

A return on investment study of Employee Assistance Programmes amongst corporate clients of The Careways Group.

by

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DEDICATION

To my sons, Che and Ethan for their unconditional love
and support



DECLARATION

I declare that this dissertation is my own work and that it has not been submitted previously for any degree at any university

Annaline C.S. Keet

May 2009

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ABSTRACT

The purpose of this research is to conduct an evaluation of the return on investment value of Employee Assistance Programmes within the South African context.

Assistance to employees originated from the 19th century. The term Employee Assistance Programmes was however formulated in the 1970's in the United States. The Employee Assistance field has since seen a paradigm shift in its focus, significant growth in its market value (amount of corporate clients internationally investing in EAPs for their employees), the establishment of a regulatory and ethical body through EAPA and its formalization as an academic discipline.

This study takes the concept of return on investment value of EAPs further than the ratio of benefit-to-cost. The utilization of different data sources, inclusive of quantitative and qualitative instruments creates an opportunity to explore areas of value perception of different role players in the field. It furthermore maps the subjective and objective experience of behaviour change resulting from personal problems and the journey of change as a result of focused interventions. The consistency of views across different data-sources as well as between different industries strengthens the value add claims of EAPs as contributing to the financial bottom line of companies.

This study advocates for the importance of programme evaluation as a central part of EAP contracting. It furthermore also highlights the importance of documentation of employee performance for evaluation purposes. It illustrates a journey that can be complicated by the failure to agree to evaluative terms at program inception as well as unstructured data-capturing within companies. Employee behaviour consists of both computable and incomputable elements. Generally the focus of a return on investment study would be the computable components of human behaviour. This investigation however highlights significant elements of risk relating to employee performance challenges that is not easy to include in a ROI but holds significant financial and reputational risks for corporate clients. The influence of individual performance challenges on teams and the challenges it holds for line managers is also highlighted through the qualitative journey of this study.

Employee behaviour seems vulnerable to internal and external forces and as a result companies' productivity can be affected by how individual employees respond to these forces. It could be accepted that interventions that is aimed at stabilising and improving employee behaviour, will inevitably impact work performance and as a result the financial bottom-line of the company. Employee Assistance Programmes often operates in an arena where other programmes aimed at impacting employee behaviour are also present. It is thus difficult to isolate it's intervention as being one of the main behaviour changing facilitators of the company. This study acknowledges this challenge and changes focus to different data-sources reporting on employee behaviour before and after EAP intervention. The consistency of data across these different data-sources becomes one of the main reporting areas for this study.

Eventually the challenges encountered in this study guides the advocacy in the recommendations for a thorough agreement of programme evaluation at inception, the areas that will be included in such evaluations, the availability of Human Resource data to ensure effective evaluation inclusive of ROI assessments, targeted assessments at service provider level with effective software support.

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KEY WORDS

Return on Investment

Cost Benefit Analysis

Cost Effectiveness Analysis

Formative Evaluation

Summative Evaluation

Triangulation of data sources

Evaluation as strategy to measure change

Cost of employee staff turnover

Cost of employee absenteeism and sick leave

Health and Productivity Management

ACRONYMS

EAP: Employee Assistance Programmes

EWP: Employee Wellbeing Programmes

EAPA: Employee Assistance Programmes Association

ROI: Return on Investment

CBA: Cost Benefit Analysis

CEA: Cost Effectiveness Analysis

WL: Work Life

SANCA: South African National Council of Alcoholism

ISCOR: The Iron and Steel Corporation of South Africa

SASOL: South African Synthetic Oils

ICAS: Independent Counselling and Advisory Service

PPCI: Personal Performance Consultants International

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