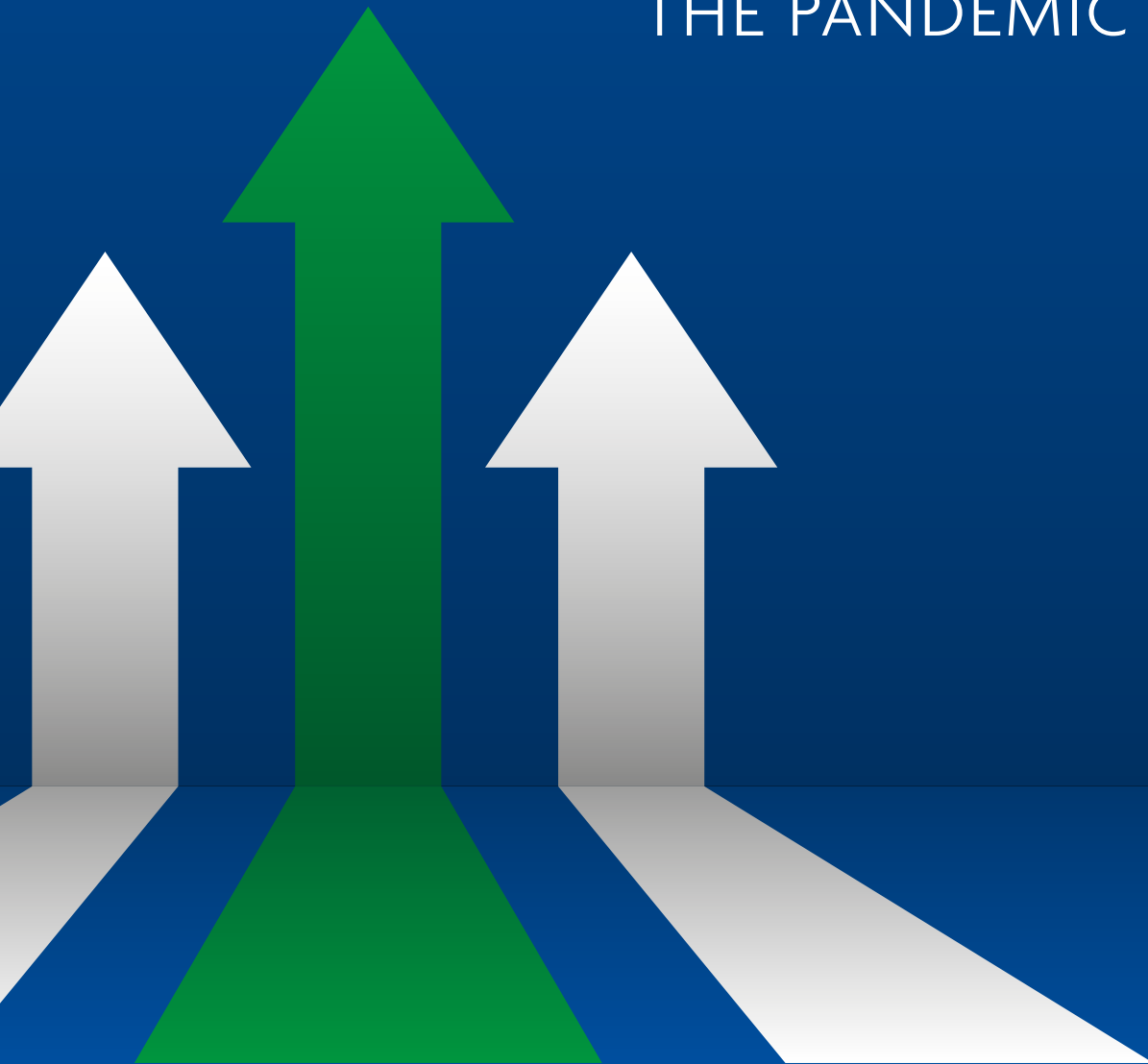


FINANCIAL RETURN ON EAPs 2022: THE PANDEMIC EFFECT



347,000 more employees turned to support from an Employee Assistance Programme (EAP) in the last year, compared with previous averages. Usage levels between October 2020 and October 2021 rose to 11.4% (up from a previous average of 10.4%).

As a consequence of higher usage, employers are seeing a higher Return on Investment from their EAP. For every £1.00 spent on an EAP in the UK, employers have seen an average return on investment (ROI) of £8.00. This compares with a previous average of £7.27.

The figures are a reflection of how well-being has become the front and centre of HR practice. In March 2020, with the first lockdown for Covid-19, the workplace changed. Working lives and home routines were broken, and over time more employees turned to their organisation for stability and reassurance of the ways forward.

Meanwhile EAPs have been essential in helping employers be that kind of resource of support and strength, helping people deal with the mess and complexity of the fallout from a global pandemic. And that's been tough for EAPs. The need to rework the offering overnight to ensure employees could continue to access counselling services. Dealing with the additional volume of calls and contact (particularly the peak times around Monday mornings and the 'hump' period of the week on Wednesday afternoons). Fewer people able, or wanting to, access NHS services. More needing ongoing counselling.

Figures like these on usage and ROI don't convey the full picture of what's been happening. Behind the numbers are human stories. We know from all of our conversations with EAP providers that the average call now involves more complexity, more employees with multiple issues to deal with, meaning more stretch and strain for operations.

EAPs have stood up to the test, and continue to do so despite shortages of counselling staff – as providers become affected, like so many other employers, by the 'Great Resignation'. Services have adapted and evolved. We're seeing better triage of cases and an increase in the availability and sophis-

tication of digital resources: the right support being made accessible more quickly, direct to specific advice on finances, housing, divorce etc. Where it's appropriate, coaching is being used instead of counselling.

Our evidence comes from HR professionals making use of the EAPA UK ROI calculator (www.eapa.org.uk/roi-calculator): the biggest data set on EAP usage, impact and financial returns in the UK: more than 3,200 calculations made via the EAPA UK ROI calculator since the beginning of 2019, representing anonymised information from seven million employees.

The calculator, developed for EAPA by the Institute for Employment Studies (IES), is an open source tool for benchmarking. Free to use, it can provide an instant, snapshot insight into the ROI from an EAP; or, with more detailed information on absence and productivity, the kind of data that can be used for regular management reports on the returns from investment in employee wellbeing and resilience, as the basis for HR conversations with Directors of Finance.

Higher EAP usage is here to stay, for the foreseeable future. We're seeing the gradual fall-out from disrupted and changing lives, from more uncertainty. During these times HR need to be demonstrating the specific value of their focus on wellbeing and the ROI data can be part of this: for benchmarking, illustrating the value of active communications and engagement, and for looking at the potential impact of trying different models of services and changing the level of investment.

Making sure there is a champion in HR for the EAP, paying particular attention to what's happening, is increasingly important. EAPs need to be set up and optimised to create the healthy, resilient culture in the workplace that benefits everyone involved.

Eugene Farrell, Chair of EAPA UK
Paul Roberts, Project Lead and EAPA Executive
Employee Assistance Professionals Association, eapa.org.uk

How the EAP ROI calculator works

The UK's first EAP ROI calculator was the result of a project led by Professor Stephen Bevan of the Institute for Employment Studies and funded by EAPA.

The calculator asks the employer to input data or informed estimates of the number of employees, annual cost of the EAP per person, absence data (days lost per employee per year, absence costs per employee (and if this figure isn't available a default figure from CIPD data is used), the reduction in absence levels estimated to be attributable to EAP use (again with a CIPD default figure if necessary); and productivity data: the percentage of staff using the EAP in the current year, the value of a fully productive employee and an estimate of the increase in productivity assumed to be achieved by reducing absence and presenteeism levels. Employers also enter an EAP service 'usage' figure. There is no standard method for this, but the great majority of calculator users enter a figure that represents the number of individual cases raised with an EAP.

The calculator then delivers a results page detailing absence costs, income

from productivity gains, the cost of EAP intervention and an estimate of Return on Investment based on a simple estimate of the additional productivity benefits gained per £1 of intervention costs.

The key challenges to making a reliable calculation of the financial impact of a workplace health intervention are around estimating both the direct and indirect costs of sickness absence, and finding a credible way to account for the costs (and benefits) of productivity losses (and gains). Banks of previous research were used by IES to identify the approaches that deliver the most realistic results.

For example, when it comes to sickness absence costs, the calculator uses the basic 'human capital approach' – multiplying the number of working days lost by the direct daily salary costs – but takes into account the indirect costs of absence such as NI costs and the

costs of benefits, bonuses, overtime payments, temporary 'cover', and the 'displacement' costs of line management and HR time in dealing with the consequences of absence.

For labour productivity costs and gains the calculator uses a method borrowed from human capital measurement and personnel selection. The 'standard deviation of job performance' approach to valuing employee productivity is based on experts – mostly supervisors – reviewing a range of employees and estimating the monetary value of different points over a spectrum of 'normal' job performance. In this way it's possible to make an estimate of the cost of productivity gains or losses as a proportion of average salaries.

The figures discussed in this report are based on data inputted independently by organisations. In order to generate the most useful insights, extraordinary results have been excluded.

“In our current climate with increasing intensity of the spotlight on mental health, there has never been a more important time for EAPs and the support they provide. The EAPA data shown here demonstrates the value that EAPs bring to organisations.

“Increased usage can be a challenge for providers both in terms of service delivery and the financial implications – but, encouragingly, we are seeing that more engagement increases the return for employers, and this must be seen as an incentive.”

— Eugene Farrell, Chair, EAPA UK (AXA PPP Healthcare)

Analysis 2022

UK employers contributing data to the calculator since January 2019 ranged from having five to 200,000 employees, representing organisations with a total of seven million employees.

The average number of employees was 2,700. 35% of the employers were in the services sector; 13% in finance; 12% charity; 11% manufacturing; 11% public administration; 9% retail; 5% agriculture; and, 4% transport/utilities.

More than a quarter of the organisations represented operate nationally with employers based in a number of locations across the UK (26%). 30% were in the London and South East; 9% in the North West; 7% in the East Midlands; 7% in the South West; 5% in the West Midlands; 4% East of England; 3% Yorkshire; 3% North East; 3% Scotland; 2% Wales; and, 1% Northern Ireland.

Average ROI

For every £1.00 spent on an EAP in the UK, between October 2020 and October 2021 the average ROI was £8.00. This figure has increased from an average of £7.27 in 2019/20.

Measuring ROI from all types of health and wellbeing activity is increasingly valuable to HR. The Aon Benefits and Trends Survey 2021 suggested only 9% of employers currently measure the ROI from their health and wellbeing programme – but 59% plan to do so in the next 12–18 months. A report by Unum (*Value of help, April 2021*) found that while 68% of employers believed spending on health and wellbeing had become more important in principle, 27% were not in a position to provide any kind of business case for increasing their investment.

There continues to be a lack of clear data on returns, but Deloitte's pre-pandemic report in 2020 (*Mental health and employers: the case for refreshing investment*), proposed that for every £1 spent on supporting their people's mental health in general, employers, on average, get £5.00 back on their investment as a result of reduced presenteeism, absenteeism and staff turnover.

The EAPA calculator results therefore suggest that EAPs specifically may be playing a more significant role in

“Whilst primary care and mental health services within the public sector are struggling to meet the current demand, Health Assured has received over 285,000 calls to the 24/7 EAP helpline in 2021, with a year on year 8% increase in the number of calls.

“Post pandemic trends have identified that anxiety, low mood, and depression are the main reasons for people accessing support. Taking into consideration the ‘Great Resignation’, it is now more important than ever for workplaces to have an EAP in place. The pandemic has led to more people seeing their lives from a different perspective. Some employees are wanting to work more flexibly and are less likely to stay put if they are feeling overworked or undervalued. Our EAP supports employers using a proactive and holistic model, ensuring employee wellbeing using clinical measures before and after therapy, which have demonstrated a 56% improvement of symptoms associated with anxiety.”

— **Kayleigh Frost**, EAPA committee member (Health Assured)

delivering ROI, a return from professional counselling services in particular. Figures also demonstrate a relatively high level of consistency of ROI around £7.00–£8.00 level: whatever size company, sector, geographic location or service used, an EAP is delivering substantial financial returns. Lower returns, generally speaking, are associated with smaller organisations where staff may be less office-based, disconnected from central operations and communications.

In the context of the impacts of Covid-19, the average level of usage of EAP services between October 2020 and October 2021 climbed by a whole one percent to 11.4% (up from 10.4%) – a significant increase in terms of how it relates to the UK workforce and numbers of employers offering an EAP. An increase of 347,000 more employees contacting an EAP. The increase in usage was generally consistent, demonstrating how the majority of organisations are making broader use of EAPs as a wellness service, for early intervention and prevention.

Past studies of EAP usage have typically pointed to relatively low levels of

usage by employees: the EAPA survey carried out by The Work Foundation in 2016 suggested an average of 5%; the 2017 Barnett Waddingham Workplace Wellbeing Index (145 UK employers with more than 250 employees) has claimed an average usage of 3%.

The EAPA calculator figure is higher – not only due to pandemic effects – but also because the users are a self-selected group: HR professionals and managers engaged with the importance of organisational wellbeing and an active interest in the performance of their EAP.

Notably, large employers have seen huge increases in their EAP ROI. Up to 50% in some cases (for those with 5,000 or more staff, up on average from £8.43 to £12.75; and from £8.47 to £12.48 for the 1,000–5,000 employee group). This appears to be the result of higher levels of engagement with the EAP: following the best practice advice on how to get the best from an EAP. That means: extensive communications and specific campaigns (making use of every format possible, posters, flyers, desk prompts and emails, but also infographics and video clips to get the message across about the range of

services available and topics covered); encouraging access (phone, online resources, chatroom, videos, webinars, podcasts and apps); having active managers (in a position to discuss the EAP during any one-to-ones with line reports, and make sure the EAP is being referenced regularly as part of conversations and not just when there's an obvious problem); embedding the EAP in standard materials (in the footer on letters to employees, emails and memos); using benchmarking (against others nationally, in the same region and same sector, and using data in management reporting and budget discussions).

For employers with fewer than 250 employees, the pandemic period has meant more conflicting priorities for HR teams, less resource for a wellbeing focus. But ROI is still high (an employer of 200 people, for example, investing £1,500 can expect a ROI of up to £10,065 to the business in productivity gains, reduced absence and lower stress and anxiety in employees).

“Understandably, we have seen a significant increase in callers feeling uncertain about the future, with anxiety around health, isolation, escalating debt, impacts on relationships and incidents including domestic violence. An overall deterioration in mental health, and, sadly, more bereavements. All of these issues impact performance in the workplace.

“Vita Health Group were well placed to react overnight and move to a 100% remote service for the two million individuals we support. By utilising video conference technology and NICE recommended approaches for the treatment of common mental health conditions such as depression and anxiety, we have seen incredible results in terms of psychological improvements following support. Against a backdrop of a 35% increase in call volume and more than 40% increase in case severity, there have also been improved levels of engagement (those completing three or more sessions). With 1.6m people currently on the NHS waiting list for Mental Health treatment, we are seeing a rapidly increasing number of our customers referring to our Psychological Therapy Services to provide rapid access to high intensity treatment, where, on average, 97% return to work.”

— **David Elliott**, EAPA committee member (Vita Health Group)

ROI by sector:

Sector	ROI per £1.00		% of total calculations	Average usage	
	2021	2019		2021	2019
Services	£7.85	£7.50	35%	11.5%	11.1%
Finance	£7.96	£7.64	13%	11.2%	10.2%
Charity	£6.58	£7.11	12%	11.6%	11.7%
Public administration	£8.95	£7.56	11%	10.8%	10.2%
Manufacturing	£8.33	£7.68	11%	11.2%	10.8%
Retail	£8.49	£7.35	9%	10.8%	10.3%
Agriculture	£7.87	£4.12	5%	5.2%	4.6%
Transport/utilities	£6.68	£8.61	4%	11.4%	11.9%

ROI by region:

Sector	ROI per £1.00		% of total calculations	Average usage	
	2021	2019		2021	2019
London and South East	£7.46	£7.42	30%	11.5%	11.5%
National	£8.48	£6.61	26%	10%	8.4%
North West	£7.81	£7.46	9%	9.8%	9.4%
East Midlands	£8.29	£7.63	7%	11.6%	11.4%
South West	£7.72	£7.92	7%	11%	10.1%
West Midlands	£7.54	£7.15	5%	10.4%	10.2%
East of England	£6.95	£7.19	4%	11.4%	10.5%
North East	£7.76	£7.96	3%	13.2%	13.3%
Scotland	£8.05	£7.36	3%	10.8%	10.6%
Yorkshire	£8.27	£7.48	3%	12.4%	12.2%
Wales	£7.67	£7.07	2%	14.5%	12.3%
Northern Ireland	£7.91	£8.60	1%	10.2%	10.2%

ROI by size of workforce:

No. of employees	ROI per £1.00		% of total calculations	Average usage	
	2021	2019		2021	2019
5,000 and above	£12.75	£8.43	8%	9.8%	9.95%
1,000-5,000	£12.48	£8.47	14%	9%	8.4%
250-1,000	£8.37	£7.29	19%	13%	9.6%
Fewer than 250	£6.71	£6.77	59%	13%	11%



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