

CHAPTER ONE

GENERAL INTRODUCTION

1.1 INTERNATIONAL HISTORICAL CONTEXT

Employee Assistance Programmes (EAPs) are increasingly gaining popularity amongst work organisations. The term EAPs dates back to the United States in the 1970's, but assistance to employees in one form or another was evident since the latter part of the 19th century, (Van den Berg: 1995:842). Employee Assistance Programmes originate in workplace alcohol programmes, which possessed some inherent problems based on the stigmatisation of addiction, the ability of people with an addiction to divert attention from their real problems and the focus mainly on lower ranking employees. This resulted in the programme having problems penetrating the workforce at risk, and as a result, assisting people before the illness reached chronic stage was limited (Wrich: 1980:11).

Work has been regarded by Marx as an important element of human happiness and fulfilment (Haralambos 1980:228). People have needs and with the development of work outside of the family context, it is inevitable the employer would become partly responsible for the satisfaction of human needs. While the exchange of labour for money allows people to acquire goods to fulfil their basic needs, Csiernick (2005:17) describes an evolution of assistance to employees to aid the fulfilment of basic needs as it presented itself in both the Canadian and United States work environment. He describes four distinctive historical phases, namely; Welfare Capitalism, Occupational Alcoholism, Employee Assistance and Workplace Health Promotion. The first three concepts will be described briefly.

Welfare Capitalism developed as a response to the industrial growth in the late 1800's that resulted in high numbers of immigrants and women entering the labour force. The changing face of the labour force resulted in an increase in labour unrest and while some industries responded to these actions in a punitive manner, industrial welfare initiatives were regarded as a more humane intervention. Despite its humanitarian overtones, it was also a strategy to create a healthy, hard working

and diligent non-unionized workforce that would not question management initiatives and decisions. The movement in itself was thus problematic as it did not give acknowledgement to existence of employee initiated support structures. The employment of welfare secretaries was evident of this era and this movement has not yet seen the professionalism of the field.

Occupational Alcoholism Programs became a prominent feature during the 1930's as the ideal of welfare capitalism were winding down. Two pioneers of this concept, Bob Smith and Bill Wilson played a fundamental role in how substance abuse would be treated with the development of the self-help concept through Alcoholics Anonymous (AA). The development of occupational assistance is interwoven with the development of the AA movement. Occupational assistance was also influenced by the emphasis placed by labour unions on business unionism. Labour in Canada had a history of social involvement through it's involvement with the social gospel movement. The influence of labour however started losing momentum during the early 1900's and was substitute by Gompersism (Samuel Gompers, President of the American Federation during the 1930s), which focused more on financial benefits and enhanced working conditions. With the onset of World War II the availability of labour was negatively influenced and with a smaller pool to choose from, troubled employees also seem to have entered the market more than before. The presence of employees with substance abuse problems were thus more prevalent and the presence of AA in the workplace became more evident in the form of occupational alcohol programs (OAP's).

Csiernick is of the impression that AA acted as the catalyst for change in the occupational assistance arena to a more broad-brush EAP approach. The passing of the Federal Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act by the United States Congress in 1970, increased the government's involvement in the treatment of alcohol abuse. The NIAAA (National Institute on Alcoholism and Alcohol Abuse) was created and this body became involved in the training of program consultants and administrators. This process saw the involvement of professionally trained social workers and psychologists into the field of occupational well-being. The focus also moved towards a more broad brush approach focusing on multiple problems instead of

alcoholism alone. Social workers and psychologists, by virtue of their training are involved in people's emotional and behavioural responses to the stimuli around them. It could thus be expected that their involvement in the field would be a catalyst for the inclusion of a multiple problem focus in the field.

The move towards identification of performance problems as a basis for referral into the program continue to be a fundamental principle upon which program utilization is build. James Wrich is regarded as the person who developed the term Employee Assistance Programs and was also the driver behind a more organized service delivery process consisting of comprehensive representation within the workplace, the development of formal program policies and the training of individuals involved in the field.

The concept of Employee Assistance Programmes can be regarded as an evolutionary, rather than a spontaneous development, and the shift from the symptomatology of alcoholism to impaired job performance took place in the early to latter part of the 1900's. This development is closely linked to developments in both the field of mental health, as well as developments in the industrial arena. Mental health problems like stress, depression, and alcohol and drug abuse are major contributors to sickness, absenteeism and lowering job performance. Highley (1996:4) indicates that 80 million working days are lost to mental illness every year and that 30-40 percent of all sick-leave use is due to mental or emotional disturbance. Steele (2002:18) also supports this argument by reflecting on studies suggesting that \$5 billion is paid yearly to workers who miss workdays because of alcohol and other drug addiction. Further studies indicate that addiction costs the American economy up to \$246 billion a year. Riotto (2001:2) continue to support this argument when looking at the industrial cost of depression. The indirect cost of depression in the American workforce, associated with lost productivity and absenteeism, has shown to exceed \$3,000 per employee with depression.

The above reported costs of different mental illnesses to the workplace support the argument that, apart from the humanitarian concept, it also makes financial sense for workplaces to address these mental health issues through structured workplace programmes. Employee Assistance Programmes, often part of a broader wellness

approach in companies, are well-placed in addressing a wide variety of mental health issues. The researcher will focus upon two definitions reflecting the potential of EAPs to play such a comprehensive role.

EAPs are programmes designed to assist work organizations by providing help and counselling for employees and their families with a wide range of personal problems that may affect job performance, (Mann and Kelly 1999:1).

EAPs are a programmatic intervention at the workplace, usually at the level of the individual employee, using behavioural science knowledge and methods for the recognition and control of certain work- and non work related problems (notably alcoholism, drug abuse and mental health) which adversely affect job performance, with the objective of enabling the individual to return to making his or her full work contribution and to attaining full functioning in personal life (Berridge and Cooper 1994:5).

The above definitions refer to two important assumptions. The first is that people experiencing problems in their personal lives have the risk of this impacting on their productivity at work. Secondly, an assumption is made that EAPs have the potential to address these problems appropriately and thus impact on an organisations' efficiency. This remains a bold claim, as EAPs operate within an environment with competing intervention strategies implemented to manage the productivity of a workforce and the reality of this challenge was noted in the first mini-conference held to discuss the proposed research topic. The researcher in this chapter briefly focuses on recent attempts to both acknowledge and integrate the operation of these services within a company.

The second assumption opens the discussion for the rationale of ROI of EAPs. The international EAP field, since the 1980's, increasingly talks about the importance of the ROI of EAPs and a number of research projects have been done in this regard. This reflects a realisation that proofing the fiscal benefits of programmes is as important as the humanitarian part of it. People like Harris, Adams, Hill, Morgan, and Soliz (2002:55-59), Masi (1994:158-186), Highley (1996:4-8), Schear (1995:20-23), Dainas and Marks (2000:34-36), French & Zarkin (1995:95-109) and Houts (1991:57-71) are some of the international authors reporting on studies done

investigating the financial benefits to corporate clients when they are investing in EAP programmes. Studies of this nature are also strongly supported by the field of Human Resources and Economics reporting on the importance of a productive workforce for a healthy economy. Literature reveals a clear understanding in the corporate environment that employees' personal problems can impact on their productivity and that companies reflect financial wisdom when investing in programmes to help them address these problems. Authors like Nissly & Mennen (2002:15-27), Berridge & Cooper (1994:4-20), Murphy (1995:41-51), Mann & Kelly (1999:118-122), all discuss the impact of personal problems including stress and depression on people's functioning. Mental health problems like stress, depression, and alcohol and drug abuse are major contributors to sickness, absenteeism and lowering job performance. Cascio (1982:6) takes the argument a little further when he attempts to cost the impacts of employee turnover, absenteeism, attitudes and job-performance caused by the above-mentioned personal problems.

Adding to the concept of an evolutionary development, it is also worthwhile to look at the attempt of companies to integrate programmes focusing on the wellbeing of their employees. Gornick and Blair (2005:1-26) looks at the global forces behind this movement and the researcher enters into a brief discussion of this. In response to a variety of needs like performance, employee attraction and retention, productivity and rising benefit costs, employers have instituted a number of programmes to address these. These programmes are often housed in the company Human Resources or Occupational Health Departments. These programmes, covering different aspects of people's wellbeing typically fall under one of three general programme categories, namely: employee assistance, work-life or health and productivity.

Gornick and Blair (2005:16) indicates that trends in the larger, global society have influenced a more holistic and interconnected perception of strategic service integration occurring in five broad areas, namely: medicine, business, social work, globalisation and ecology. The two main groups responsible for people in the workplace are the human resources and occupational health functions and these have undergone numerous changes in recent years. Human resource professionals are increasingly seated at the executive table in organisations. A significant move

from the historic, mundane influence they used to have. This is giving a significant voice to the alignment of people or human capital strategies with overall business strategies. Changes also took place in the area of occupational health. The focus in this area was previously on injury and illness, and compliance with legal requirements. Today's occupational health departments shifted to reducing risk and promoting health.

The continuous development of EAPs is evident as the discipline broadens its scope to include employee wellbeing in its totality. Employee Assistance Programmes encompass a set of interventions within the workplace that includes customising the programme to the needs of the organisation, offering an advisory service regarding the development of specific and related policies within the company, ensuring effective access to the programme, staffing the programme with suitably trained professionals to provide appropriate interventions, training of staff on how to use the programme, as well as a reporting capability that provides important trends to the organisation.

The two EAP programmes evaluated include the above elements, coupled with counselling and advice services on different levels, namely the psychosocial, financial, legal and physical health advice components. Because it is impossible to evaluate the impact of all the components mentioned above, the scope of this research is narrowed down to the impact of the counselling component of the programmes. The counselling component is based on brief counselling as the model of choice. Freeman in McCullough-Vaillant (1994:2) indicates that within brief therapy/counselling, the focus is on clients' skills deficit, to help them gain skills so they can help themselves. Employee Assistance Programmes are increasingly obtaining recognition for their ability to help people regaining higher levels of efficiency with a dynamic brief period of therapeutic intervention. To maintain this acknowledgement within work organisations, it becomes increasingly important for EAPs to demonstrate their cost-effectiveness in both individual and corporate terms. The American market has for years involved themselves with research reporting on the financial benefits derived from investment in EAPs. The following examples used by Van den Berg (1995:845) reflect upon studies reporting on this type of saving. This information was available as early as 1988 already and further illustrate

that the economic value of EAPs has for long developed increasingly more importance in the corporate environment.

Kennecott Copper Corporation estimated a 6:1 benefit-cost ratio from employees' use of its EAP. Equitable Life Assurance found a \$3 return for every \$1 invested in its EAPs; the absenteeism of alcoholic employees dropped from 8% to 4% after EAP referral to and treatment by alcohol programmes. 3M Company data suggested that 80% of the employees who used the EAP showed improved attendance, greater productivity, and enhanced family and community relations. The McDonnell Douglas study, often quoted as an example of a cost-effectiveness study, also determined that alcoholism treated through EAP was more effective (Mazi 1994:158).

1.2 THE SOUTH AFRICAN HISTORICAL CONTEXT

Employee Assistance Programmes in their present form in South Africa is a relatively new concept in comparison to their American counterparts. However, assistance to troubled employees in the South African context is not a new notion. At the time of the conception of the South African assistance to troubled employees, service delivery was influenced by the ideological trends of the time. Du Plessis in Maiden(1999: 20) indicates that at the time, 1930-1940's social workers were employed within the state-run railway services to offer assistance to poorly educated and disadvantaged white employees. The original focus of these services was to provide material assistance. As has been the case with their international counterparts, the treatment of substance abuse problems also played an important role in the developmental phases of Employee Assistance Programmes as a discipline. Du Plessis indicate that from the late 1970's SANCA has been an important lobbyist, encouraging the development of counselling services for alcohol dependent employees and they have emphasized two important points to motivate this. Their first point makes reference to the **link between productivity and impaired work performance** as a result of substance dependence and the second point refers to **the treatability of the decease**.

Terblanche (1992:17) reflects upon reports by different authors like Potgieter (1970), Taute (1975), and Pieterse (1972) that different industries like the Chamber of Mines, ISCOR and SASOL as early as the 1960's utilised social work services for the treatment of troubled employees. These services had a focus on both substance abuse problems and other mental health challenges. The South African worker population at the time experienced a combination of socio-economic and mental health challenges and programmes geared to assist them had to be responsive to these challenges holistically. Terblanche indicates that the major developments within the EAP field took place in the beginning of the eighties through the Chamber of Mines when a consultant was appointed to carry out a feasibility study of EAPs in the mining industry. This resulted in the first two counselling centres being established in 1986, in the main mining areas of the country. Van Jaarsveld, (2006) provides a systematic developmental description of EAPs locally. Up until 1996 EAPs were mainly conducted according to the internal model. Since then, a trend developed to outsource the service. In 1998, the first links were made with international EAPs like ICAS, PPCI and academic experts like Paul Maiden. It can be argued that as the political changes in the country opened the door to global opportunities in different arenas, EAPs gained from international exposure to programmes with a long track record, as well as involvement in universal conferences.

During this period, corporate companies developed a visible openness to look after their human capital and vendor companies experienced a growth of new contracts during the 1998-2003 period. Another significant development has been the South African EAPA Chapter, conducting yearly conferences. These provide the opportunity for engagement of all contributory bodies to knowledge development in the field. Van Jaarsveld has been the CEO of The Centre for Human Development, and later The Careways Group, some of the leaders in the field of EAPs locally.

A survey carried out by Terblanche in 1987, indicated that sixty-two percent of respondents confirmed the importance of EAPs to demonstrate cost-effectiveness, while only 1.5 percent of respondents had a purely economic motive for the introduction of EAP in their companies. This illustrates that although a majority of companies realise the need for EAPs to make economic sense, a lot more can be

done in the South African environment to demonstrate the importance thereof. Now, more than 20 years later, the EAP field may see an increased need for vendors to prove their impact through outcome evaluation processes. On a small scale, companies are making specific requests to have the outcome of their programmes measured. Client companies are also moving away from maintaining long-term relationships with one vendor and are increasingly following the tender route. This means that vendor companies are increasingly under pressure to prove their contribution to a company's bottom line.

The literature available both internationally and locally refers to the earlier forms of Employee Assistance Programmes as originating in the 1960's. The historical developmental process of the programme reflects a programmatic process moving from welfarism to a focus on work-performance, moving to a focus on cost benefits of the programme and most recently, investigating the feasibility of programme integration. As EAPs operates within a dynamic environment, it is important to acknowledge these developments as they will inevitably influence the future positioning of EAPs in the workplace. While EAPs are based on very sound principles through which a specific programme identity developed, it is also vulnerable to a metamorphic experience guided by the changing needs of the industry. This recent development to more integrated programmes can be regarded both as an attempt to save money, as well as an acknowledgement of the interrelatedness of competing programmes operating within the workplace. The table below illustrates in brief, the historical development of the discipline of EAPs. The latter phase of this development brings to the front two important aspects, firstly an acknowledgement that EAPs is one of the programmes providing services to employees in the workplace, and secondly that the discipline is gaining recognition as a value add.

ERA	PRO'S AND CONS OF ERA
WELFARISM	Focus on workplace alcoholism problems. Difficulty penetrating the general workforce due to stigmatisation.

<p>FOCUS ON IMPAIRED JOB PERFORMANCE</p>	<p>Focus on impaired work performance gave life to the concept of management consultations in EAPs. A more holistic approach to people’s personal problems and identification of family problems, depression, stress, etc. began.</p>
<p>RETURN ON INVESTMENT</p>	<p>Since the 1980’s, research has been conducted focusing on the fiscal benefits of EAPs to the corporate world. This research focus coincides with the field of Human Resources and Economics increasingly relating a healthy workforce with improved economic performance of workplaces. The industry is able to use completed projects as examples of fiscal benefits when selling the programme to prospective clients. However, what is missing is a methodology that can be used continuously, and as part of programme implementation of each company to measure the fiscal benefits deriving from the operation of such a programme.</p>
<p>PROGRAM INTEGRATION</p>	<p>Most recent literature starts focusing on the integration of EA, WL and HPM programmes operating within a company. The rationale for this exploration is to bring together in a synergistic way, the specialised knowledge and expertise of different but related fields in an attempt to serve the company optimally. The EAPA conference held in South Africa (6-8 September 2006) significantly addressed the topic of programme integration.</p>

(Table 1.1: Historical Development of the Discipline of EAPs)

The metamorphic development of EAPs has many similarities with developments in the social work field. The international historical view above only start talking about social work as a discipline involved in the field as assistance to employees started taking on a more professional format. The South African view in comparison talks about the involvement of social workers already when the program still had a strong welfare flavour to it. EAP intervention in it’s current form remain compatible with social

work values. Corwin (2002:10) describes the tenets of brief therapy (the preferred therapeutic intervention in EAPs) as (a) client-determined, circumscribed goals, (b) focus on current stresses, (c) competency-based practice, (d) collaborative worker-client relationships and active client participation, and (e) worker as catalyst for change. The above belief system ties in closely with social work values like mutual participation in the professional relationship, clients' rights to make decisions and have input into the helping process and the fact that social work intervention should enhance people's dignity and individuality, enhance their competence and increase their problem-solving and coping abilities.

The above compatibility according to Corwin stems from the contribution that social work has made over 50 years to time-limited practice and crisis intervention where the focus is on people's immediate needs with a focus on where the person is at that time and how he/she define the problem(s).

1.2.1 **Academic development**

The field of employee assistance evolved significantly within a period of 80 years from a concept of pure welfarism to an independent academic discipline within which different disciplines like psychology, social work, human resource management and the medical fraternity is finding a specific niche. The move into a specific academic order creates the scope for programme evaluation strategies like return on investment studies to develop its relevant academic language constructs.

Van Jaarsveld, (2006) indicated that 1998-1999 saw the formalisation of training in the field of EAPs and universities like The University of Pretoria and WITS (University of Witwatersrand) are some of the local tertiary institutions offering qualifications in EAPs. The South African academic field has also developed significantly in the direction of research within the EAP field. Until recent years, few studies have been conducted locally on the cost benefit analysis of EAPs. Of the research done, one was a study by Meyers in 1994 looking at a needs assessment and a cost-benefit analysis within EAPs. Orren (2004), an Account Services Manager for the Careways Group at the time, also conducted a master's degree

thesis investigating the effectiveness and return on investment of EAP services for one of the company's corporate clients. The results of this study indicate that the savings based on two variables, namely absenteeism and disciplinary action are greater than the cost of the programme resulting in a R2 return for every R1 invested. Grace (2001) and Coppens (1997) both investigated the return on investment of Employee Wellness Programmes with a strong medical component on sick leave and absenteeism. Although these authors do not exclusively look at the **psychosocial component** of the programmes, they cover important areas of employee under-performance and the financial viability for work organisations to invest in these areas of employee life. Brief psychotherapy as a treatment model is also well-documented in literature. In this chapter, the researcher cited the ideas of Stalikas and De Stefano (1997) and McCullough-Vaillant (1994). Within the qualitative component of this report, the researcher investigated the perceived consistency of change taking place for individuals who made use of the programme. The individuals/subjects under investigation have all been exposed to the brief psychotherapeutic model and this perceived consistency is discussed at the hand of existing literature and the opinions of professionals in the field, locally (see section 5.11 of this report).

1.2.2 Socio-economic influences

Employee Assistance Programmes in South Africa operate within a specific economic and organisational context. Companies are increasingly buying EAP services for their staff. Blue-collar employees seem to be frequent users of the EAP and are able to access reasonably good long-term services through their medical aid funds when a referral is needed. Lower income clients on the other hand, who have limited or no medical aid facilities are usually referred to the broader welfare structure. While there are a number of well-operating welfare facilities in the community, they are often restricted in their ability to react timeously to people's needs due to limited funds. This in itself affects the quality of care offered to employees through the continuum of care from EAP intervention to referral agent response. The group less likely to access the EAP services offered through their company seems to be those on an executive level. This may be due to a general

view that EAP services are suitable for their employees, but not well-placed to address the problems encountered by them. For this reason, it becomes necessary for EAP vendors to critically look at the nature of their programmes and its ability to be responsive to the needs of all layers of employees in a company. An EAP that is not only accepted by the executive team as a value-add to their employees, but was able to add value to their own well-being, will have a better chance to survive periodic tender processes. Due to their level of responsibility, the executives of a company often experience role-related stresses, and thus an integrated programme with health and lifestyle assessments and coaching may be able to address their needs more appropriately. In this context, the EAP becomes part of a broader corporate wellness intervention and thus expands the ability of the vendor to address employee wellness comprehensively. Employee Assistance Programmes, whether functioning independently or as part of the broader wellness concept of a company consists of different components being interdependent on each other.

The different components typically part of an EAP is discussed more thoroughly in chapter three. The focus of this research is narrowed down to an investigation of the impact of the counselling component of EAPs. It furthermore becomes more specific in its investigation of the impact on employees referred by their line-managers rather than all employees coming through the programme at the specified period. However, as the focus is on evaluative research, the methodology utilised can serve as a basis through which new programmes in general can be evaluated for their effectiveness.

1.3 **MOTIVATION FOR THE CHOICE OF THE SUBJECT**

1.3.1 **Rationale for implementation of EAPs**

Modern companies are becoming increasingly aware that people are amongst their most valuable assets. It is also becoming more evident that the modern workplace increasingly demands more employee time and input than ever before. Carrol (1996:1) argues that more and more employees suffer from what can be termed presenteeism, referring to the need to be seen at work while being underproductive

and negatively impacting the productivity of other workers. The changing workplace and societal context in which people operate, result in a number of challenges to both employees and the workplace. Employees do not leave their problems aside as they turn to face their working day. The kind of everyday problems that can be costly to companies if left untreated are relational in work and personal context, alcohol and drug abuse and dependence, death in the family, other traumatic events such as hi-jacking and armed robberies, impending divorce, financial difficulties, HIV/AIDS, stress and depression. If left unnoticed and not dealt with, the costs of these conditions can be immeasurable.

Employee Assistance Programmes, as a central part of Corporate Wellness Programmes, are generally regarded as being cost-effective, (Bellingham & Cohen: 1987:74). These two authors indicate that the bottom-line financial rewards of these programmes are:

- Reduced absenteeism;
- Increased productivity;
- Reduced turnover of staff;
- Decrease in health problems; and
- Improved morale.

From literature available, it is clear that internationally, engaging in a cost benefit analysis of these work-based programmes has already developed to an explanatory level. Why, one would like to say would we then want to engage in another academic exercise of the same nature? Is the theoretical development not established to a point that this form of evaluation can merely be duplicated in practice?

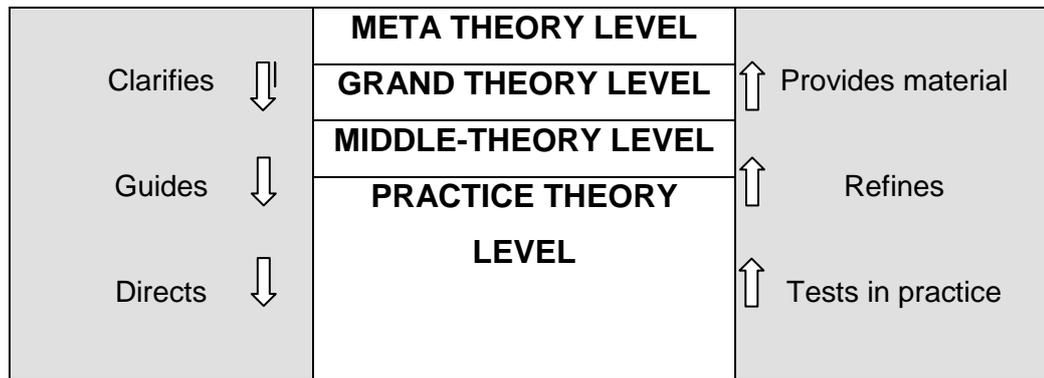
The answers to the question above can be twofold. Firstly, Employee Assistance Programmes are a practicing discipline, operating according to well-defined principles. Practitioners in the industry are directly involved in providing health care to people actively participating in the world of work and their families. This application of practice needs to be supported by theory development that in it express key ideas about the fundamental nature of practice. As the field of

Employee Well-being is a progressive discipline, the interpretation of practice into theoretical communication remains important and the researcher reflects on the importance of this interaction at the hand of Walker and Avant (1995:5). They refer to a distinction between levels of discovery and levels of justification in theory construction. **This research project functions at the level of evaluation of practice for theoretical advancement as enough is known of these phenomena to engage at this level.** Employee wellbeing as already stated is however a progressive discipline. There would thus continue to be an interflow of knowledge between the levels of theory construction and practice. Walker and Avant (1995:5) focus on the different levels of theory development and the relationship between them. They identified four:

Meta Theory	Focus on broad issues related to theory within a discipline. It focuses on philosophical and methodological questions related to the development of a theory base for the specific discipline.
Grand Theory	Consist of global conceptual frameworks defining broad perspectives for practice and ways of looking at phenomena based on these perspectives. They are abstracts and often have been proposed to give some broad perspectives to the goals and structure of a practice.
Middle-range theory	Developed as a means to fill the gaps between theory and practice. These theories contain limited numbers of variables and are limited in scope. They are testable, yet sufficiently general to be scientifically interesting. They thus have an element of conceptual economy found in grand theories as well as the specificity needed for usefulness in research and practice.
Practice theory	Here modalities for practice are delineated. The essence of this theory is that there is a desired goal with specific prescriptions for action to achieve the goal.

(Table 1.2: Table of Theory Development according to Walker and Avant 1995:5)

The above theories all serve a purpose in the development and practice of a discipline. The question is how these levels of theory development relate to each other. Walker and Avant (1995:13) describe this linkage as follows:



(Table 1.3: Linkages between Levels of Theory Development according to Walker and Avant 1995:13)

While Employee Assistance Programmes are at a practicing theoretical level, the execution of a cost benefit analysis operates on a middle range level. These platforms provide data for theory development on a grand and meta level, which in turn provides guidance for practice. These different levels of theory development are thus interrelated to each other and development on any of these levels allows for progress on the others.

The second reason why research of this nature continues to be relevant is that while existing research can serve as a reference to fiscal savings in a sales pitch for new business, what is still missing is the ability to build this type of research into each programme from the point of implementation. Maiden (2006) indicated that the last study of this nature (a cost benefit analysis) in America was during the 1980's. There is a fundamental problem with using the data from old studies to illustrate the potential monetary value of the programme. As EAPs operate within a progressive, ever-changing environment, the information on which its value-adding potential is based should also be progressive and based on more current findings. The researcher as an employee and role player in the EAP field is particularly interested in **contributing** towards South African based theory development reiterating the

financial and other benefits deriving from taking care of employees through an EAP. The researcher is particularly interested in developing a methodology that will not only serve an academic purpose, but will have operational value and can be used constructively as an evaluation tool in industry. This study is intended to take the concept of a cost benefit analysis in a slightly different direction when the researcher not only look at the potential cost saving for the companies participating in the study but also look at the strength of the data sources used for the study. Chapters 4, 5 and 6, dealing with the data analysis, will address these issues.

The environmental forces within which an EAP operates influence programmes of this nature. This includes the organisational and economic culture, as well as the broader community context. The context within which programmes of this nature operates in this country is further illustrated in the discussion below.

1.3.2 **The South African context**

The Employee Assistance field can generally be regarded as a constantly developing field, judging the historical development with present programmatic intervention. The reason for these changes exists within the fact that EAPs address needs within the corporate field. Corporate South Africa, like elsewhere in the world, is in itself a constantly developing environment. Looking at the South African scenario, EAPs are relatively new compared to international standards, even though the conception of industrial social work seems to have its roots in the 1930s. South Africa also has a specific socio-economic context from which the employee population functions. Employees from this part of the world represent the disparities of the community, coming from the very poor to the very rich parts of the population. As South Africans we are in a very exiting process of development that bring with it significant challenges. Examples of these challenges are: coming to grips with the diversity amongst us, unacceptable levels of crime in the face of worrying levels of poverty, HIV and Aids and retrenchments within the working population. The practice of EAPs in the South African context is thus faced with challenges based on the elements mentioned above, directing the route of operational implementation.

To stay relevant as a programmatic intervention to companies, EAPs as part of Corporate Wellness Programmes must be prepared to constantly adapt their intervention strategies. The evaluation of EAPs is by nature a programme evaluation process, thus creating the argument that as components of these programmes change, scientific research is needed to illustrate the value of these components. EAP vendor companies in South Africa find themselves having to adapt to the needs of the corporate world on a regular basis or face the risk of becoming irrelevant. To prove its relevance in the field, scientific evidence of the financial spin-offs companies can obtain by making use of these programmes will strengthen their selling power. Research of this nature thus contributes towards empirical evidence utilised by the company, as well as contributing to the case of EAPs as part of the Corporate Wellness debate in the broader South African context. It can furthermore illustrate to hard-headed managers and directors of companies that EAPs are much more than just a counselling service provided to employees on humanitarian grounds, but that it is an effectively designed programmatic intervention equipped to keep organisations operating at a high level of efficiency, quality and competitiveness, able to demonstrate its cost-effectiveness in both individual and corporate terms. Van Jaarsveld (2006) is of the impression that companies in South Africa is developing an interest to measure the impact and evaluate the outcome the programme has on the performance of their employees. This is putting pressure on the presentation of management information to evaluate change in performance indicators and report on these. The following can be regarded as the **key selling points** for EAPs when interacting with potential customers and once again the need to illustrate value, plays a role:

- The majority of people experience psychosocial problems at some stage in their life and it can impact on their performance, resulting in losses for the company.
- The EAP engages in formalised processes to manage troubled employees.
- The EAP also provides a roll-out plan that integrates with existing internal processes.
- The programme is a way within which the company can demonstrate its care to its employees.

- Because of its ability to effect change within individual behaviour, the programme promises a return on investment to the company. The programme thus offers more than integration into well-being processes but really incorporation into the company business processes.

Absenteeism from the workplace potentially cost the South African economy at least R20 milliard for the year 2006. The average cost of absenteeism per day for an employee who earns about R5 000 was estimated to R200 (direct costs) and up to R600 if indirect costs were included. (Rapport Loopbane 2 July 2006). Newspaper reports of this nature serve as a reality check to workplaces, clearly highlighting the need for a comprehensive management strategy.

Despite the notion that research reflecting the financial benefit of EAPs are limited in the South African market, the local academic field has not been ignorant to proving the financial benefits of Employee Assistance Programmes and Corporate Wellness Programmes in general. Grace (2001:1) in her research focusing upon the impact of physical wellness programmes also reiterates the fact that employers incur both direct and indirect economic costs due to absenteeism and sick leave. Although her study primarily focuses upon the impact of a physical wellness programme in a corporate environment, the close link between physical and emotional well being, as well as the inclusion of emotional and social health as part of the wellness dimensions, makes her methodology and findings relevant for this study. Coppens (1997:10) also reiterates that costs of absenteeism and low productivity above 4% of the general payroll can be regarded as excessive. Absenteeism is generic in nature and consists of several categories. Her study focuses primarily upon the impact of lifestyle on employee absenteeism and the author's discussion on different forms of absenteeism in the South African context and its impact on organizational costs are of specific interest for this study. A more detailed discussion of the different forms of absenteeism will be provided in the literature study (chapter 2).

Meyer (1994) conducted a needs assessment and cost-benefit analysis of Employee Assistance Programmes. It is especially the second part of the study, namely the cost-benefit analysis that is relevant for the purpose of the present

study. She regards the major advantages of CBA's (cost benefit analysis) as being its ability to assess the inherent worth of a programme, thus determining whether the benefits of a programme exceeds its costs. Furthermore, because the costs and benefits of the programme are expressed in monetary values, CBA's allows for the comparison of alternative programmes with different goals and clients. One of the major challenges for CBA's is however the relative difficulty of expressing costs and benefits in monetary values. Meyer describes the costs and benefits attributable to EAPs as follows:

- **Fixed costs** are those items that will not change even if the number of people served by the EAP during the programme period changes. This form of costing is specifically applicable within a vendor relationship.
- **Variable costs** are expenses related to the operation of the EAP like staff salaries, supplies of materials and travel costs related directly to client service. The latter is especially relevant in the case of an in-house programme and is thus not cost that will be calculated for the purpose of this study.
- **Tangible benefits** are the measurable effects of the EAP directly related to its programme objectives, like savings due to reduction in absenteeism, improvements in job performance, and decrease in medical care utilisation, reduction in disciplinary action and grievances and decreases in accidents on the job. This study looks at the tangible benefits through reduced absenteeism and disciplinary actions.
- **Intangible benefits** includes positive changes effected by an EAP which are indirectly related to EAP objectives and usually too difficult to translate into monetary units. These refers to future benefits linked to improvement in employee quality of life, long-term health and morale, family problems that did not happen, reduction in anxiety, improved decision-making as some examples. For the purpose of this study the identification of intangible benefits takes place through the completion of the self-reporting

questionnaires and the interviews conducted with referral agents into the program.

The researcher in her literature study takes cognisance of both local and international documentation on the topic. Through this process the researcher are able to analyse the weaknesses and strength of existing studies in an attempt to determine the most appropriate model of evaluation for EAP cost-benefit analysis in future.

The following section will reflect on brief counselling as intervention strategy. The rationale for this focus is that, although the EAP has different facets to its operation within companies, it is the impact of its counselling component that is measured within this study. For the purpose of an academic exercise of this nature it would be impractical to measure the impact of all different components of the programme. The counselling component is also one of the direct interventions geared towards behavioural change in troubled employees.

1.3.3 Brief counselling as intervention strategy in Employee Assistance Programmes

Employee Assistance Programmes within the Corporate Wellness environment operates from a paradigm of brief therapeutic intervention. McCullough-Vaillant (1994:1) indicates that brief psychotherapy seeks long-lasting change in an active, involved and time-efficient way. Stalikas and De Stefano (1997:2) focuses on short-term dynamic psychotherapy (STDP) developed by Davanloo in 1976 and describe it as psychoanalytic in nature and dynamic in practice. The process is based on highly-focused interviews from the very first contact where the method is utilised as a trail therapy in assessing the problem and evaluating the client's response and disposition for psychotherapy. The therapist intervenes actively to clarify, confront and interpret both current and past relationships, to challenge resistance and to elicit client feelings. The purpose of the intervention is to expose the dynamic components of the client's problems with their attending affect. In this way the clients' insights into how defences are preventing them from fully experiencing

feelings and their underlying anxieties contribute to the process. McCullough-Vaillant (1994:2) indicates that some problems respond better to brief therapeutic intervention than others. These are panic disorders, adjustment disorders, and mild forms of depression, job stress and marital problems. Other problems such as bipolar disorder, schizophrenia and suicidal depression need long-term care. They also indicate that the DSM-IV's Global Assessment of Functioning (GAF) Scale should be used as a rule of thumb to determine whether a patient will make a good candidate for brief counselling. If people have a moderate level of symptoms, or moderate impairment in functioning, meaning they can still work, have some friends, have some relationships, they can be considered for short-term therapeutic intervention. If they have severe impairment or severe symptoms, for instance they cannot go to work and have no friends, short-term intervention will not be effective. McCullough-Vaillant is of the impression that a GAF-score above 50 suggest the possibility for shorter-term treatment and below 50 suggests longer –term treatment, taking in consideration exceptions to this rule. Employee Assistance Programmes are made available to help employees deal with personal problems whilst they are still productive citizens. It can thus be argued that Employee Assistance Programmes make therapeutic intervention available at a time when the majority of employees are still receptive to brief therapy.

1.4 **PROBLEM FORMULATION**

The Employee Assistance Programme is widely accepted as a workplace intervention that not only reflects the humanitarian intentions of an organisation, but having a real cost-saving potential as well. The American EAP market, although not on a consistent basis, started at an early stage to determine the monetary value of their programmes. This does not seem to be the case within the South African context. Studies of this nature only started in the mid-1990s and when faced with the question of the monetary value, EAP vendors still heavily rely on statistics from abroad. Highley (1996:4) indicates that the UK market is also increasingly demanding information on the effectiveness of their programmes stretching beyond employee support.

1.4.1 **Challenges facing return on investment studies**

A research project by Harris, Adams, Hill, Morgan and Soliz (2002:55) criticised studies examining the impact and benefit of EAPs based on customer satisfaction data. Although studies of this nature contributes to an understanding that EAPs are doing some good and that employees lives are benefited by using the service, the major limitation of satisfaction surveys are that the people participating are normally the very satisfied, putting into question the credibility of such surveys. As a response to this criticism, they expanded on this methodology by designing a study using a pre- and post-test design with random selection. All clients entering the EAP at the specific site were requested to complete the pre-test questionnaire focusing on their self-reporting of general health, mental health, and impact of emotional problems on social activities and daily activities. Three months after completion of the EAP, clients were randomly selected to complete the post-test that included the same scales used for the pre-test. While this is an obvious improvement on the post-test only design often used in customer satisfaction surveys, the reliance on self-reporting information continue to compromise the validity of studies and the researchers in this instance emphasized that future EAP outcome studies must utilise different points of data collection like economic factors such as absenteeism rates, productivity levels, workplace harmony and workforce stability.

French and Zarkin (1995:2) take this argument further and indicate that several EAP evaluation studies have been criticized for a poor study design. This is essentially a compromise on the validity of results that is intended to enhance the credibility of programs. The evaluation of Employee Assistance Programmes is complicated by various limitations, including the following:

- Ethical issues around the use of control groups.
- The brevity of the observation period.
- Collecting and valuing employee absenteeism, turnover, medical claims, productivity and work behaviour.

- Confidentiality of programme records.
- The need of corporate clients to obtain information timeously vs. long academic research projects.
- Scepticism about the research on the part of administrators.

While these limitations will continue being a challenge to researchers in the field, the authors identified four components essential for evaluation studies. These are:

- A process description to understand the structure, operating environment, and goals of the EAP, and to guide the evaluation.
- A cost analysis to comprehensively identify and estimate the full range of EAP costs.
- An outcome analysis to rigorously estimate the effectiveness of the programme for groups of employees and the overall impact of the programme on employee performance and workplace productivity.
- An economic evaluation to estimate cost-effectiveness ratios, monetary benefits, and net benefits of the EAP.

The four components described above provides a structural outline of the most important areas that needs to be covered by an EAP evaluation process and is especially useful for its ability to be applicable to the differential services offered by different Employee Assistance Programmes. This structural outline will be partly adopted in this study for its potential to provide clarity of the nature of the programmes under investigation and direction for interpretation of data.

The researcher in her study includes elements of the above structural outline, focusing on both the individual and organization impact of Employee Assistance Programmes and using different points of data-collection. The researcher made use of a randomised, longitudinal survey looking at behavioural changes through the EAP as well as the perceived consistency of these changes. The **first** point of data collection has been through self reporting questionnaires at post test level. The **second** component focused on data collection through semi-structured interviews with line managers who referred employees into the program, exploring their

perceptions of human resource processes in their organisations and how the EAP fits into this, the industrial risks of employee personal problems, the benefits of the EAP after participation and their perception of consistency of these changes taking place. The **third** component of data collection has been done through statistical analysis, investigating impact on and changes within economic factors like absenteeism rates and disciplinaries, thus covering a pre-intervention and post-intervention analysis. This study focused primarily on the external EAP model, as the financial gains of improved productivity will be measured against the costs incurred for employee psycho-social counselling in the programme. To be able to do this, the researcher had to gain clarity on what constitute productivity within the companies participating in the project. The Accell Team in a 2006 report defines productivity as the relationship between the inputs required producing a product or service, and the value of the output produced. Measuring productivity across industries will be significantly different. Measuring productivity in a factory is relatively easy and fundamentally different in comparison to doing it in an office set-up.

Du Toit Visser (1995:274) refers in his work to the productivity indicators used by companies. When comparing the indicators of 30 South African companies, there seems to be a strong comparison between employee costs and outputs in the industry. Employee cost is a significant part of the inputs cost and Cascio (1982:6), writing from a Human Resource point of view, developed measures to investigate the relationship between employment costs and productivity outputs. He describes the costing of human behaviour as the quantification in financial terms of common behaviour and performance outcomes. He uses the same terminology that Meyer uses in section 1.3.2 when she refers to cost elements in an EAP. Cascio however uses these terms, namely **fixed costs**, **variable costs** and **opportunity costs** to describe production costs. Fixed costs are independent of production rates and examples of these are salary and fringe benefits for staff replacing absentees. Variable costs rise as production rises, an example of which is overtime costs incurred because of absenteeism. Opportunity costs reflect what the company might have earned had they put the resources in question to another use, like profits lost during the replacement process. Cascio thus designed formulas testing the financial impact of organisational behaviour like employee turnover, absenteeism, job

performance, productivity and attitudes. He allows for the inclusion of significantly more variables when measuring the impact of EAPs on organisational behaviour and expenses. Although Masi (1994:151) criticise Cascio's formulas for costing human corporate behaviour and it's applicability to EAP cost-benefit analysis and cost-effectiveness analysis, these formulas provide a practical guide to Human Resource Departments and Employee Assistance practitioners on how impaired work-performance can be calculated as "waste to the company". What lack in this process is calculating these losses against costs of implementing and running an EAP.

1.4.2 **Lack of Return on Investment studies in the South African market**

Despite some research being done in the South African market, professionals in the EAP field as late as 2002 identified that research focusing on a return on investment studies of Employee Assistance Programmes are still greatly lacking in the South African context. As a result, vendors still rely strongly on statistics from especially the American market. This poses the question on whether research in the South African field is not well known, or whether the scope of these studies until now were too limited to gain the necessary recognition. The South African EAP field is presently a fast growing industry with more and more companies committing themselves to care of their employees through the provision of mental health services. With South African companies revisiting their priorities due to financial limitations, EAPs need to position themselves as financially sound investments rather than disposable commodities. Providing up to date, local research and illustrating that the investment in an EAP adds monetary value to the company can contribute to the positioning of programmes of this nature.

With a lack of scientific proof that EAPs are able to impact positively on employee productivity, this industry will struggle to penetrate the boardroom conversations of companies and be recognised as an essential human resource tool.

1.5 GOALS AND OBJECTIVES

The overall objectives to be obtained within this research have been to track the efficacy of the EAP programme at two designated work sites, as identified by the researcher. Terre Blanche and Durrheim (2002:210) says that since the 1990's there has been a mounting recognition in South Africa that evaluative evidence is needed for accountability purposes, and that the process of evaluation is an essential part of the development of social programmes. The objectives of evaluative processes differ in their focus and McMillan and Schumacher (1997:546) refers to such different approaches regarding evaluation. The major evaluation approaches according to their classification is:

- **Objective-oriented approaches:** *This refers to the degree to which the objectives of a practice are attained by the target group. The evaluation measures the outcomes of the practice and the discrepancy between the stated objectives and the outcomes becomes the measure of success of the practice.*
- **Consumer-oriented approaches:** *The central focus of this approach is the development of evaluative information on products broadly defined for use by consumers when choosing among competing merchandise.*
- **Expertise-oriented approaches:** *This approach depends primarily on the direct application of professional expertise to judge the quality of endeavours, especially the resources available and the process followed.*
- **Decision-oriented approaches:** *Here the focus is on describing and assessing a **change process** and **resulting outcomes** to provide information to a decision-maker.*
- **Adversary-oriented approach:** *Here the planned opposition in points of view of different evaluators (pro and con) becomes the focus of the evaluation.*
- **Naturalistic and participant-oriented approaches:** *Here the naturalistic inquiry and involvement of participants (stakeholders in the practice that is evaluated, are central in determining the values, criteria, needs and data for the evaluation.*

This return on investment study can be placed within a decision-oriented approach with a focus on outcome and product evaluation. Within this evaluation, the workplace is able to determine whether the programme is able to bring about positive change in employee behaviour and thus contribute positively towards its financial bottom-line. A ROI study is in essence a component of an efficiency evaluation of a programme and becomes the overall objective to be achieved in this research project.

In the area of interest of this research, there is an existing theoretical understanding that Employee Assistance Programmes are able to enhance employee productivity. The concept of paid labour also creates a direct link between employee productivity and the financial gains and losses of a company. A ROI study is programme evaluation at a summative level, evaluating the effectiveness of a programme operating for a significant period and in this instance using an area of knowledge for which a lot of information has been generated. Due to the fact that this study makes use of different data-sources and is also an evaluation of a similar program in two different work places, the reliability of data-sources is also tested. This part of the study is thus able to inform future role-players about the most reliable data-sources to use in prospective evaluative studies.

1.5.1 **Goal**

De Vos (2005:7) indicates that authors like Mouton and Marais (1990) and Rubin and Babbie (1993) refer to goals as being explorative, descriptive or explanatory. There are however differences of opinion amongst researchers, and De Vos takes the stance that the goal of research is guided through a basic or applied framework. This research is of an applied nature and as a result the goal is evaluative of nature with a focus of application in practice.

The goal of this research is to evaluate EAPs in the South African context, by exploring the return on investment of the program amongst two corporate clients of The Careways Group. The focus is on the counselling component of the program

and information will be gathered through different data-sources, namely self-reporting, statistical analysis and feedback from referral agents.

1.5.2 **Objectives**

De Vos (2005:9) conceptualise the objectives of a research programme as being potentially explorative, descriptive or explanatory. EAPs are established programs operating in the corporate environment. The objectives of this research are explanatory in nature and can be described as follows:

- To investigate the impact of an EAP on organisations focusing on employee impairment on performance indicators like absenteeism, on-the-job absenteeism and disciplinary action.
- To provide guidelines for future ROI evaluation tools that can be used by companies and EAP vendors to determine the return on investment of their EAPs.
- To investigate the consistency of data from different measuring instruments / data sources, namely self reporting, impressions from referral agent and statistical data analysis.
- To provide recommendations focusing on important programme elements, as well as future return on investment studies.

1.6 **RESEARCH APPROACH**

The researcher used both the qualitative and quantitative research approaches with data-triangulation as the fusion of findings within this study. The researcher intended to follow the dominant-less dominant approach, with the quantitative component being the dominant and the qualitative component being the less dominant approach. As the study evolved, and the significance of the qualitative

data became apparent, the study started to incorporate strong elements of the mixed-model approach.

Chapter four provides a detailed discussion of the quantitative approach and an analysis of the data obtained through this medium. The discussion also gives a dissection of the sample used for this component of the study.

Chapter five provides a detailed dialogue about the qualitative approach and its application in this study. It also gives a breakdown of the sample used for this part of the research.

Chapter six bring together the data generated through the quantitative and qualitative approaches in a triangulative manner and the chapter provides a succinct discussion about triangulation as an approach in the field of research.

1.7 TYPE OF RESEARCH

McMillan and Schumacher (1997:22) makes a simplistic but well-established distinguish between the two broad types of research, namely basic research and applied research.

Basic research focuses upon testing theory with little regard of applications of the results to practical problems in the social environment. It is exactly the inability of basic research to contribute to the problem solving of the social sphere that made it inappropriate for this study. The purpose of this study is to contribute to knowledge but also to identify and develop an evaluative formula for use in practice.

Applied research on the other hand is concerned with the application and development of research-based knowledge about a specific practice. Applied research tests the usefulness of scientific theories and determines empirical and analytical relations within a given field. It further adds to the research-based knowledge in a given field. This knowledge influences the way practitioners think and perceive a common problem, stimulate further research, suggest new theories

and stimulate methodological development. Applied research as a result became more appropriate for this research process.

1.7.1 Evaluation Research

Evaluation research is regarded as a subtitle within applied research. The purpose of this type of research is to assess the merit and worth of a particular practice in terms of the values operating at the site(s). Evaluation determines whether the practice works, and whether it is worth the costs incurred in development, implementation, or widespread adoption. It adds to our knowledge about a specific practice and can stimulate further research and methodological development to study practice. Evaluative research often identifies variables or suggest hypothesis for other evaluation and applied research. The researcher embarked on evaluative research, investigating whether the EAPs in question as a workplace programme are able to reduce costs incurred by reduction in productivity like absenteeism, on-the-job absenteeism and disciplinary action caused by employee emotional problems.

Bless and Higson-Smith (1995:47) refers to the three different roles **that evaluation research has to play in social interventions**. These are identified as follows:

Diagnostic evaluation	Focuses on informing researchers and project managers about present situation, highlight current problems, trends, forces and resources, thus gathering information that is important in the planning of a new project.
Formative evaluation	Relating to the development and implementation of a program with the aim to shape the program so that it will have the greatest beneficial impact on the target community. This type of evaluation always form part of the initial planning of a program and in the scope of EAPs should be agreed upon at implementation of all new programmes.

Summative evaluation	This is the focus of this research. The programmes under investigation have been established for different periods of time and their length of existence have no significance to the study. Summative evaluation research sets out to determine the extent to which programmes meet their specified aims and objectives. This information is used to gain credibility with various groups of people.
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(Table 1.4: Different roles of Evaluation Research. Bless and Higson-Smith 1995:47)

Babbie and Mouton (2005:338) also contributes to the above and talks about The **purpose of evaluation studies**. They add an additional component, namely the generation of knowledge. The following table gives a short description of their description of the roles/purpose.

Uses or purpose	Examples
Judgement or worth	<p><i>(These judgement-oriented journeys into programs involve questions like: Was programme successful? Did it achieve its objectives? Was it effective? Did the programme attain its goals? Did the intended beneficiaries receive the intervention in the most effective and efficient manner?)</i></p> <p>Summative evaluation</p> <p>Accountability</p> <p>Audits</p> <p>Quality control</p> <p>Cost-benefit decisions</p> <p>Deciding a programme's future</p> <p>Accreditation/licensing</p>

<p>Improve programmes</p>	<p><i>(This type of evaluations asks different questions: What are the programme's strengths and weaknesses? Has the programme been implemented properly? What constrains are there on proper implementation? Are the programme recipients responding positively to the intervention and if not why not?)</i></p> <p>Formative evaluation:</p> <p>Identifying strengths and weaknesses</p> <p>Quality enhancement</p> <p>Managing more effectively</p> <p>Adopting a model locally</p>
<p>Generate knowledge</p>	<p><i>(While the above purposes of evaluation are driven by concerns for use and application, here the purpose is to generate new knowledge. These can be: to clarify a programme model or underlying theory, to distinguish between types of intervention or elaborating policy options. In some cases the knowledge-oriented evaluation might have more general aims such as understanding the programme better, reduce uncertainty and risk of failure)</i></p> <p>Generalisation about effectiveness</p> <p>Extrapolating principles about what works</p> <p>Building new theories and models</p> <p>Informing policy</p>

(Table 1.5 : Source: Micheal Patton (1997) Utilization-focused evaluation. Third Edition.p.76.)

Babbie and Mouton (2005:348) is of the impression that outcome evaluation can only be achieved if a pre-test, post-test design is implemented. This study utilised a multi-method approach that allows for data gathering for pre- and post intervention performance indicators.

1.8 RESEARCH DESIGN

Bless & Higson-Smith (1995:63) describes the research design as having two meanings. Firstly, it can be understood as the planning of any scientific research from the first to the last step. Secondly, it is a specification of the most adequate operations to be performed in order to test specific hypothesis under given conditions. This correlates with the description of Rubin and Babbie in De Vos

(2005:133), also looking at the term “research design” as referring to as related courses of action within the research process. The first connotation relates to the logical arrangements from which one can select, examples being experimental research designs or correlation research designs. The second connotation relates to the process of designing the study in its broadest sense, including everything from the design to sampling, data collection and analysis. Both these authors describe research designs as having a comprehensive, all-inclusive meaning as well as a very specific, focused meaning. Bless and Higson-Smith prefers to call the second connotation the plan or programme, rather than the research design.

Terre Blanche and Durrheim (2002:29) describe the research design as a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research. Reflecting on the meaning given by the above-named authors to research designs, the design in this instance is a plan used to guide the arrangement of activities for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economical viability. Research designs generally can be regarded as a plan that specifies how the research is going to be executed in a way that it answers the research question. This description also places the research design into the more inclusive framework, as discussed above.

Some researchers describe designs as architectural blueprints. When looking at research designs from this viewpoint, it is understood that research designs are fixed and specified before execution and that they are defined by technical considerations. In contrast, qualitative researchers often propose designs that are more open, fluid and changeable, not defined purely in technical terms. There continue to be debate between quantitative and qualitative researchers about the type of research designs most appropriate for the social sciences. Durrheim prefers to regard a design as a strategic framework, a plan that guides research activity to ensure that sound conclusions are reached. The researcher feels comfortable with Durrheim’s description as it creates a good balance between the two opposite paradigms of operating within a fixed mould or being open and fluid. To see the research design as a strategic framework allows for the development of a design

that will address the disjuncture being created by operating a psychosocial service within a business-orientated field.

In developing a research design, the researcher explores four focus areas as cited by Terre Blanche & Durrheim (2002:33). These are, firstly, the purpose of the research, in this instance to determine the financial benefits for companies deriving from their investment into an Employee Assistance Programme, giving it more than just a humanitarian face. The second focus area is the theoretical paradigm informing the research. There is a general belief that emotionally troubled employees are absent more often, has lower productivity and contributes to lower staff morale and staff turn-over. Employee Assistance Programmes, in essence psychosocial programmes operating in work organisations, claims to have the ability to reduce the occurrence and impacts of these manifestations of emotional problems through brief psychotherapeutic intervention. Another distinctive characteristic of workplace psycho-social programmes is its ability to intervene at a time when problems has not yet reached its chronic phase, or resulted in loss of employment. Steele (2002:21) rightfully argues that we can prevent people ending up in the criminal-justice system or the general welfare system by providing access to an Employee Assistance Programme while still a productive citizen. Thirdly, the context or situation within which the research is carried out, play a significant role. This research will be carried out within an environment where a disjuncture exists between the qualitative nature of the service and the quantitative environment within which it operates. The interplay between the complexity of human behaviour and its impact on workplace productivity and thus financial prosperity, requires a design technique that can capture the complexity of human behaviour and present results that will make economic sense. The quantitative presentation of research findings plays a significant role in enhancing the marketing value of Employee Assistance Programmes, while the qualitative presentation provides a rich description of observed behavioural impacts and industry risk, often the salient elements that cannot be measured through a return on investment exercise.

Finally, Terre Blanche and Durrheim (2002:44) focuses on the research techniques employed to collect and analyse data. In this instance statistical research, the

investigation of historical Human Resource records, questionnaires and semi-structured interviews were utilised.

These methods were chosen to allow for the collection of both subjective and objective data.

The above authors also reflect on two important principles in research designs. These are **design validity** and **design coherence**. These two principles are discussed below.

1.8.1 **Design Validity**

Traditionally, research in the social sciences has been restricted to a positivistic paradigm, using standard sets of research techniques like experimentation and surveys with the purpose of controlling the research context. This notion supports the idea of research designs as being blueprints, captured in a set of standard technical procedures with the purpose of controlling or eliminating threats to validity. Validity refers to the ability of a design to establish a relationship between the independent and dependent variables with a high degree of certainty and is measured in terms of two separate but related dimensions, **internal** and **external** validity. **Internal validity** examines the extent to which a particular research design has excluded all other possible hypothesis, which could explain the variation of the dependent variable. This means that a research design should control as many extraneous variables as possible. **External validity** is concerned with whether the results obtained from the particular sample of participants apply to all subjects in the population being studied. It is thus concerned with the extent of generalization to the real world that can be made. The sample must thus be representative of the population in question and the researcher must also ensure that the study simulates the real world as closely as possible. The design the researcher selected was decided upon with the background of identifying and eliminating plausible rival hypothesis. This refers to possible alternative interpretations of the research findings. Although thinking about plausible rival hypothesis is historically associated with positivism, the principle is a way of checking the validity of all kinds of

research. Because of the exclusion of a control group for obvious ethical reasons, it was essential for the researcher to eliminate plausible rival hypothesis by identifying and controlling unexplained variables that could influence the findings by removing their presence or measure them in order to determine their presence. In this instance, design validity was threatened by complementing programmes operating within the organisations, changes in employee fringe benefits (positive or negative), organizational culture impacting on staff morale and fluency of the employment market impacting on staff turnover. This coincides with a concern raised by Glenda Noemdoe, previous COO of the Careways Group in a 2002 panel discussion that within a study of this nature the impact of other variables impacting on performance indicators should be taken in consideration. To deal with this threat it became easier to study subjects who used the programme through the mandatory referral process where performance challenges has been identified prior to intervention and has been tracked vigorously.

Cohen, Manion and Morrison, (2000:115) refer to the following ways by which threats to design validity can be minimised:

- Choosing appropriate time scales.
- Ensuring adequate resources are available to undertake the research.
- Selection of appropriate methodology for answering the research questions.
- Selecting the appropriate data collection instrument.
- The use of a representative sample.
- Demonstrating internal, external, content, concurrent and construct validity, thus operationalising the constructs fairly.
- Ensuring reliability in terms of stability (consistency, equivalence, split-half analysis of test material).
- Selection of an appropriate focus to answer the research question.
- Devising and using appropriate instruments, ensuring readability, avoiding ambiguity, leading questions, ensuring the level of the test are not too easy or difficult, too short or too long, using instruments that will catch the complexity of issues.

- Avoiding a biased choice of research team.

1.8.2 **Design coherence**

Design coherence is becoming more and more important as research paradigms other than positivism are obtaining dominance. The coherence of the research design is achieved when the decisions from each of the following different domains, namely purpose, paradigm, context and techniques, fits together with an internal logic. Design coherence is a broader construct than design validity. Researchers achieve coherent designs by ensuring that the research purposes and techniques are arranged logically within the research framework provided by the particular paradigm.

Terre Blanche and Durrheim (2002:36) refer to paradigms as systems of interrelated ontological, epistemological and methodological assumptions. They act as perspectives that provide a rationale for the research and commit the researcher to particular methods of data collection, observation and interpretation. Their ability to impact both on the nature of the research question and the manner in which the question is to be studied, makes them central to the research design.

Design validity and design coherence are not opposing principles. Both aim to ensure a level of consistency between the researcher's paradigmatic assumptions, the purpose of the research and the conclusions reached. This consistency is achieved when the research activity produces data that provides valid answers to the research question. Research coherence is however a broader concept that accommodates research designs with different understandings of validity.

1.8.3 **Research design for this study**

With the above discussion as background, the researcher will now discuss her choice of research design. Bless, Higson-Smith & Kagee (2006) distinguishes between three categories of research designs, relating to the level of scientific

rigour involved in proving the cause-effect relationship. These categories are pre-experimental designs, quasi-experimental designs and experimental designs.

Because pre-experimental designs are regarded as having little scientific rigour and are thus not likely to establish a clear cause and effect relationship between the independent and dependent variables, it would be difficult to claim that the improvement in work-performance of a troubled employee who participated in the EAP is as a result of the programme intervention.

The use of a purely experimental design however, also brings up a range of ethical issues. The ethical considerations for this study will be discussed in more detail later in this chapter. Of significant importance here is the danger of withholding treatment from a group of people, which is the case with control groups as discussed in experimental designs. As is often the case with social work research, a compromise is needed and as a result the design chosen has been of a quasi-experimental nature. Bless, Higson-Smith and Kagee (2006) refers to these designs as ones that do not meet the exact criteria for experimental designs, but are able to approximate experimental conditions.

De Vos (2005:362) describes programme evaluation as having the potential to use a combination of qualitative-quantitative methodology. Programme evaluation as illustrated by the Integrated Model of Programme Evaluation (IMPE) comprises of six phases. These are: needs assessment, evaluability assessment, programme monitoring, impact assessment, cost-effectiveness and cost-benefit studies and utilisation evaluation. This study focuses primarily on the area of cost-effectiveness and cost-benefit analysis. De Vos indicates that cost-effectiveness and cost-benefit analyses are mostly conducted in a quantitative research paradigm.

Cost-benefit analysis requires estimates of the benefit of a programme, both tangible and intangible, and the costs of undertaking the programme, both direct and indirect. Once specified, the costs and benefits are translated into a common measure, usually a monetary unit. Hudson in De Vos (2005:376) argues that despite the great interest in cost-benefit analysis, it continues to be difficult to accomplish in the caring professions and will remain like this until people can

understand and use the fairly simple concept of measured change. This requires the measurement of the client's problem at least at two points in time and computing the difference. This difference can then be equated to the benefit used in the cost-benefit ratio.

The different forms of data gathering allows for the researcher to have insight into performance challenges presented by research subjects before using the program as well as observed changes after participating in the EAP. The different forms of data gathering use elements of different research designs, e.g.:

- The statistical analysis holds elements of a multi-group pretest-posttest design as described by De Vos (2005:139). It looks as follows:
 - $(O_1 X O_2)$
 - Where O_1 is the measurement of the dependent variable without X being present.
 - X is the independent variable being introduced.
 - O_2 is the repeated measurement of the dependent variable after introduction of the independent variable.
- The questionnaire completion component takes the form of a randomised longitudinal survey as described by Grinnell and Williams (1990:159). The design looks as follows:
 - $(R O_1 O_2)$
 - Where R is the random selection from a population.
 - O_1 is the first measurement of the dependent variable.
 - O_2 is the second measurement of the dependent variable (due to a very low response, this part of the investigation has been omitted).

The reason for the time series measurement after introduction of the independent variable is to be able to measure the effect of the therapeutic intervention over a period of time, thus looking at the stability of behavioural change due to the therapeutic intervention.

- The qualitative component represents a phenomenological and ethno methodological strategy of enquiry as described by De Vos (2005). The semi-structured interviews aimed to understand and interpret the meaning research participant's gives to their everyday lives and in this instance the researcher was able to understand the interface between the personal and industrial values of line managers and supervisors as referral agents and the language they use to describe phenomena in their context. The line managers/supervisors selected for this study has been involved in the referral of the specific respondents and their views are thus closely linked to that of the respondents.

One of the main limitations of the overall design is the fact that it lacks the comparison with a control group. As is often the case within a therapeutic context, it will be unethical to deny a certain group of respondents' treatment and introduction of a control group is thus not a consideration.

The design also does not include a pre-test component for the questionnaire section. However, the data collection through statistical analysis as well as the design of the questionnaires and interviews as measuring instrument allows for the retrieval of information about performance challenges before and after employees made use of the EAP.

Bless, Higson-Smith & Kagee (2006) discussed ***sources of bias and validity threats*** of research designs. These sources of bias is identified and discussed for its' applicability to this study. These are;

- ***History and Maturation:*** History refers to changes, which occur in the world, other than those intended by the researcher, which may affect the results. Maturation refers to changes that occur within subjects and thus confound the researcher's design. This is particularly true of designs, which require collection of data at more than one time, as has been the intention of this design (more than one point of measuring after the introduction of the independent variable). The researcher was confronted with a very low participation of respondents in the completion of the follow-up questionnaire. The consistency of changes taking place thus had to be interpreted from the alternative data sources.

- **Regression towards the mean:** This arises when the researcher base their conclusions upon single measurements. As a result the multiple post-test nature of the design is not likely to be effected by this.
- **Test effects:** Prior exposure to a test of measurement can bias a person's responses. The initial multiple post-test nature of the quantitative design was open to this bias. To counter this effect, the researcher has kept in mind a limited amount of re-tests and also varied the test slightly. In the final product, the relevant data were generated excluding this effect.
- **Instrumentation:** Instruments present a problem for design when different instruments are used to test the same concept. The researcher made sure that the instruments are equally sensitive and accurate to ensure that changes between the different measurements would be due to differences within the subjects and not due to difference in the instruments. The semi-structured interviews were directed towards a different sub-group within the larger research population. The focus areas however remained similar. The statistical analysis also focused on similar components of measurement as represented in the other instruments.
- **Experimental mortality:** Subjects often drop out of the research project during data collection procedure. This particular design was also vulnerable to this phenomenon due to the exposure of subjects to measurement over a long period of time within a fluctuation job market. Although the researcher took this in consideration and had to ensure that it is convenient for subjects to participate until the end, the response to the second set of questionnaires has been very low and as a result was omitted from this study. The other procedure involved another subgroup in the larger population (line managers/supervisors who acted as referral agents) and their participation was required at one point in the research only. Sufficient subjects had to be selected at the onset of the data-collection period. This has been relatively easy in terms of the second subgroup and participation has been at (80 %) of the selected individuals for company one as well as for company two. For the first subgroup (96%) of the intended

subjects participated in the first round of data-collection for company one. However, due to the size of the company it was difficult for the onsite personnel who assisted in the administration of the questionnaires to reach all the respondents and only 23 % of this group participated in the second round of data-collection. It posed a bigger challenge within company two where fewer subjects used the EAP through the formal referral process for the identified period. At the time of data collection only (35%) of the identified subjects were available for participation and (14%) of these subjects participated in the second round.

- **Reactive effects:** This refers to a group of related effects resulting from the fact that the subjects know that they are being observed and thus behave unnaturally. Measuring instruments often creates anxiety. Again this research design has been vulnerable to this response as questionnaires have been utilized, thus not able to collect data in an unobstructive manner. The confidentiality of the subjects during data collection may have limited this challenge to some extent. The use of statistical data as well as the semi-structured interviews conducted with line managers/supervisors also countered this concern.
- **Selection bias:** Where the study incorporates more than one group of participants, it is important that the researcher be sure that these groups are equivalent to each other in all respects. In this instance the researcher made use of two sub-groups per corporate company and two corporate companies participated in the research. Each subgroup within one corporate company represented equivalence with the similar subgroup in the other corporate company. Selection within subgroups represented a relative equivalence where employees from Company One came from a production background as well as an administrative background. The employees from Company Two also required a matric and post-matric qualification to perform their duties. Line-managers/supervisors representing the subjects from the second sub-group in both companies have a combination of academic qualifications and industry specific knowledge coupled with sufficient managerial exposure.

The topic under investigation is one for which a lot of information is already known. This allows the researcher to develop a hypothesis, stipulating the variables involved in the study. The next section will look at the formulation of a hypothesis appropriate for this study.

1.9 **HYPOTHESIS**

Once the research problem has been identified and reduced to a workable size, and when the gathering of background information, by literature review and other means, has helped to clarify the position of the problem within the theoretical framework and the already available results, the researcher is in a position to formulate the research problem, (Bless, Higson-Smith & Kagee:2006:29).

The above authors further indicate that hypothesis cannot be formulated unless all concepts have been given, as theoretical, practical and operational definitions. Concepts are utilised to facilitate communication amongst people, in research they are building blocks of theory. However, for concepts to be useful, they must be defined in a clear, precise, non-ambiguous way. Section 16 of this chapter focuses specifically on defining key concepts important in the conceptual understanding of this study. The researcher is in a position to formulate a hypothesis as sufficient information on the topic under investigation is available to do so. The hypothesis for this study reads as follows:

The participation of employees in Employee Assistance Programmes can result in an improvement of their psychosocial problems, resulting in improved productivity at work.

In this instance the dependent variable is the improvement in psychosocial problems and productivity as a result of the participation in the independent variable, the Employee Assistance Programme.

1.10 DATA COLLECTION

Data has been collected through interviews according to **an unstructured interview schedule** (qualitative part of investigation), and through a survey by using **questionnaires** and **existing statistics research** (quantitative part of investigation). The researcher also sourced the opinion of three clinical psychologists in the field to support/discuss the reasons why long-term change is possible through a brief intervention strategy as is used in the Employee Assistance Field.

1.10.1 Unstructured interviews

De Vos (2005: 296) refers to the schedule within unstructured interviews as a guideline for the interviewer that contains questions and themes essential to the research. These questions were not necessarily asked in a particular sequence, but they ensured that all the relevant topics were covered during the interviews. These interviews were conducted with supervisors and line managers involved in productivity management and referral of employees into the programme. To counter the concern that a cost benefit analysis is only able to measure the tangible benefits of the programme, the interactions with line management allowed for the investigation of perceived intangible benefits of the programme and yielded valuable information that opens the path for further research.

De Vos (2005:253) indicates that the qualitative researcher will use purposive sampling methods by identifying access points where subjects will be easily reached and by selecting informed subjects. In this instance, the focus on line management has been the natural choice of a sample. Fifteen participants from each work-site have been selected for the qualitative part of the study. Twelve participants from each company were eventually interviewed.

1.10.2 Questionnaires

Babbie and Mouton (2001:233) refers to questionnaires as widely used in evaluation research. The subjects received a questionnaire to be completed after participation in the programme. Subjects were randomly selected from a group of employees who completed participation in the EAP between 3 – 6 months. Thirty respondents from worksite one and twenty subjects from work-site two have been selected for the quantitative part of the study. Twenty nine respondents from company one and twelve respondents from company two eventually participated.

Harris et.al.(2002:78) designed a questionnaire for an EAP outcome study focusing on areas like subjects self-reporting on general health, how emotional problems interfere with social, family and daily activities, depression, anxiety and general emotional functioning. Although self-reporting has the potential to pose validity threats due to the subjective nature thereof, the pre- and post-test nature allows for a more objective measure of change. The areas covered in Harris's study plays a significant role in the choice of areas covered in this study. The impact of social problems upon functioning at work has also be an important area covered in the questionnaire as well as across the different measuring instruments.

1.10.3 Existing statistical analysis

Existing statistical analysis are often used as a supplemental source of data in evaluation research, (Babbie & Mouton, 2001:393). Recorded performance challenges like absenteeism and disciplinary actions resulting in productivity losses provides a conceptual context within which the research is located. Although the subjects involved in the research have been people entering the Employee Assistance Programmes as mandatory referrals, it has been with great care to the ethical dilemmas tied into confidentiality that their permission were requested to obtain statistical data of performance indicators available in their personal files. As the subjects involved in the research project have been involved over a period of time, and entry to their world has been through people in the organisation they have a trust relationship (their supervisors/line managers or therapists within the

program) a relationship developed or existed where the disclosure of such information was generally not regarded as an intrusion. However, in some instances subjects did not feel comfortable and withheld consent. In these instances subjects had to be central in the disclosure of such statistical information and it proved to be less threatening than an exercise involving purely the Human Resource component of the organisation. Information regarding subjects' income level has been included in the questionnaires as it is an essential component allowing the researcher to use existing statistical information at organizational level measured against salaries paid to determine the financial impact of psycho-social problems on the workplace and the savings resulting from the improvement of these conditions.

1.11 **PILOT STUDY**

De Vos (2005:205) defines the pilot study as a process where the research design for a prospective survey is tested. It involves the pre-testing of a measuring instrument, referring to trying it out on a small number of persons having characteristics similar to those of the target group of respondents. For the purpose of this research the questionnaire was tested with two employees who were referred into the program through the formal referral process during 2006. The interview schedule was tested with a manager who used the program in the capacity of a referral agent. The piloting took place at worksites not demarcated for the main study.

De Vos (2005) also indicates that for any researcher to undertake meaningful research, he/she needs to be fully up to date with existing knowledge on the specific subject. Neuman (1997:88) indicates that a systematic literature review assist the researcher to define and refine a topic. He also describes the goals of a literature review as:

- Demonstrating a familiarity with a body of knowledge and establish credibility.
- To show the path of prior research and how a current project is linked

to it.

- To integrate and summarise what is known in an area.
- To learn from others and stimulate new ideas.

De Vos also warns that the amount of literature confronting the researcher at the initial stage of the investigation can be frightening. However, the literature study during the pilot study does not entail a study of all researches in great detail. The purpose is to orientate, making sure that literature on the specific subject actually exist, what kind of literature it is and whether it is freely available.

The current literature study revealed that a vast amount of literature is available on Employee Assistance Programmes generally, both in academic books, journals and on the internet. Information on the internet also varies from business orientated reporting to academic reports. The international EAP field since the 1980's increasingly talks about the importance of cost benefit analysis of EAPs and a number of research studies has been done in this regard. This reflects a realisation that proofing the fiscal benefits of programmes is as important as the humanitarian part of it. Maiden (2006) is of the impression that the interest in this type of studies where expressed mostly in the US and Western Europe during the 1980s and 1990's. He further stressed that the availability of information lies within the corporate environment, making this the ideal arena for research of this nature. Harris et.al.(1999:55-59), Masi (1994:158-186), Highley (1996:4-8), Schear (1995:20-23), Dainas and Marks (2000:34-36), French et.al(1995:95-109) and Houts (1991:57-81) are some of the international authors reporting on studies done, investigating the financial benefits to corporate clients when they are investing in EAP programmes. Studies of this nature are also strongly supported by the field of Human Resources and Economics reporting on the importance of a productive workforce for a healthy economy. Literature reveals a clear understanding in the corporate environment that employees' personal problems can impact on their productivity and that companies reflect financial wisdom when investing in programmes to help them address these problems. Authors like Nissly and Mennen (2002:15-22), Berridge and Cooper (1994), Murphy (1995), Mann and Kelly (1999:118-122), all discusses the impact of personal problems including

stress and depression on people's functioning. Cascio (1982) makes an important contribution to the search for concrete financial data explaining the costs of employee behaviour.

The South African academic field has also developed significantly in the direction of research within the EAP field. Until recent years not a lot of studies were conducted locally regarding return on investment of EAPs. Of the research done was a study by Meyers (1994) looking at a needs assessment and a cost-benefit analysis within EAPs. Grace (2001) and Coppens (1997) both investigated the return on investment of Employee Wellness Programmes with a strong medical component on sick leave and absenteeism. Although these authors do not exclusively look at the psychosocial component of the programmes, they cover important areas of employee under-performance and the financial viability for work organisations to invest in these areas of employee life. Brief psychotherapy as a treatment model is also well documented in literature. In this chapter the researcher cited the ideas of Stalikas and De Stefano (1997) and McCullough-Valiant (1994). The literature review presents a comprehensive combination of viewpoints in order to highlight the central paradigm of the approach within Employee Assistance Programmes.

1.12 **CONSULTATION WITH EXPERTS**

De Vos (2005:180) indicates that consultation with experts holds both positive and negative implications. Experts often complicate the conceptualisation of the problem formulation and this can lead to confusion for the researcher. However they are able to provide an expert view. The researcher decided to consult with experts both locally and internationally. On the local front an in-depth interview were conducted with van Jaarsveld (2006). This interview covered the following broad aspects:

- The historical development of EAP's in South Africa.
- The interest amongst corporate clients locally to measure the outcome of their EAP's.
- Challenges facing return on investment studies in the industry.

Maiden (2006) provided an international perspective to the topic. This e-mail based interview covered the following aspects:

- The interest of corporate clients internationally in studies of this nature;
- The ideal arena for these types of studies to take place, within the academic field or within the corporate environment;
- Challenges facing this type of study; and
- Conditions that will enhance the process of return on investment studies within the EAP field.

During a 2002 mini-conference, attended by members of senior management as well as staff with a significant amount of experience within the field of EAP, the following comments was made and were taken in consideration in the development of this study:

- A concern that measuring the impact of the counselling component of the service only, will exclude the positioning of supervisor and management training and consultation as a key element in EAP. If ignored, it could lead to an investigation too narrow in focus. While this is regarded as a valuable concern, the researcher also had to take in consideration that measuring all aspects of an EAP would result in a too lengthy research exercise. Within an academic consultation following this conference, it was decided that this concern would best be dealt with capturing the different components and how they contribute towards the success of an EAP within one chapter. Chapter three makes provision for this discussion. The qualitative interviews with line managers and supervisors provided a window into the contribution that this population can make.

- Another concern coming from this conference that had an impact on the initial mapping of the process was the fact that the sample initially suggested, were too big. It was also suggested that the focus be narrowed down to subjects who

accessed the service through the formal referral process only. While the latter could initially present itself as further running the risk of a too narrow research focus, the broader discussion regarding the different components that make this brief intervention successful would deal with this concern. These suggestions were built into the project.

The lack of available data was also highlighted in this discussion and correlates with the views of Maiden (2006). It is thus possible to make an assumption that this may be a world-wide challenge for cost-benefit / return on investment studies within the EAP field. It was suggested that the researcher focuses on companies where data would be more readily available.

- Corporate terminology was also cited as an important aspect, and this study uses the term “ return-on-investment” rather than cost benefit analysis.

- Another comment of significant importance highlighted in this discussion referred to the impact of different variables on performance indicators. While it is not possible to control all variables, it is important to recognise and acknowledge them in the study. *Variables identified were the following:*
 - Organisational variables. These refer to organizational culture and competing programmes that may impact on the performance of employees.
 - The therapist. The therapeutic style and skills of therapists differs and may impact on the abilities of research subjects to develop insight into the influence of his/her personal challenges on work performance indicators, and as a result his/her ability to address this.
 - Client variables. People responses to therapeutic intervention are influenced by the type and severity of their presenting problems as well as their openness to change. It can thus be accepted that some research subjects (EAP clients) will respond more positively to intervention than others. This will in effect influence the change to be identified within performance indicators and as a result influence the potential “return on investment” for the corporate client. The researcher encountered these

phenomena while conducting her research at company two. Three of the respondents initially identified for the research presented with significant problems that could not effectively be dealt with through the program. At the time of the investigation two already left the company while one was on extended sick leave.

During July/August 2008 the researcher consulted with three clinical psychologists around the strong sense of consistency of behavioural changes that is observed through the research. The three professionals, Wright, (2008), Kgalema (2008) and Mvoko (2008) are all familiar with the brief intervention model. The question posed to them is “what is it according to his/her opinion that takes place within the individual that contributes to sustainable change through a brief intervention model as used in Employee Assistance Programmes. Their responses looked at the following areas:

- The brief solution focused in itself uses positive and goal orientated approach and if the therapist knows how to apply it, it should be able to instil long-term change.
- Employees who have been formally referred into the program are often at risk of losing their jobs and as a result are more open to making changes.
- The referral creates an opportunity for them to develop insight, it creates a better understanding of themselves and their workplace and a realisation that personal issues is spilling over into the workplace.
- Access to the program can potentially create a sense of trust and emotional caring by the workplace and this can also facilitate a process of change. It can also create a sense of emotional security and thus contribute to sustained change.
- Some problems are more receptive to sustained change while others like chronic substance addiction and personality problems may not present with significant changes over a period of time. There is a definite link between the type of problem and the seriousness thereof at the time of referral.

1.13 **FEASIBILITY OF THE STUDY**

The fiscal costs of a study of this nature can be significant if a representative sample is to be utilised. Fortunately, questionnaires as a measuring instrument are generally not a costly procedure. The existing statistical research procedure also does not necessarily present huge financial implications. It was however a time-consuming procedure and was also dependent, like the entire study, on permission from corporate clients to use their records. The extent to which records are kept up to date also influenced the quality of information retrieved.

Fiscal costs were generated from travelling costs to the different sites and the reproduction of measuring instruments.

The study has been conducted with two corporate clients of one of the larger vendor companies in South Africa, the researcher's previous employer. Concern about bias of reported results has been defused by using different forms of data collection, conducting the research at two corporate clients and comparing the results generated from the two sites. The results of this study are also compared with those of similar studies conducted locally and abroad. There is a significant correspondence between the results from this study and that of other studies conducted and the inference can be made that the impact of bias has been limited.

The researcher's previous employer has been approached for consent to conduct this research and agreement has been given.

1.14 **DESCRIPTION OF THE POPULATION / DEMARCATION OF SAMPLE AND SAMPLING PROCEDURE**

De Vos et.al (2005:192) describes a research population as a term that sets boundaries on the study units. It refers to individuals in the universe who possess specific characteristics. The population in this research refers to all employees of the identified corporate clients who are making use of the EAP services. More

specifically the population in this instance refers to the employees from the demarcated companies who used the service as part of a formal referral process during 2007. Power, Meenaghan and Toomey (1985:235) define a population as a set of entities for which all the measurements of interest to the practitioner or researcher are represented.

The researcher used systematic sampling and the particular interval used in selecting the sample has been every second person being referred through the formal referral process for the demarcated companies during 2007. De Vos (2005:197) indicates that systematic sampling is considered of higher value than simple random sampling, at least as far as convenience is concerned. With the second corporate company, a relatively small percentage of employees entered the Employee Assistance Programme through the formal referral process for 2007. As a result all employees in this category were identified for research purposes. *(See chapter 4 section 4.3 for more details on the methodology applied).*

Because of confidentiality, great care had to be taken to protect subjects' privacy. Subjects have been assured of confidentiality but not anonymity. Only the researcher and the referring manager have been aware of their identity.

The population from which a sample was drawn for the qualitative component of the research were the line managers and supervisors who make referrals into the program. The sample represented all the line managers/supervisors who were responsible for the referral of the respondents into the program. *(See chapter 5 section 5.1 for more details on the methodology applied in this study).*

1.15 **ETHICAL ASPECTS**

Strydom in De Vos et. al. (2005:56) refers to eight ethical issues to take in consideration when conducting a research project. These are;

- **Harm to experimental subjects or respondents**

An ethical obligation rests with the researcher to protect subjects against any form of physical or emotional harm, which may emerge from the research project. Respondents have been informed beforehand about the potential impact of the research. The researcher in this instance was cautious not to extract emotionally sensitive information through the questionnaire or the interview schedule.

- **Informed consent**

This refers to the need for all possible information on the goal of the investigation to be made available, the procedure that will be followed, advantages and disadvantages which respondents may be exposed to. With regard to this study, research subjects has been informed that although their identities would remain confidential, information regarding their absenteeism and work performance may be drawn from organizational records with their consent. Only the researcher and the referring manager were aware of their participation. The researcher developed an “informed consent” form and each respondent were required to sign such a form.

- **Deception of subjects and/or respondents**

This refers to the deliberate misrepresentation of facts in order to make another person believe what is in fact untrue. Reasons for this are to disguise the real goal of the study, to hide the real function of the actions of the subjects, and to hide the experiences that subjects will go through. Some of the dangers for the present study have been that this study could cause real harm to the trust of subjects in the EAP and as a result cause damage to the contracts for the vendor. To limit this risk, the researcher had to ensure that the purpose and processes of the research be explained clearly to the research subjects.

- **Violation of privacy**

Privacy refers to the information about people that are not intended for others to observe or analyse. Confidentiality can be regarded as a continuation of privacy, referring to a limitation to people's private information. Confidentiality in the research context indicates that only the researcher and possibly a few members of his/her staff should be aware of the identity of participants, and should make a commitment with regard to confidentiality. Invasion of privacy in the present study were avoided by excluding intimate, personal questions from the measuring instrument (questionnaire) and the interview schedule. Invasion could not be avoided completely as subjects were requested to give permission for data to be drawn from their personal files. This was needed for the statistical research component of the study.

- **Actions and competence of researchers**

Researchers are ethically obliged to ensure that they are competent and adequately skilled to undertake the proposed investigation. In the initial reasoned proposal for the investigation, the researcher clarified the reasons for the study and indicated in what manner she would be able to honour ethical guidelines. Objectivity and restraint from making value judgements are part of the equipment of a competent researcher. Professional practitioners who want to base their practice on scientific principles must refrain from value judgements. The researcher in this instance obtained the relevant information to ensure that she became sensitive towards the values, norms and climate, which exist in the organisations before the research project commenced. The researcher maintained contact with the corporate wellbeing consultants for the two work sites as well as the internal Employee Wellbeing Coordinators. Utilisation of scarce resources is often an ethical issue influencing the researcher directly. Utilisation of one method of investigation above another because of a lack of funds can be a dilemma and in this instance the researcher had to be careful not

to compromise on the data collection methods, namely questionnaires, interviews and statistical research, due to time limits.

- **Cooperation with collaborators**

Often research projects are too comprehensive and expensive for researchers to handle individually and sponsorships are needed. The relationship between the researcher and the sponsoring body can raise ethical issues, especially when the sponsoring body acts prescriptively. Researchers, as a result, should ensure that manipulation from the sponsoring body do not manipulate the purpose and outcome of the study. The researcher has not identified and approached any sponsoring bodies for this specific project and as a result this is not a direct threat at present. Co-workers are often involved in the study in some way. In this instance it has only been the corporate wellbeing consultants for the two sites as well as the internal EWP coordinators who have been involved in a supportive capacity. At the first worksite the EAP clinical team has been involved in identifying the research subjects and assisting in the completion of the questionnaires.

- **Release or publication of the findings**

The findings of the study will be introduced to the reading public in written form as failure to do so will make the investigation meaningless. The report will be compiled as accurately and objectively as possible as errors in the study will lead to other researchers wasting their time and funds by relying upon the findings. Formulations and conveyance of the information should be clear and unambiguous, so that misappropriation by subjects, the general public and even colleagues can be avoided or minimised. The incorporation of other people's work in the study will also receive proper acknowledgement. Subjects will be informed about the findings in an objective manner without offering too many details or impairing the principle of confidentiality. Research is a learning experience and should be for all parties involved. Debriefing interviews are one

way of ensuring that subjects are part of the learning experience. Making the report available in simpler language is another way in which the project can be rounded off ethically.

- **Restoration of subjects or respondents**

Debriefing sessions during which subjects get the opportunity, after the study, to work through their experience and its aftermath, are possibly one way in which the researcher can assist subjects and minimise harm. After completion of the project, the researcher has to rectify any misperceptions, which may have arisen in the minds of participants. Termination of and withdrawal of a therapeutic process must be handled with the utmost sensitivity. The research process must at all times be a learning experience for both the researcher and research subjects. In this instance the research subjects have not been involved in a therapeutic process. However, it was important for them to know that their willingness to participate has contributed to the knowledge base in the field while their identities were protected.

1.16 **DEFINITIONS OF KEY CONCEPTS**

The following key concepts will be used in this study regularly. Literature illustrates the following meanings to these concepts.

Employee Assistance Programs (EAP):

Mann and Kelly (1999:1) defines EAPs as programmes designed to assist work organization by providing help and counselling for employees and their families with a wide range of personal problems that may affect job performance.

Berridge and Cooper (1994:5) defines EAPs as a programmatic intervention at the workplace, usually at the level of the individual employee, using behavioural science knowledge and methods for the recognition and control of certain work- and non work

related problems (notably alcoholism, drug abuse and mental health) which adversely affect job performance, with the objective of enabling the individual to return to making her or his full work contribution and to attaining full functioning in personal life.

The EAPA-SA Standards Document (2005) defines EAPs as a worksite-based programme designed to assist in the identification and resolution of productivity problems associated with employees impaired by personal concerns, including, but not limited to, health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal concerns which may adversely affect employee job performance.

The above definitions all makes reference to a strategic relationship between personal wellbeing, workplace behaviour and the financial wellbeing of a company. It can thus be argued that by definition EAPs position itself as a corporate benefit rather than soft service benefit.

EAP Vendors:

Masi (1994:190) defines this as a company hired by an organization to provide EAP/MBC (Managed Behaviour Care) staff and services.

An EAP vendor can thus be defined as a company specialising in the delivery of psychosocial services to work-organisations as a means of keeping employees healthy and productivity high.

Costs benefit analysis:

Schear (1995:20) defines this as a method of comparing the benefits of a programme with its cost. It requires a consideration of all long-term and related benefits and costs and can be used to compare very different programmes.

Masi (1994:186) defines it as the estimation of a dollar value for the benefits the EAP provides to the organization. It measures the direct and indirect costs, including programme operational expenses and costs attributed to the employee's problems, in order to determine the total dollar expenditure for implementation of the programme as compared to the costs that would be incurred without the programme. The two

amounts are weighed to evaluate whether the programme, given its estimated cost, can be justified economically.

Grace (2001:5) defines cost-benefit analysis as the measuring of economic efficiency of a programme in monetary units as a relationship of costs and benefits.

The above definitions all reflect the financial calculation that is part of analysis of this nature and the application thereof in a social science field requires an understanding of how human behaviour has financial implications in the corporate world.

Cost effectiveness analysis:

Schear (1995: 20) defines this as an evaluation of the costs incurred in reaching a desired outcome. This is typically expressed as a ratio – the cost of obtaining a result divided by the number of desired outcomes. The method can also be used to compare different ways of achieving the same objectives.

Masi (1994:186) defines this as the quantification of programme outcomes, most likely in dollars, and compares this with the available programme costs. It does not require a projection of intangible or future savings for various types of programmes. The analysis addresses whether a programme is being conducted at an acceptable level of effectiveness, in terms of optimum return per dollar expended.

Grace (2001:5) defines it as measuring the value or merit of a programme in non-monetary units. This refers to the extent to which resources allocated to an accepted specific objective under each of several alternatives actually contributes to accomplishing that objective, so that different ways of achieving the objective may be compared.

Cost-impact/offset studies:

Schear (1995:20) defines this as the evaluation of cost savings that occur as a result of providing a service. The concepts of cost-benefit, cost effectiveness and cost-

impact/offset thus all operate in the space where the financial validation of programme effectiveness is concerned.

Return on investment:

Meyer, Opperman and Dyrbye (2003:5) defines return on investment as a measure of the monetary benefits obtained by an organisation over a specified period of time in return for a given investment in a programme. In other words, it is the extent to which the benefits (outputs) exceeds the costs (inputs). In the context of this study the researcher will use the concept, Return on Investment (ROI) as opposed to cost benefit analysis.

Employees:

An employee as described by Berridge and Cooper (1994:7), is economically active people. Oss (1998:1-5) refers to employees as productively active individuals in an organisation. Of significance is that employees and management are usually referred to as separate entities. It can thus be argued that present day literature contributes to the perception that EAPs are being bought by management for their employees and not for their own use.

Evaluative research:

Masi (1995:187) defines evaluation as the scientific gathering, analysis and reporting of data. It determines the worth or merit of a programme designed to change people's knowledge, behaviour or attitudes.

Babbie and Mouton (2001:334) refers to evaluative research as a research purpose rather than a research method, the purpose to measure the impact of social interventions. The researcher particularly prefer the reference to purpose and by transferring the concept to the field of EAPs, there is a responsibility of programme managers to ensure that evaluation becomes part of the programme construct.

Absenteeism:

Nel in Grace (2001:3) defines absenteeism as the failure of employees to report on the job when they are scheduled to work. Absence may take a variety of forms, not always easily identifiable and can also indicate time lost with sickness or accidents, preventing a worker from being on the job. Absenteeism is one of the most tangible workplace indicators through which company losses can be determined.

Brief psychotherapy:

Brief therapy involves a conceptual shift for therapists from the archaeological search for why people are the way they are, to a much more here-and-now focus on what keeps them that way, McCullough-Vaillant, (1994:2).

Brief counselling is a problem-focused form of individual or family outpatient counselling that seeks resolution of problems in living, emphasises client skills and resources, involves setting and maintaining realistic goals that are achievable in a one to five month period, encourages clients to practice behaviour outside the counselling session and looks to the counsellor to provide structure, interpret behaviour, offer suggestions and assign homework activities. (abridged from clinical notes of PPC International:1999).

Internationally this approach seems to be the intervention strategy around which EAPs are designed.

CHAPTER TWO

OPERATIONAL ELEMENTS OF A RETURN ON INVESTMENT AS A SUMMATIVE FORM OF EVALUATION FOR AN EMPLOYEE ASSISTANCE PROGRAMME

2.1 INTRODUCTION

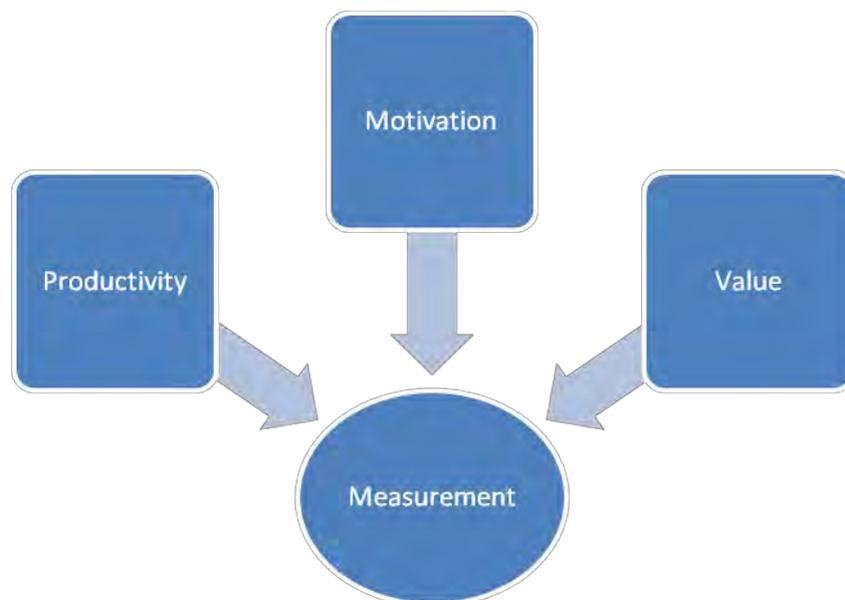
The purpose of this chapter is to gain an in-depth understanding of return on investment analysis as an evaluative tool, specifically in the operation of Employee Assistance Programmes and generally as a tool designed to measure the financial benefits deriving from implementing a human orientated workplace programme. Sudgen and Williams (1978:13) indicates that the decision to invest in a project at any point in time is usually based on a commitment or promise of returns in the future as well as in the present. Investing in employee health is based upon such a commitment that healthier employees are more likely to maintain good productivity, thus contributing to a company's financial turnover. Returns can take on different forms, some of them relatively intangible. This study focuses on the more tangible returns for which measurement can be applied as well as exploring the value attached to the non-monitory benefits of the program. Meyer (1994:1) points out that the performance of any organization is to a large extent influenced by the performance of its employees. She draws from Gibson et al (1991) focusing on the inter-relatedness of individual, group and organisational performance. Individual performance contributes to group performance, which in-turn impacts on organisational performance. When thinking from this framework, it becomes clear that any organisation interested in good company performance, must acknowledge that the employees' wellbeing is crucial to the success of their business. Marc Drizin wrote in the Sunday Times Business Times of 5 October 2003 that employees stay with an organisation for different reasons. Some feels obligated to stay, having to pay back an employer who provided them with training and development opportunities or do not believe that they have the necessary skills to find another job. However, employees who stay with a company because they

have a strong personal attachment are those who not only stay longer, but also will recommend the company as a good one to work for and go the extra mile to ensure customer satisfaction. The above thinking just reiterates the importance of people for organisational excellence, thus allowing the rightful title of human capital.

2.2 CONCEPTUALISING RETURN ON INVESTMENT IN PRACTICE

2.2.1 Motivation as a prerequisite for productivity and the EAPs' ability to impact on both tangible and intangible employee benefits

Concept development plays an important role in the knowledge and even in the conduct of everyday existence, (Smith, 1994:21). Without clear definitions or attributes, the ability of a concept to assist in fundamental tasks is greatly impaired. This section looks at the productivity, motivation, value and measurement as essential concepts in this study. The graph below illustrates the relationship between these concepts within the context of this study. Measurement becomes the fundamental action while productivity, motivation and value are some of the forces influencing the quality of work performance.



(Graph 1: Relationship between Productivity, Motivation, Value and Measurement)

Ramafoko (2002:42) is of the impression that there is a correlation between the motivational levels of employees and their work performance/productivity. She uses the motivational theories of Maslow, Alderfer, Herzberg and McClelland in explaining that it is important in the workplace to meet people's needs from the most basic to the more advanced. In all four of these theorists' description of needs, reference is made to needs referring to existential, interpersonal relational and a need for self worth. These are needs upon which an EAP and the field of social work has a significant impact.

There seems to be interrelatedness between employee performance and organisational performance. Ramafoko (2002:49) provides a basic description of productivity and refers to it as a measure that compares outputs to inputs. The measures of productivity depend upon the type of institutions that are being discussed and include efficiency and effectiveness of outputs measured in terms of client satisfaction, labour turnover and absenteeism, and such intangibles as employee morale, loyalty and job satisfaction.

Marx uses the concept of surplus value where he describes the value of products created through labour power to be much more than the value of the labour power itself. Organizations thus buy labour power according to the current market value of those professional categories. What they expect the output value of that to be is much higher than what they have paid for. The employee is thus involved in exchange value of his labour but is alienated from its use value (Trotsky, 2002:104). Haralambos and Heald (1980:229) in their reflection of Marx's work refers to his belief that work provides the most important means for man to fulfil both his basic needs, his individuality and his humanity.

Leiss (1988:14) look at the individual as the consumer of goods and focuses on how their needs are manipulated by the availability of products. People in the workplace are simultaneously creators of goods as well as consumers of these products. People can thus seek satisfaction in their craftsmanship (not being alienated from the use value of their creations), as well as seeking satisfaction around the circumstances of their work that allows them to satisfy their needs as consumers.

Shillito and De Marle (1992:3) refer to **value** as the primary force **motivating** human actions. Value is seen as a potential energy field between people and the objects that they need and the magnitude of this energy field depends on the interplay between needs, usefulness and cost. Value becomes the force that can be quantified. **Value measurement** is a process in which numbers are used to quantify the value of elements in a system. This process consists of several steps:

- First a system is identified and its components named.
- Secondly, needs are analysed and the functions of the components identified.
- Thirdly, value measurement techniques are used to qualify the value of components in the system.
- Finally, these value indices are graphed, and various value, performance, or cost targets are derived and used as references in value improvement efforts.

For the purpose of this study, areas of potential value measurement will be mentioned but its components will not be discussed in the format as highlighted above. The researcher will focus briefly on the emotional value of work for people as discussed by Drafke and Kossen (2002), the value of work activities as highlighted by Cascio (1999) and focus on the value components of a typical Employee Wellbeing Program as offered by the vendor companies who provided permission to the researcher to approach their client companies for fieldwork purposes.

Work and its value-components for people: Drafke and Kossen (2002:10) is of the impression that while most people will say that money is the overall reason why they are working, money in itself has very little value to people. It is the things that money can buy that are of real value to people. The above refers to the monetary value of work. However, work seems to fulfil certain human needs. People attach a certain value to the type of work they do, their level of personal enjoyment (example an artist who is passionate about painting and makes a living out of it), the status attached to their position and value/importance in terms of societal views. This view

may part from the views of Marx as depicted earlier in this text as it refers to a value-add component more than the exchange value of labour.

Many employers may hold the view that people are paid to fulfil the needs of the company. Employee functions are designed to fulfil the mandate of service delivery, profit making and financial wellbeing of the company. It is the objective of any business to make money and in the case of a service orientated company, to render a quality, cost-effective service. In measuring the **value of work activities**, Cascio (1999:220) refers to six elements to consider when referring to a financial cost accounting of work activities. These are:

- The average value of production or service unit.
- Quality of the object or service.
- Overheads, including rental, office support costs, cost depreciation, rental of equipment.
- Errors, accidents, spoilage, damage to equipment and general wear and tear.
- Factors such as appearance, friendliness, poise and general social effectiveness in public relations.
- The cost of time spent of other personnel, including supervisory time.

Human behaviour has the ability to impact on the financial wealth of an organization and certain behaviour patterns contributes directly towards losses within a company while the absence thereof ensure better financial performance. Cascio refers to the concept of **burden adjustment** created when a worker operates at less than the general standard. This concept is supported by authors like Highley (1996:4-8), Steele (2002:18-21) and Riotto (2001:37-48), who are of the impression that people's personal problems have the ability to affect their work performance negatively. In the first chapter of this study the researcher looks at reference being made by these authors to studies indicating the extent of people's personal problem on their work performance and thus the financial bottom-line of the companies who employ them. Authors like Oss (1998:3) and Bellingham and Cohen (1987:74) also strengthen the perception of value-add of Employee Assistance

Programs/Employee Wellbeing Programs when they refer to studies highlighting the positive contributions of these programs to workplace productivity. The utilisation of a cost benefit/return on investment analysis within the field of Employee Assistance Programmes is an attempt to make an economic estimation of the impact of the programme on social behaviour.

Return on investment studies as a concept had its foundation in the field of economy. Today it is a method used amongst economists and non-economists. It is also a concept that is in existence and has been written about for over thirty years. Frost (1979:3) refers to a return on investment analysis as a comparison of two or more solutions to a given problem and to provide a framework in which such comparisons can be usefully discussed. It starts from defined assumptions and relies on the preferences expressed by groups of people concerned by the decision. This form of analysis traditionally is based upon economic assumptions, yet is often utilised to **measure** impacts of more complex problems outside the area of traditional economics like social factors such as the value of life. The utilisation of monetary standards to explain values and social norms can however be very dangerous. Pearce (1986:2) shares the concerns of Mishan when he refers to this process as an attempt to press non-economic values into the framework of the economic calculus. The writer is concerned that this procedure puts a price tag to values that is otherwise priceless. Pearce describes return on investment analysis as a procedure that:

- Measure the gains and losses to individuals/companies, using money as the measuring rod of those gains and losses.
- Aggregating the money valuations of the gains and losses of individuals/companies and expressing them as net social gains or losses.

While the above argument needs to be taken in consideration when using a return on investment analysis to evaluate social programmes, the lack of a thorough measurement may leave expenditure decisions without a guided process, thus creating the danger of inefficient spending.

This study is entered on the premises that a company investing in a programme that is to benefit its employees has an interest in knowing that it is adding value to the organisation both on a personal and a financial level. A return on investment study, the main focus of measurement for this study, has its limitations as only those benefits that can be translated into monetary terms, can be included in the analysis. Mishan (1976:405) are of the impression that typical return on investment exercises finds it difficult to effectively take in consideration the concept of social merit. “Goods” like improved health, better education, decrease in stress levels and improvement in interpersonal relationships may be difficult to include in a return on investment/cost-benefit calculus. These socially desirable goods may be measured by what is known as social indicators and the components of units used for measuring purposes vary from one social indicator to another. Meyers (1994:147) makes the reader aware of the fact that an Employee Assistance Programme typically has the potential to impact on social indicators like employees’ quality of life, employee morale and improved decision-making, but that these aspects may be too difficult to translate into monetary terms, thus often be excluded from this type of analysis. A Return on Investment analysis should thus never be seen as a measurement of all possible costs and benefits of an EAP. It is at best an attempt to measure as many as possible, often the major measurable costs and benefits of the programme. The interviews conducted with line managers/supervisors generated a wealth of information relating to social capital. There has been significant consistency in the opinions of participants from both work sites. They are of the opinion that employees with personal problems impact negatively on their teams within the workplace. Because of mood changes they tend to withdraw from their colleagues and the latter often gets frustrated when they have to carry an added workload due to the lack of performance of a team member. Participants were all of the impression that there is usually a visible change in the social interaction of previously troubled employees after participation in their EAP and that these positive changes translate into better functioning teams as well as individuals who not only improve their performance, but are in a position to assist fellow employees. These are indicators that cannot be measured in monetary terms however its value to the organisation cannot be under-estimated. This creates the question whether a return on investment analysis, excluding non-monetary indicators, really addresses

all the needs that an impact study of Employee Assistance Programmes should deal with.

Measuring of clinical service delivery is an important component within the field of social work. LaSala (1997: 54-63), Gaston & Sabourin (1997: 227-231) and Fisher & Valley (2000: 271-284) provides reflections on the usefulness and validity of client satisfaction surveys in the monitoring and evaluation of mental health services. LaSala is of the opinion that the need to determine how satisfied clients are with the service, are consistent with social work values. Fisher and Valley refers to a perception that client satisfaction surveys are often regarded as scientifically problematic but professionally useful. The lack of standardization between measuring tools makes comparison of findings fundamentally difficult. While there continue to be a concern that client's reports of satisfaction do not represent a valid outcome variable, Gaston & Sabourin found a weak correlation between client satisfaction and the need to give socially desirable responses. There has however been a stronger correlation with pre and post-treatment reduction in anger, depression, social problems, anxiety and thought disturbances.

Employee Assistance Programmes consist of different components and these are discussed in detail in chapter three. Components within an Employee Assistance Programme for which value measurement is possible are:

- The corporate wellbeing consultation process
- The management consultation process
- Direct services
 - Clinical
 - Financial
 - Legal
 - Medical
- Reporting component (provision of management information)
- The pricing model

For the purpose of this study the value measurement will focus only on the clinical component of direct services.

2.3 MEASURING CHANGE WITHIN EMPLOYEE ASSISTANCE PROGRAMME

“Measuring is the first step that leads to control and eventually to improvement. If you can’t measure something, you can’t understand it. If you can’t understand it, you can’t control it. If you can’t control it, you can’t improve it.” (Harrington in Kaydos,1998:3).

Googins (1998:224) asks the very radical question whether EAPs do in fact effect change. In order to measure change within the context of EAPs, it is necessary to first understand how change itself is at the heart of the programme. For an EAP to achieve its goals regarding change, it needs to be acknowledged that problems exist and that a changed state is desirable. Googins, Howard and Kurtz in a 1983 writing grouped measures of change in four major classes. These are;

- Change in drinking behaviour – a measure of the degree to which a person has achieved an abstinent or sober state. As EAPs address problems much more holistic than drinking, we would refer to this as a change in emotional well-being.
- Change in work performance – a measure of the degree to which the employee has improved work performance.
- Change in cost reduction – a measure of savings realized through improved work performance.
- Change in penetration – a measure of the extent to which a programme reaches the target population of a given organization.

The above categories address different types or objects of change, illustrating the lack of consensus on how programme success are conceptualised, targeted and measured. The scope of this study addressed specific changes within work performance and its cost implication. Such a specific focus is possible as many

changes to performance as well as its financial impact are tangible and thus measurable.

According to Csiernik (2004:26) an EAP should have a mechanism in place to evaluate the appropriateness, effectiveness and efficiency of service delivery. According to Csiernik only a few return on investment studies were conducted during the 1990s. Briefer outcome reports also did not provide comprehensive literature reviews, context for the study or discussion of the organisations. The focus of these reports was rather on methodology and outcome. The table below provides an illustration of studies conducted during the 1990's, the methodologies used, study time frames, variables examined and their outcomes.

Author /year /workplace	Workforce size and EAP delivery	Method	Study time frame	Variables examined	Outcome
Blaze-Temple & Howatt 1977. Hospital Laundry and Linen. Perth, Australia	400 External model	Quasi-experimental multiple time series 2 pre-3 post EAP use. EAP counselling vs. no counselling	2.5 (two and a half) years	Absenteeism Compensation claims, sick leave, retention	Self-arranged counselling produced the most cost savings as there is no programme cost to the employer. EAP was cost neutral
Bruhnsen 1994. Unit of Michigan Medical Centre. Ann Arbor	8 000 Internal	Matched cohort of 122 former EAP clients. Groups matched by age, sex, education, job, class and years of service.	5 years	Retention and sick leave	EAP clients had a higher retention rate and no difference in sick days leading to a cost savings of \$65,341
Collins 1998. Chevron Corporation	Internal	Review of all EAP files from 1990 – 1994. n =	Retention rates 10 years Productivity:	Accidents Productivity Retention	Cost returns of 14:1. Few substance abusing

		11,773 Safety rates: programme users vs. non-users Retention rates: 1992 CATOR study baseline	4 years Accident rates: 3 years		employees fired. Improvement in both supervisory referrals (mean 50%) and self referrals (mean 5%) clients. Safety rates identical.
Conlin, Amaral @ Harlow 1996. Southern California Edison	Internal	Matched cohort of employees with substance abuse claims. 30 employees EAP use. 29 no EAP contact – only managed care use	30 months	Medical costs.	EAP users had higher initial addiction treatment costs but subsequently lower mental and physical health care costs. EAP users had 38% less medical costs over 30-month post-treatment period.
Editorial Board.1993. McDonnell Douglas. Unites States	130 000 Internal	Comparison of EAP users to those with problems who sought help outside the EAP to a control group of those without substance abuse or mental health issues	5 years	Absenteeism Medical costs Termination	Chemical dependency clients had 29% fewer days of absence, 42% fewer terminations, &7.150 less in medical costs. Anticipated future offset of \$6,000,000
Schear 1995. Burlington- Northern		Comparison of costs the month prior to EAP use to one year	1 year.	Absenteeism, accidents/injuries. Medical costs. Performance. Workers’	Job performance ratings by supervisors increased. Fewer health insurance

		after EAP use.		compensation.	claims, medical leaves and absences. No changes in disability or workers' compensation claims.
Stephenson & Bingaman. 1999. United States. Postal Services.	900,000 Internal	Prospective cost-benefit analysis using first time EAP users.	5 year prospective	Absenteeism. Benefit costs Cost of EAP	Benefit to cost ratio: Year 1: 1.27:1 Year 5: 7.21:1 Cost savings increase post EAP use
Yandrick 1992a Orange County Florida Public Schools	19,000 Internal	Comparison of health costs in one year using 5 sets of 25 employees tiered across 4 years of EAP use compared to 25 non-programme users	5 years	Medical costs Sick time	Both medical costs and claims drop after EAP use and continue to fall over time. Prior to EAP use clients' sick leave above organization average, after EAP use, it fell below the organization average
Yandrick 1992b Virginia Power Richmond, Virginia	12,000 Internal	Pre-post EAP use comparison to those using behavioural health benefits.	8 years	Benefit costs Medical costs	EAP users had 23% lower medical costs and 15% lower non-behavioural health benefit costs than did the comparison group.

(Table 2.1: Return on Investment Studies conducted in 1990's according to Csiernik 2004)

Van Jaarsveld (2006) indicates that one of the challenges that cost benefit/return on investment studies in the EAP field faces is the fact that these studies are lengthy exercises while the industry requires this information to be available to them much quicker. The average time period of all the studies above is 4.5 years with the shortest period being one year. Management information is generally provided in the form of quarterly reports providing utilisation statistics (creating the ability to determine if the programme is well utilised and which pockets of employees are making use of the programme), trends of the types of problems people experience within the organization generally as well as different departments specifically and the impact on performance indicators (based on self reporting). While this information is immensely valuable to management and assists them in strategic decision-making regarding their human resources, what is often missing in these reports is the ability to measure changes in performance indicators for people participating in the programme.

The manner in which information gathering is structured through the format of client assessment and management consultation documents determines the ease with which evaluative studies can be conducted. Although reference is made to performance indicators within the relevant assessment tools, these are basically reported on without the ability to report on changes during and after interventions. This limitation thus necessitates additional evaluative studies for companies who are interested in measuring their return on investment based on changes in performance indicators. The researcher looked into the content of the assessment forms of three leading EAP companies, two local and one international company. All three assessment forms make provision for a thorough psycho-social investigation while reference is made to the impact of these psycho-social problems on work performance in a generalised manner. No other additional work performance information is generated. Below is an illustration of the findings of this exercise.

COMPANY	NUMBER OF QUESTIONS REFERRING TO WORK PERFORMANCE COMPROMISES	ARE ANY OF THESE QUESTIONS HAVING A NUMERICAL VALUE TO THEM	OVERALL FOCUS OF ASSESSMENT FORM
Company One	One question related to work performance	There is no numerical valuation to the question.	Overall clinical focus based on brief solution therapy.
Company Two	One question related to work performance	No numerical valuation to the question.	Overall clinical focus within the context of brief solution therapy.
Company Three	Two questions related to work performance	No numerical valuation to the question.	Overall clinical focus also within the context of brief solution therapy.

(Table 2.2: Brief view on assessment tools for three EAP vendor companies)

For ROI and effectiveness measures to be ingrained into the service delivery process of the vendor company, a more significant focus should be given to the impact of psycho-social problems on work performance both at the time of initial assessment as well as the time of service assessment (termination). Well-established EAPs who services a large number of corporate clients is presently not generating this information in a format that will eliminate the need for lengthy and extensive return on investment studies. It thus means that while extensive information is available within the data basis of EAP vendor companies, this information in itself allows for only generalised reporting on the impact of the programme on work performance indicators. Maiden (2006) indicated that the therapeutic intervention is but the first step in the process of measurement. He is of the opinion that it is essential to establish clear parameters with an employer at the point of EAP introduction. A problem with many ROI studies, as is the case with this research project as well, is that the parameters for measurement is determined long

after implementation and as a result, information is not generated in a format that will enhance the speed of such a study.

The variables within the studies monitored by Csiernik (2004) centred on absenteeism, retention, sick leave, accidents, productivity, medical costs and benefit costs. These variables are relatively tangible, allowing for measurement to take place, providing effective documentation took place within the work organisation.

All measures require documentation while not all documentation needs measurement. Documentation is more of an enumeration of observation while measurement has a much more precise connotation and represents an overriding concern in science. In essence, measurement consists of rules for assigning numbers to objects to represent quantities of attributes. The scientific measurement of change in EAPs allows us to assign the change occurring as due to the programme and not to some external event. EAPs, although remaining one of the main components of work-based programmes, more and more operate within a broader wellness arena. When looking at the impact of the programme on behavioural change, it will be crucial to take cognisance of all other components of the specific programme, impact of other relevant programmes and conditions within the workplace impacting on employee behavioural change.

There are dilemmas and difficulties in measuring change. There are scientific obstacles to measurement as no research method is without bias like sampling errors, threats to validity and interviewer bias to name but a few.

A further difficulty in evaluating programmes of this nature is the isolation of quantifiable programmatic goals that can be linked to and measured against programme efforts. When a workplace purchases an EAP they often do it on the premise of wanting to demonstrate their care towards their employees rather than having identified specific problems they would like to have addressed. If this is the case, the organisation has failed to determine what its baseline functioning is at the time of programme implementation and what its desired changed state will constitute. An organisation needs to understand its status quo at the point of

departure in order to determine the benefits derived from any programme intended to bring about change. Maiden (2006) reiterate the importance of generating baseline data at the point of implementation of a programme to allow effective measurement of progress or the lack thereof to take place.

It is possible in EAPs to determine change as all behaviour changes within the workplace can be measured in value of lost productivity. This implies that the ability to link an EAP to job performance allows for the introduction of a primary evaluation measure. However, job performance measures are often also criticised as one of its main measurable expressions may not be anything more than replacements for job performance and productivity, unrelated to the quality of work, but may be sensitive to the intervention strategy. This can lead to a biasing of the results that presume to generalise job performance. However, despite the criticism and because these are more concrete and precise indicators of problem behaviour, they are more useful for measuring programme success. The researcher was able to address these concerns through the more qualitative part of the intervention, specifically the interaction with supervisory and middle management, determining what they regard as qualitative performance indicators within individual employees. As indicated in the first chapter, a semi-structured interview schedule has been utilised to interact with supervisors and line managers regarding their experience of the impact of the programme on employee work performance.

2.4 EVALUATION AS A STRATEGY TO MEASURE CHANGES: EXPLORING METHODOLOGIES OF EVALUATION

As mentioned in the first chapter, the methodology of evaluating the costs and benefits of an EAP as cited by French and Zarkin (1995:95-109) has a structural influence on the evaluation strategy used in this study. The process as mapped out by these authors allow for a more comprehensive understanding of the environment within which the specific programme is operating, an acknowledgement of complementing programmes operating within the company that may have an influence on people's productivity as well as a measurement of the costs of running the programme. This process has the

potential to go a long way in addressing the concerns around EAPs claims of value-adding to a company while operating within an environment rife with variables having the potential to impact on employee's behaviour. The methodology used by French is discussed on page 80 below and has an influence on the format used in this study.



(Graph 2: Methodology of Evaluating the Costs and Benefits of an EAP: French and Zarkin 1995)

Goss (1997: 327) embarked on a study of employee counselling adopting the principles of an integrated pluralist evaluation significantly incorporating the methods of triangulation. It allowed for both humanist (phenomenological) and reductionist (positivist) philosophies at every stage of the investigation. By focusing on both the quantitative and qualitative, he addresses the needs of different stakeholders interested in the value adding of a service of this nature. People's lack of emotional well-being rarely only impact on one area of their personal or work life. Typically, addressing their well being in a positive manner, also rarely only impact on only one area of their workplace performance . A study of this nature thus allows for a more holistic evaluation of the impact of an Employee Assistance Programme.

It should however be noticed that it is impossible to investigate all possible impacts that a programme can have and it become necessary to focus on a selected group. The value of Goss's study is that it includes both quantitative and qualitative valuation where a pure return on investment analysis looks only at the quantitative value adding, allowing for the argument that such an approach reduces complex human interactions and feelings to misleadingly simple numbers. Goss (1997) and French et.al (1995) seems to think alike in this regard. This current study narrows its focus to a component of employee assistance offerings by focusing on the counselling aspects. Although this specific focus allows for criticism around the fact that the programme consists of different interactive processes contributing to the value adding of a company, it will complicate the study if the impact of all the programme components should be included in the investigation. For the purpose of this study, chapter three (3) will address the different components involved in the process, thus providing a clearer perspective of the comprehensiveness of an EAP.

The questionnaire focuses on respondents' perception of the impact of their personal problems on their personal as well as work life. It furthermore focuses on the change in personal and work related behaviour as perceived by the respondents.

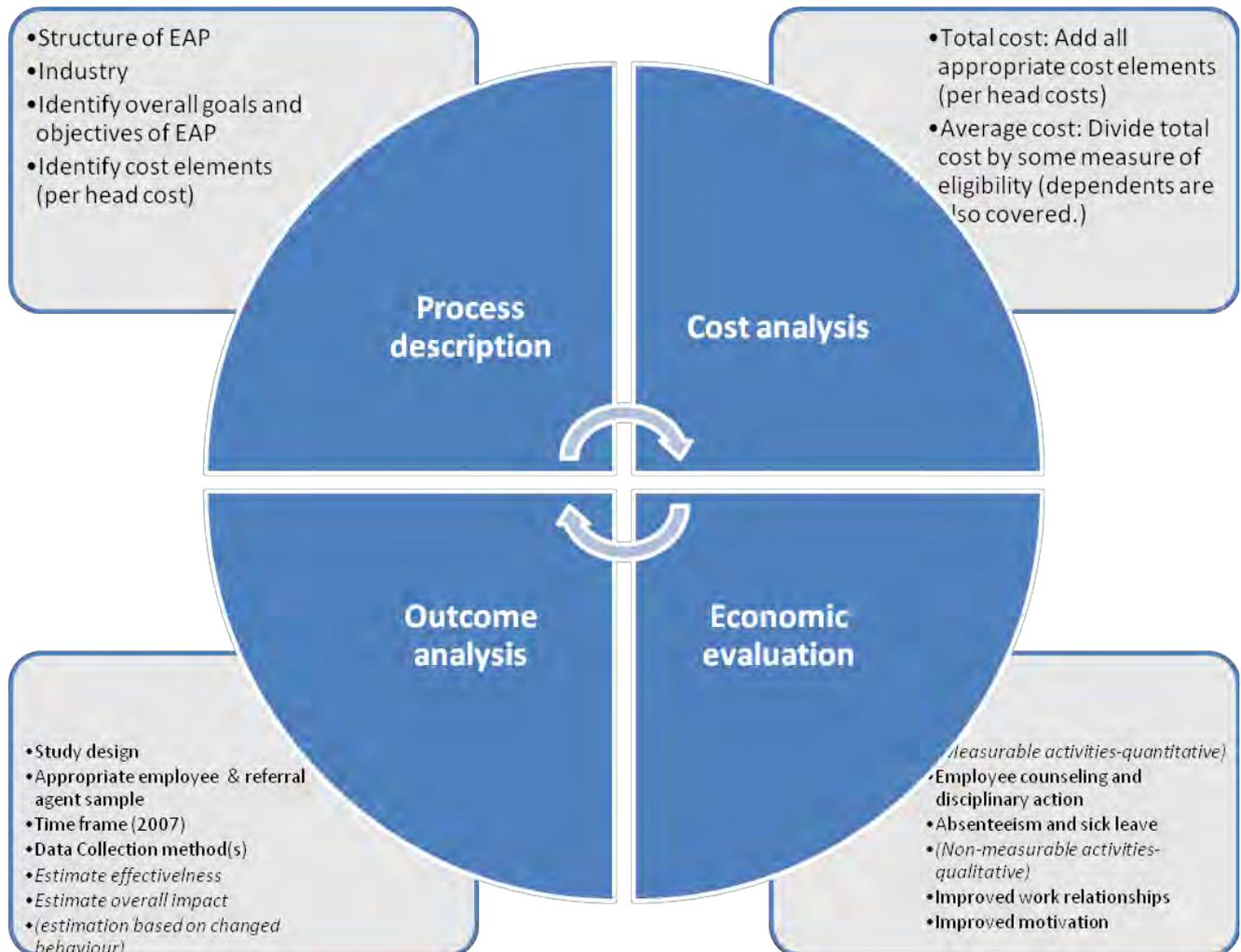
Permission received from respondents to obtain statistical data assisted in incorporating an objective view to the self-reporting data received in the questionnaire.

Semi-structured interviews with supervisors/managers involved in referring employees into the programme brought a wealth of information that could not be captured through the questionnaires. It creates a view of the perceived value-add the program has for managers and supervisors, key partners in driving the company's human capital. These interviews represent the qualitative part of the investigation.

The final step in French's study does eventually become the most important part of the study. Information received from the measuring instruments allows for us to make an economic evaluation of the behavioural changes reported in the study. Although the reported changes in respondents' personal relations are not included in the economic evaluation, they form an integral part of the cycle of change taking place within the individual. The impact on work-related activities is used to make an economic evaluation. For this purpose Cascio's measurement of human resource activities are utilised.

From the description of French and Goss, the following return on investment tool has been derived. This study will use this tool when measuring the impact of the identified intervention strategies.

2.4. Return on investment tool for this study



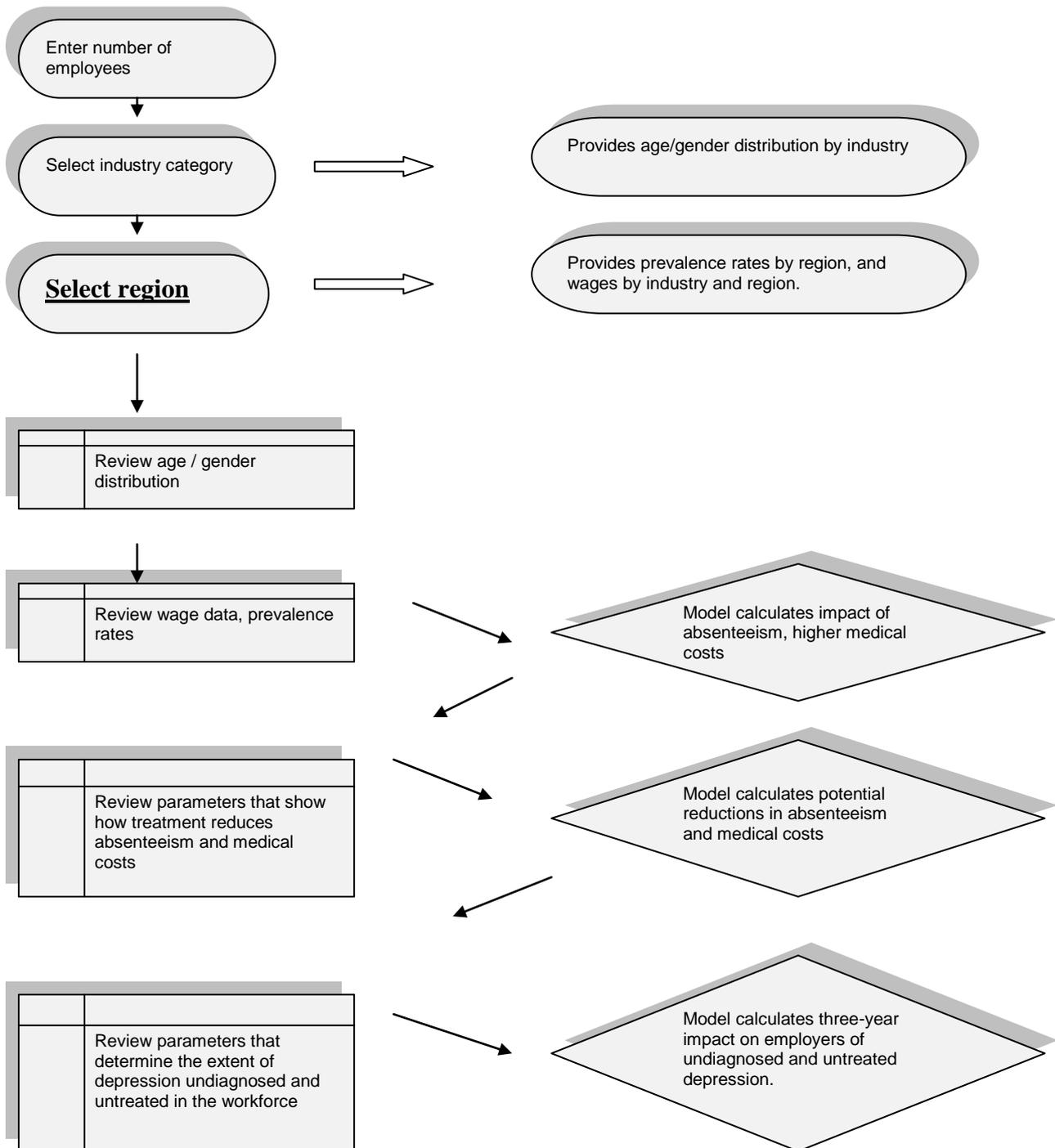
Effectiveness in the context of this study is measured through:

- Questionnaires (self-reporting of impact of problems on personal and work life). It is a measure of change in personal and work related behaviour. This represents the quantitative process.
- Statistical analysis. Information received from personnel files for changes in absenteeism trends. Also a part of the quantitative process.
- Semi-structured interviews with referral agents. (qualitative component).

(Graph 3: ROI tool for this study)

The HSM Group (2005) also developed a model for calculating the impact of depression on the workplace. This model also provides an economic evaluation of the impact of psycho-social problems on the workplace as a whole. It shows the interconnectedness of data sources housed in departments like human resources, medical, payroll and the EAP. Its' further appeal is the potential to develop it as a software program for use within a company. Although the example below focuses on the impact of depression specifically, the formula can be used to measure the impact of multiple mental health challenges on the financial bottom-line of an organisation.

The model below operates on the premise of good record-keeping and its effectiveness would thus be compromised in the event of the company not adhering to such practices.



(HSM Group Model for calculating impact of depression on the workplace)

2.5 METHOD OF MEASURING HUMAN ACTIVITIES IN THE WORKPLACE ACCORDING TO CASCIO

Wayne Cascio, more than twenty years ago expressed an interest to look at the role that the human resource field should play in determining the financial costs of human behaviour in the workplace. Cascio (1982: 1) indicates that for some time, human resource activities were measured in behavioural and statistical terms. Behavioural measures include measures of the reaction of various groups, what individuals have learned, or how their behaviour has changed on the job. Statistical measures include various ratios such as: accident frequencies, percentages like labour turnover, measures of central tendency and variability like cash register shortages. The need often exists for human resource activities to be measured in economic terms. Since the middle of the 1970's, behavioural scientists made a shift in focus, measuring employee behaviour in financial terms. Such measures require an interdisciplinary approach, collaboration between accounting and behavioural science.

The determination whether Employee Assistance Programmes are having the desired impact on workplace productivity in essence requires such a partnership between the behavioural and financial sciences. Cascio attempted to do this by developing measures by which organizational behaviour can be measured in financial terms. Following is a description of some of Casio's measurements that will be used for the purpose of this study. These are the costs of:

- Absenteeism and sick leave;
- Employee staff turn-over (in this case the intention to leave the company is explored); and
- Disciplinary action.

The rationale of including only the above measurements relates to the argument that only certain elements of human behaviour can be measured in monetary terms.

The qualitative element of the study, referring to the interviews with supervisors and middle managers, has the potential to explore the impact of the programme on employees' quality of life, employee morale and improved decision-making, elements generally regarded as being too difficult to translate into monetary terms. The qualitative component also covers the impact of lower productivity and mistakes on organisational performance. What Cascio's work is able to contribute to this study is the ability to measure the financial costs of some of an employee's behaviour in the workplace. It is cautiously used as part of this analysis, allowing the researcher to determine losses a corporate client is incurring when people's personal problems are impacting on their work. Within the following section a discussion will pursue, focusing on the economic valuation of job performance as discussed by Cascio-Ramos. The model called CREDIP is valuable as an overall estimation of job performance value within a company for certain clusters of employees. It is an intense and timely investigation and for the purpose of this study is used to highlight the principle of job performance value only.

2.5.1 **The economic value of job performance**

Measuring job performance may feel like a complex activity. The Cascio-Ramos estimate of performance works as follows:

The assumption is made that a company's compensation programme reflects current market rates for jobs and that the average economic value of each employee's labour is reflected in his/her annual wage or salary. The CREPID model breaks down each employee's job into its principal activities, assigns a proportional amount of the annual salary to each principal activity and then requires supervisors to rate each employee's job performance on each principal activity. The resulting ratings are then translated into estimates of rand value for each principal activity. The sum of the rand values assigned to each principal activity equals the economic value of each employee's job performance to the company.

Following are the above-mentioned steps in more detail. The researcher will also use a hypothetical example of an employee to illustrate the process more clearly.

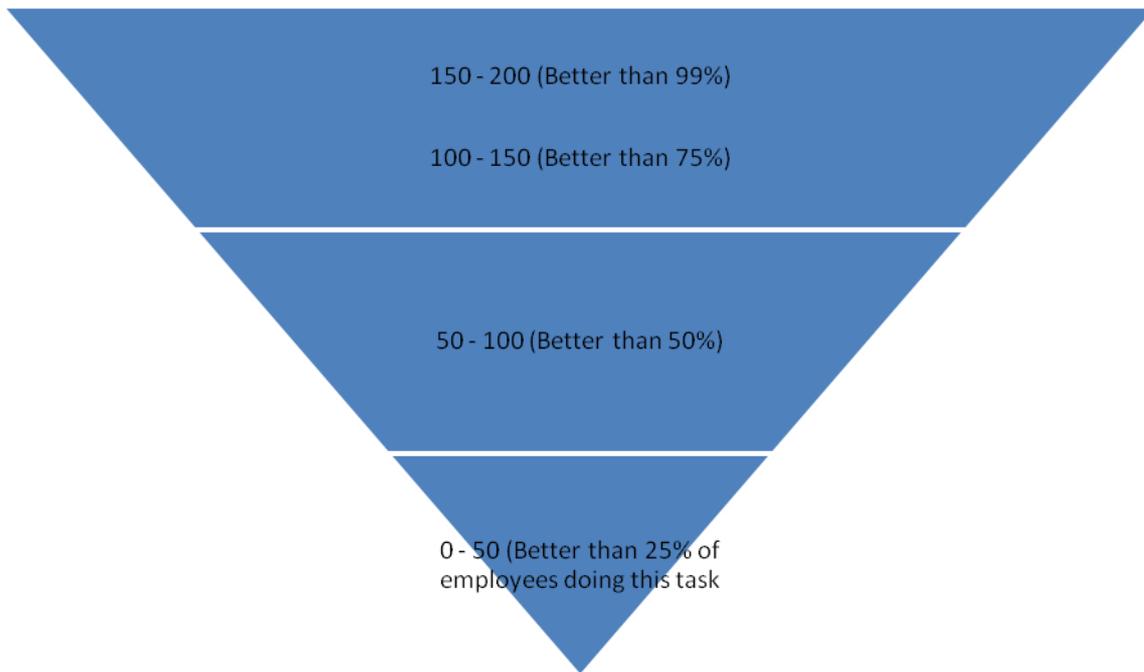


(Graph 4: Economic Value of Job Performance: Cascio 1982)

After the principle activities are rated as described above, we can now multiply the numerical rating of time/frequency, importance, consequence of error, and level of difficulty for each principal activity. The purpose of this step is to develop an overall relative weight to assign each principal activity. The ratings are multiplied together so that if a zero rating is assigned to any category, the relative weight of that principal activity is zero. This means that if an activity is never done, or it is totally unimportant, or there is absolutely no consequence of an error, or there is zero difficulty associated with its performance, then the relative weight of that activity should be zero.

The next step will now be to assign a financial value to each principal activity. This involves taking average annual rates of pay for all participants in the study and allocates it across principal activities according to the relative weights obtained in step 3 (previous step).

Performance on each principal activity on a zero to two hundred scale. When we now know what each employee does, the relative weight of each principal activity and the rand value of each principal activity, the next task are to determine how well the employee does each principal activity and can be illustrated as follows:



(Graph 4.1: Economic Value – continue)

This rating is used for each employee on a performance appraisal basis. The supervisor is then asked to, based on the principal activities of the job and relative to others doing the same activities, compare the job performance of each employee (in this case the individual entering the EAP) – using the 0-200 scale.

The next step is to multiply the point rating (expressed as a decimal number) assigned to each principal activity by the activity's rand value.

We would then compute the overall economic value of each employee's job performance by adding the results of the previous step.

The final step is to, over all the employees in the study, compute the mean and standard deviation of rand-valued job performance

2.5.2 The cost of employee staff turnover

People make a decision to move from one company to another as a normal part of their professional lifestyle. Not all turnovers are bad and no workplace programme is able to eliminate this tendency completely. Employee turnover, to the extent that it is concentrated on erroneous acceptance into the organization, can have a cleansing effect as it makes room for new employees whose abilities and temperaments may better fit the organization's needs. Cascio (1982:19) however indicates that very few companies are aware of the actual cost of staff turnover. He goes further indicating that unless the cost linked to this phenomenon is known, management will be unaware of the need for action to prevent controllable turnover and may not develop a basis for choosing amongst alternative programmes designed to reduce it.

Within the framework of this study, respondents' intentions of leaving the client organisation/company, as well as threats of dismissal are determined. Cascio's model below is thus described against the backdrop of 29% of respondents from company one considering leaving the company while experiencing their personal problems and 57% of respondents from company two considering leaving the company during their emotional turbulence. (see section 4.3.12 of this report).

Cascio identifies three major cost categories to be considered in staff turnover. These are:

1. *separation costs*,
2. *replacement costs* and
3. *training costs*.

The Cost of Employee Staff Turnover

<p>Separation Cost:</p> <p>Cost elements includes exit interviews, administrative functions related to termination, separation pay and unemployment tax where appropriate.</p> <p>Exit interviews includes cost of the interviewers time (preparation time + interview time x by interviewer's pay rate x by number of turnovers during the period)</p> <p>It also includes the cost of the terminating employee (time required for interview x the weighted average pay x the number of turnovers for the period).</p> <p>Administrative function includes time required by HR department for administrative functions related to the termination x the average personnel department employee's pay rate x the number of staff turnover.</p> <p>Separation pay relates to the amount of separation pay per terminated employee x by the number of turnovers during the period.</p>	<p>Replacement Cost</p> <p>Cascio identifies six cost categories:</p> <ol style="list-style-type: none"> 1. Communication of job availability (advertising and employment agency fees + time required for communication of job availability x HR employee's pay rate x number of turnover replaced during the period) 2. Pre-employment administrative tasks (time required by HR staff for pre-employment administrative functions x by average HR employee pay rate x number of turnover replaced during period) 3. Entrance interviews (time required for interview x interviewer's pay rate x number of interviews) 4. Staff meetings (Time required for meeting x HR department employees' pay rate x number of meetings during period) 5. Post-employment acquisition and dissemination of information (Acquiring and dissemination of information x the average HR employee pay rate x the number of turnovers during period) 6. Employment medical examinations [where it is done]- In-house=examination x examiners pay + cost of supplies used x number of turnovers replaced for period. External=cost of medical examination x the number of turnovers replaced during the period 	<p>Training Cost:</p> <p>Generally, all replacement staff needs to be orientated and trained to a standard level of competence before assuming their regular duties. The cost of reduced productivity of new employees while undergoing training and of experienced employees providing training should be taken in consideration.</p> <p>The cost of decrease in the quantity and quality of goods or services produced is very real as less experienced employees may cause an increase in operational expenses due to poor utilization of supplies and equipment. The latter however is too complex to include in the calculation of training costs.</p> <p>Calculated expenses includes:</p> <p>Information literature: unit cost of information package x number of replacements during the period.</p> <p>Formal training programme: length of training programme x average pay rate of trainer(s) x number of programmes conducted + average pay rate per trainee x number of trainees during period x the proportion of training costs attributed to replacements.</p> <p>Instruction by employee assignment: number of hours required for instruction x new employee's pay rate x number of instructions during the period</p>
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(Graph 5: The Cost of Employee Staff Turn-over: Cascio 1982)

The calculation of costs as described above is purely an economic exercise attempting to describe the impact of human behaviour in the workplace. When staff turnover is caused by mental health reasons rather than what can be regarded as a normal growth pattern of the professional, what is happening can be regarded as a strategic interaction between emotional well-being, its presentation in behavioural terms and financial indicators in the workplace. Cascio translates complex human behaviour into simple economic calculations and it is true that through this method he is not able to reflect on the more complex psychological processes linked to this behaviour. It is also true that not all staff turnover is necessarily due to mental health challenges being experienced by the individuals. A lot of other forces within the organization as well as in the industry as a whole usually contribute to staff turnover and any calculation of cost must be cautious of this. What Cascio's measurement for costing staff turnover offers is a formula to calculate all possible cost factors included in the process. Without a formula identifying all the activities involved in the process, workplaces tend to lose focus of the actual financial implication of turnover.

Cascio used a number of performance indicators in developing a calculus for the impact of performance challenges on the workplace. The links between absenteeism and staff turnover is very strong as the intent to leave an organisation often impacts absenteeism rates. Following are the focus of absenteeism and sick leave, probably the most tangible indicator to measure.

2.5.3 The costs of absenteeism and sick leave

The costs of employee absenteeism can be estimated at a macro level referring to its impact on the economy, and the micro level indicating its impact on the individual organization. Absenteeism is defined by Coppens (1997:10) and Cascio (1982:46) as the failure of workers to report for duty when they are scheduled to do so. This excludes vacation and study leave but all other absence, regardless of reason, should be included in this. Sargent (1989:24) reiterates this view indicating that if an all-embracing approach is not used, an organization runs the risk of never

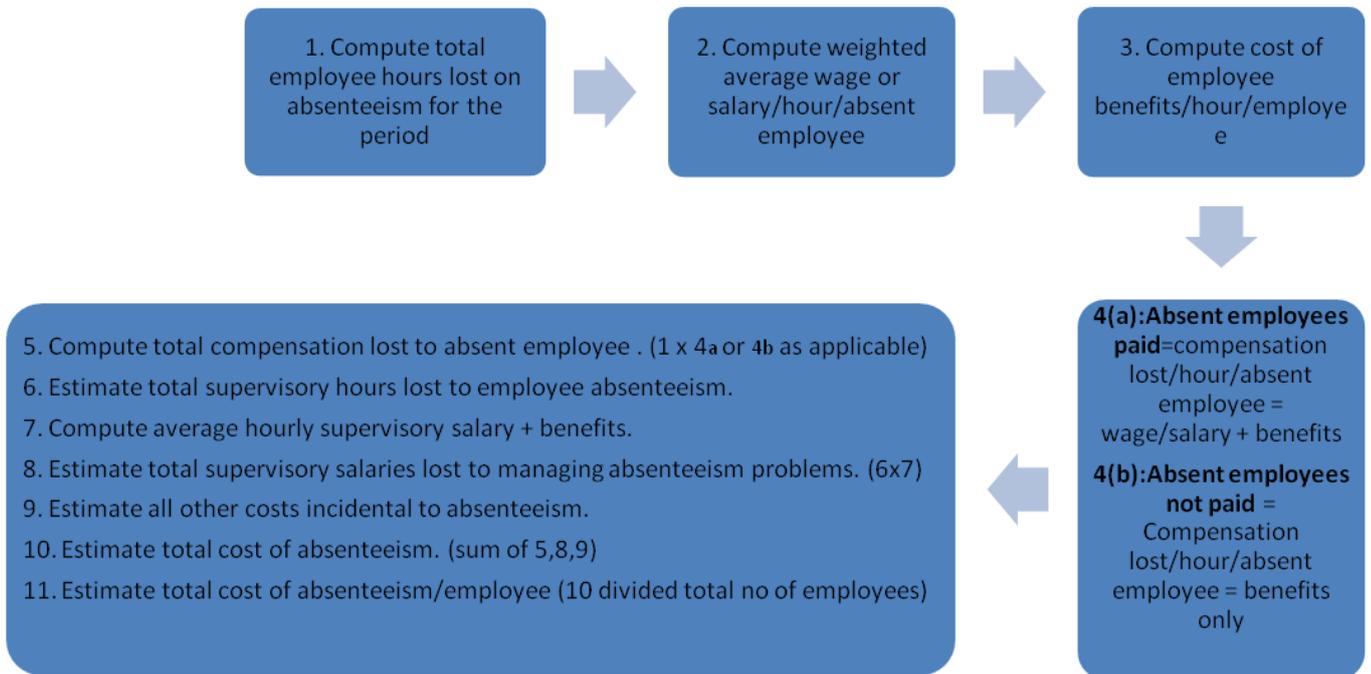
understanding the extend of the problem, in turn impacting on the management thereof. The cause of absenteeism is seldom only psycho-social and organizational elements like clearly defined objectives, strong teamwork, regular performance reviews, open communication, fair employment conditions and a strong management are motivating factors that also contribute positively towards people's attendance at work.

The Australian Faculty of Occupational Medicine (1999:40) discusses two theories of absenteeism, namely the psychological and economic theories of workplace attendance. These will be discussed briefly:

According to the psychological model employee attendance is largely a function of two variables, namely the **ability** to attend and the **motivation** to attend. Routinization, job stress, job satisfaction, work involvement, leadership and co-worker support are all regarded as workplace determinants influencing job satisfaction resulting in attendance or absence. An EAP focusing mainly on the holistic well-being of the individual must be realistic in its claim of positively impacting on employee attendance. While it is intuitively attractive to assume that those who are less satisfied with work are more likely to be absent, research has indicated a weak relationship between job satisfaction and employee absence, indicating that multiple factors exist influencing this trend.

The **economic theory** of labour absence sees the need to work competing with other alternatives as commodities within the same market. There seems to be considerable overlap between the two theories with the economic focus looking more at conditions within the workplace.

Both the economic and psychological theory implies that there are competing variables impacting on absenteeism. Employee counselling provides the opportunity to determine the reasons for absenteeism and where an underlying psycho-social problem is present, the EAP has an opportunity to impact directly on the employee's attendance. Cascio uses the following method to determine the relevant costs of absenteeism.



(Graph 6: The Cost of Absenteeism and Sick Leave: Cascio 1982)

The formula used in this discussion can be used to determine the cost of complete days lost to absenteeism as well as hours lost to on-the-job absenteeism as losses are determined according to employees' hourly rate of pay.

Coppens (1997:10) indicates that when the cost of absenteeism of employees is above 4% of the total payroll, it can be perceived as high, thus requiring some action steps. The cost to the company can be two-fold.

- I. The first refer to paid time for no return in labour productivity. This can fall into the category covered by the South African Basic Conditions of Employment Act

(1983) that is 30 days of sick leave from the workplace over a three-year cycle or can be absence without permission.

- II. The second cost factor is reduced productivity due to the absence of the worker. It may affect the smooth running of production through a machine if the operator is off work and there are no other skilled operators available to work the machine. The more skilled the employee, the more impact on productivity for an employee absent without prior notice. Production time is further lost in the re-allocation of staff. Replacement staff is often not so productive in the workplace as the scheduled employee with an increase in mistakes and a slower work rate.

The calculus used to measure employee absenteeism can be regarded as one of the most tangible measures when attempting to determine the impact of performance problems on the financial bottom-line of an organisation. The Australian Faculty of Occupational Medicine (1999: 18) highlights an important aspect, indicating while measuring absenteeism is easy, what to measure becomes a complicated exercise. Determining whether staff are at work or not tells us little about what may be happening and what the causes are. Benchmarking within industry categories and within organizations is an important tool for absence management. The rate, pattern and distribution of lost time from sickness absence can give an insight into the possible causes of absenteeism. It also remains essential to use the measurement in the context of all support programmes operating within an organization to avoid a misrepresentation of the value of any given programme. A further challenge in the use of this measurement will be the lack of record-keeping within the client company.

The Australian Faculty of Occupational Medicine also highlights key features that should be part of an absence measure. While Cascio's measurement allows for a financial costing of absenteeism in the workplace, these features as discussed by the foundation have the potential to look at the possible causes of absenteeism. These features are:

- Defining absence leave types;

- Defining unit of time lost – days, half days, hours;
- Defining a denominator – normal working hours, normal working days per year;
- An absence profile;
- Attaching a cost (financial and productivity);
- Able to be diagnostic; and
- Integrated with other performance measures.

2.6 CRITIQUE TO CASCIO'S MEASUREMENT AND THE RESEARCHER'S APPROACH TO IT'S USE IN THE STUDY

Masi (1994) reflects on Marcus Liebermann's response to the above and other formulas used by Cascio and concludes that although it has the potential to provide a step-by-step guide for performing a return on investment analysis, it may not be applicable to the employee assistance field. Liebermann is of the impression that Cascio uses simple calculations in the form of complicated formulas and that it can easily confuse the reader. There is value in this criticism for two reasons. These are the complexity of human interaction and secondly the complexity of the world within which EAPs operate:

Throughout this study one of the major concerns is the danger of simplifying complex human interactions to basic numerical calculations. Cascio takes complex human behaviour; identifies the external signs of it and the impact of these on the economic environment within which it operates. What makes this possible is the fact that people are compensated for their work according to current market rates and the average economic value of each employee's labour is reflected in his/her annual wage or salary. Masi like Cascio also refers to the CREDIP model that breaks down each employee's job into its principal activities and assigns a proportional amount of the annual salary to each principal activity (see section 2.5.1).

Masi (1994: 150) explains that a return on investment analysis addresses the question of whether an organization can expect a reasonable return on its investment of resources allocated to a programme. An analysis of this nature

measures the direct and indirect costs of a programme in relation to the measured change in employee behaviour and its financial impact on organisational financial resources. The researcher deals with the criticism that Cascio's measurements of employee behaviour is not taking in account the expenses incurred in running the programme by using the process as described by French. What is important within this argument is to accept that to determine the benefits of an Employee Assistance Programme, these measures cannot operate in isolation from a determination of the costs involved in running the programme. As this study looks specifically at the psychosocial counselling component of an Employee Assistance Programme and its impact on behaviour in a company, the measurement used is designed to do this. This will allow for what Goss (1997:367) describe as a humanistic and reductionist evaluation of Employee Assistance Programmes.

2.7 **CONCLUSION**

There are important learning's to be drawn from the ideas of different authors on the topic of measuring the cost of human behaviour and the possible financial benefits from programmes that is geared to address these. The first essential component can be regarded as the ability of an organisation to determine what its baseline functioning is at the implementation phase. An assessment of this nature will allow for the following:

- It will put the spotlight on the importance of effective HR documentation.
- The organisation can identify its specific performance challenges.
- It can determine the cost factors of these performance challenges.
- When entering into a relationship with a vendor company focusing on addressing the well-being of its human resources, they would be able to specify the areas of improvement the programme should address.

A comprehensive return on investment study within an EAP environment will thus entail the following:

- There should be an agreement between the client organisation and the vendor company what the performance indicators are that needs to be addressed through the programme.
- The assessment forms used when people enter the programme should include a comprehensive area exploring the impact of the employees' personal problems on his/her work performance. This not only refers to the identification of performance challenges, but also to reporting on prevalence (how often it occurs). To apply this effectively within a cost benefit exercise cost elements like separation costs, replacement costs, training costs, the economic value of job activities, the occurrence of absenteeism and the pattern thereof for the individual as well as for the organisation, should be well-documented.
- All HR practitioners and line managers should thus be trained and motivated to maintain a good documentation system reflecting the performance patterns of each employee.
- EAP clinical consultants (usually with a social work and psychology background), involved in initial assessment of people entering the programme should be trained to explore the prevalence of performance challenges and document them correctly. If the clinical consultant rendering the intervention is different from the one doing the initial assessment, as is often the case in vendor companies making use of a call centre for access purposes, they should also be trained to screen extensively for the impact of personal problems on work performance. This screening should be repeated when terminating services to determine changes that occurred as a result of the intervention. To limit the challenges of bias, this follow-up assessment should also include a screening for other interventions/influences that took place during the time that could have an impact on performance indicators.
- If consistency of change is to be measured, the clinical consultant (affiliate) should also inform the client that a follow-up telephonic consultation will take place within "three" months (an agreed upon time period). The software used to capture clinical interactions must be able to report on the prevalence of

and changes within performance indicators, allowing both the service provider and the client company to monitor the impact of the service on ROI.

For the above process to successfully take place, a few key issues need to take place.

- When a new EAP contract is entered into, a baseline assessment of the occurrence of performance challenges should take place. A company must be clear about what the performance challenges are that they would like the EAP to address.
- Client companies must have a system of documentation where performance challenges per individual employee are captured.
- Line managers and HR practitioners referring employees into the programme, must be able to provide comprehensive information about the prevalence of performance challenges at the time of referral.
- All clinical consultants accepting referrals into the programme and involved in on-line assessment must be trained to explore the prevalence of performance challenges both with referral agents and clients and document this comprehensively.
- All clinical software must have a balance in its capturing and reporting on both clinical and performance issues. The latter should ideally be captured in numerical prevalence format.
- A follow-up consultation to monitor the sustainability of change should also be build into the programme.

The above refers to a need for a paradigm shift for all parties involved in the establishment and maintenance of an EAP. If a client company is interested in

measuring the impact of the programme on its bottom line, the ability to measure must be build into all aspects of the programme from inception. If this is not done, cost-benefit studies (ROI studies) will continue to be a lengthy exercise, mostly conducted for academic purposes with minimal impact on the world of business if an integrative approach, where the ability to measure, is absent.

The following chapter will address the essential components of an EAP. The focus of the study will then is narrowed down to the counselling component and as in the case of Goss, embark on both a quantitative and qualitative investigation of the impact of this component of the programme.