC has an ongoing commitment to the measurement of ROI and EAP efficacy and this study is in continual progress with all clients.

The questionnaire asks EAP clients to rate their current personal and work functioning and wellbeing against their own optimal functioning and wellbeing. The questionnaire design requires EAP clients to rate their current functioning and wellbeing on a scale of 1 to 100, where 100 is their own optimal level on each variable. That is, the questionnaire was designed so that each EAP client acted as their own 'control'. EAP clients were asked to rate their current functioning in regard to their personal functioning and work functioning as follows:

### Personal Functioning

- ▶ Emotional Wellbeing
- ▶ Physical Wellbeing
- ▶ Work-Life Management

### Work Functioning

- ▶ Work Productivity
- ▶ Morale and Motivation
- ▶ Work Relationships

In addition, EAP clients were asked to provide demographic, job level, remuneration and work attendance information. This enabled the analyses of subgroups and the calculation of EAP return on investment data. While this data could be applied to any EAP, it should be noted that the quality of the EAP intervention is also critical. The results shown in this study are based on the DTC EAP intervention. The results of the study show positive results in the areas of personal functioning, work functioning and absenteeism.

### Personal Functioning

Domain	Pre EAP	Post EAP	Mean Difference	Percent Improvement
Emotional Wellbeing	37.48	68.39	30.91*	82.47%
Physical Health	58.34	72.54	14.21*	24.36%
Work-Life Management	48.08	68.74	20.66*	42.97%

N – 4,459 / \* Difference is statistically significant (p<.01) / Measurements were self reported ratings on a scale from 1 to 100

### Work Functioning

Domain	Pre EAP	Post EAP	Mean Difference	Percent Improvement
Work Productivity	60.14	74.50	14.34*	23.84%
Morale and Motivation	45.77	68.58	22.81*	49.84%
Work Relationships	56.24	72.53	16.28%	28.95%

N – 4,459 / \* Difference is statistically significant (p<.01) / Measurements were self reported ratings on a scale from 1 to 100

The data is broken down by gender, referral type and a number of other variables to identify the impact of the EAP intervention as well as to identify where there may be scope for further improvement.

One of the significant findings from this study is the positive impact on absenteeism following the DTC EAP intervention.

### Days Absent from Work due to Presenting EAP Issue

Domain	Pre EAP	Post EAP	Mean Difference	Percent Improvement
Number of days absent in preceding eight weeks	2.52	1.86	0.65*	25.79%

N – 4,459 / \* Difference is statistically significant (p<.01)

The second key finding was the increase in improvement by those who were referred to the EAP by someone else, compared to those who self refer. This supports the active implementation of education and awareness activities to drive increased improvements for the employee population.

Using a standard utility analysis, an estimate of EAP Return on Investment (ROI) was calculated using the data derived from DTC EAP clients. The estimated benefit per client was derived using self-reported change in work productivity and the weighted average of annual salary ranges.

The result is the estimated monetary benefit of EAP counselling for the employer and is **an average of \$8,241.93** per EAP client. The ROI on EAP counselling is the figure of \$8,241.93 less the cost of EAP counselling per client. This figure does not include any benefits related to reduced workers' compensation risk, grievances, turnover, or benefits from other EAP services such as EAP manage consultations.