

FINANCIAL RETURN ON EAPs 2023
MANAGING THE RISE OF COMPLEXITY
AND EMPLOYEES AT RISK



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As Employee Assistance Programme usage levels continue to rise, so does the return-on-investment (ROI) to employers – and at higher rates than had been expected.

In the post-pandemic workplace, even more employees are making use of their EAP: the average usage figure has now topped 12%, compared with 11.4% last year (and the typical average from previous years of 10.4%).

As a consequence, organisations are reporting more savings in terms of reduced staff absence and gains in productivity. Figures from the period between October 2021 and October 2022 show that for every £1.00 spent on an EAP in the UK, employers have seen an average ROI of £10.85. This compares with a previous average of £8.00 in the previous year, and £7.27 in 2019.

Our evidence comes from HR professionals making use of the EAPA UK ROI calculator (www.eapa.org.uk/roi-calculator): the biggest data set on EAP usage, impact and financial returns in the UK: more than 4,100 calculations made via the EAPA UK ROI calculator since the beginning of 2019, representing anonymised information from 11 million employees.

There has been no sign of any ‘return to normality’ in the 2022 EAP figures. The cost-of-living crisis; political and economic instabilities; climate change; remote working routines. All of these factors, alongside the ongoing fallout from the Covid-19 pandemic and its impact on work and home lives, have combined to undermine the foundations of mental wellbeing in the UK workforce. Employees are more likely to be feeling a lack of control. They are more aware of the importance of mental health than ever before, more self-reflective and willing to speak up.

Employees want immediate, practical and professional support. Which is why, in our new reality of shocks and challenges, EAPs are at the heart of the response.

The increasing reliance on EAP support isn’t confined to a particular region of the UK, some business sectors or type of organisation. The demand is coming from everywhere. And notably, the pattern of calls has changed. Whereas there used to be known peaks on Sunday evenings and Monday mornings — now the peaks can come at anytime.

What’s hidden in the headline figures of usage and ROI is the nature of the calls. Our members are telling us that EAPs are receiving more complex, longer and more intense calls on a regular basis. They also inform us that there has been a significant increase in referrals from GPs due to NHS waiting times for access to mental health support (which can be more than two years). The majority of calls received by EAPs continue to be due to anxiety and depression. Worryingly, a growing proportion include an element of ‘risk’ to the employee — meaning they are in danger of self-harm or harm of some kind and need immediate support to ensure their safety. Given the cost-of-living crisis, there has been a sharp increase in callers asking for advice on finance and debt (especially around utility bills and long-term contracts for services such as smartphones) as well as legal advice around insolvency. And we are seeing only the beginning of the fall-out from cost-of-living pressures. 2023 will be a year of drastic pressures for many more employees.

EAPs were designed to meet demand for a range of everyday queries and advice — not as an emergency mental health service. And yet the UK’s providers are standing up to the test. Services have evolved; delivery has stayed robust. There is more effective triage of cases. Digital resources have been adopted where appropriate, but always on the principle that human contact is what makes an EAP so valuable. Providers are expanding and recruiting successfully; new initiatives have been launched to train more counselling staff

What the changing nature of demand on EAPs has illustrated most clearly is the importance to employers and their HR teams of a full service and access to counselling. Having the right EAP offering, an HR champion focused on active promotion, leads to increased ROI and impact for the organisation.

EAPs need to be set up and optimised to act as a pillar of a healthy and resilient organisational culture. Forward-looking employers will be looking to their EAP provider as a strategic partner on mental wellbeing.

Eugene Farrell, Chair
Paul Roberts, EAPA board member
Employee Assistance Professionals Association, eapa.org.uk

How the EAP ROI calculator works

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

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

The calculator then delivers a results page detailing absence costs, income from productivity gains, the cost of EAP intervention and an estimate of Return on Investment based on a simple estimate of the additional productivity benefits gained per £1 of intervention costs.

The key challenges to making a reliable calculation of the financial impact of a workplace health intervention are around estimating both the direct and indirect costs of sickness absence, and finding a credible way to account for the costs (and benefits) of productivity losses (and gains). Banks

of previous research were used by IES to identify the approaches that deliver the most realistic results.

For example, when it comes to sickness absence costs, the calculator uses the basic 'human capital approach' - multiplying the number of working days lost by the direct daily salary costs - but takes into account the indirect costs of absence such as NI costs and the costs of benefits, bonuses, overtime payments, temporary 'cover', and the 'displacement' costs of line management and HR time in dealing with the consequences of absence.

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

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

“The increase in EAP utilisation levels reflect an increasing need for mental health support in the post pandemic world. There has never been a time when the support of EAP in the workplace has been more needed.

“While EAPs provide much needed support, I hope that expectations are in line with what EAPs can actually do. It is not an emergency service, or a substitute for the NHS. I'd also be concerned that EAP providers are allowed to increase fees in order to continue to deliver effective services in the face of increasing use.”

— Eugene Farrell, Mental Health Consultancy Lead, AXA Health

The data

UK employers contributing data to the calculator since January 2019 ranged from having five to 200,000 employees, representing organisations with a total of 11 million employees. In total, the dataset includes more than 4,100 calculations. An additional 900 calculations were made between October 2021 and October 2022.

The average number of employees in the contributing organisations was 2,800. 37% of the employers were in the services sector; 12% in finance; 12% charity; 12% manufacturing; 10% public administration; 10% retail; 4% agriculture; and, 3% transport/utilities.

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

“In the past year, there has been a 45% increase in the proportion of calls to Health Assured’s EAP services where the safety of the employee is at risk. What we’re seeing is EAPs like ours filling the gaps left by a lack of NHS resources — and we’ve had to adapt to the new challenges and more serious nature of cases being presented.

“As expected, there has also been a big rise in the number of calls around practical issues relating to finances: about access to benefits (up 31.2%), rent increases, housing and how to escape long-term contracts for things like smartphones (up 45%). Trends are following the same pattern as we had with Covid-19, practical queries to begin with, but then issues relating to emotional impact and mental health will come later in 2023.”

— **Kayleigh Frost**, Head of Clinical Support, Health Assured

Analysis 2023

For every £1.00 spent on an EAP in the UK, between October 2021 and October 2022 the average ROI was £10.85. This figure has increased from an average of £8.00 for every £1.00 spent in the previous year, and £7.27 in 2019/20.

Tellingly, the steep rises in ROI have been accompanied by significant increases in average usage levels. During the October 2021 and October 2022 period, average usage increased to 12.14%. This means the rate of increased usage is also growing. Between the figures in 2019/20 and 2020/21, usage grew by 0.5% (from 10.9% to 11.4%) — and increased 0.74% in the last year.

The increase in usage was generally consistent, demonstrating how the majority of organisations are making broader use of EAPs as a wellness service, for early intervention and prevention. Past studies of EAP usage have typically pointed to relatively low levels of usage by employees: the EAPA survey carried out by The Work Foundation in 2016 suggested an average of 5%; the 2017 Barnett Waddingham Workplace Wellbeing Index (145 UK employers with more than 250 employees) has claimed an average usage of 3%.

The EAPA calculator figure is far higher. This is because the users are a self-selected group: HR professionals and managers engaged with the importance of organisational wellbeing and an active interest in the performance of their EAP. But the figure is also indicative of the new context: both

an increased awareness of the importance of mental wellbeing at work, and the number of reasons for looking for advice and support, a growing weight of pressures being felt by staff.

There continues to be limited commitment to measuring the ROI on health and wellbeing activity in the workplace and the lack of standard measurement approaches. Deloitte's 2020 report (Mental health and employers: the case for refreshing investment), proposed that for every £1 spent on supporting their people's mental health in general, employers, on average, get £5.00 back on their investment as a result of reduced presenteeism, absenteeism and staff turnover. This report also pointed to a worrying trend in terms of increasing costs to employers (up to £45 billion annually) due to the less obvious implications of poor mental health: presenteeism, and 'leaveism', the improper use of leave.

EAPA results suggest that EAPs specifically may be playing a more significant role in delivering ROI than other more generic wellbeing interventions — the return from professional counselling services in particular. Figures also demonstrate a relatively high level of consistency of ROI around the £10.00-£11.00 level: whatever size company, sector, geographic location or service used, an EAP is delivering substantial financial returns.

“We’re certainly seeing a trend for more complex issues going to EAPs — and there’s clearly more of a need for specialist support in areas like trauma. In general though, EAP usage levels, given the context of pressures and stresses in modern life, is relatively low. Employees should be using their EAP earlier, when it’s a matter of simpler, practical advice and support.

“A problem like burnout is a good example of this. In the early stages it’s hidden as stress, normal, manageable kinds of stress. But in the long-term it’s burnout, and that will hit employees like a truck. Work routines continue to change post-pandemic and there’s a critical need for employers to set clear boundaries on what’s expected, when it’s okay to switch-off, because many organisations are still swimming in uncertainty.”

— Harry Key, Head of Global Specialist Services, CIC

The relevant data set is small — but a notable trend has been a sudden increase in EAP usage and ROI in more rural locations and relating to the rural sector of employers in agriculture. For example in Northern Ireland, where ROI jumped from £7.91 to £20.83 (and usage from 10.2% to 21%); Scotland saw ROI go from £8.05 to £14.46 (usage, 10.8% to 13%); and usage in the East of England from 11.4% to 16.7%. The agriculture sector has suddenly seen ROI go from £7.83 to £15.87 (5.2% usage leap to 13.5%). This may be the result of a more dispersed workforce, and working from premises where there is an absence of other forms of support, formal or informal.

The largest employers continue to benefit from the biggest returns from their EAP services (those with 5,000 or more staff have seen an ROI of £16.11 in the past year; £18.69 for employers with 1,000 to 4,999 staff). Typically this is the consequence of more resources being devoted to championing the EAP: extensive communications and specific campaigns (making use of every format possible, posters, flyers, desk prompts and emails, but also infographics and video clips to get the message across about the range of services available and topics covered); encouraging access (phone, online resources, chatroom, videos, webinars, podcasts and apps); having active managers (in a position to discuss the EAP during any one-to-ones with line reports, and make sure the EAP is being referenced regularly as part of conversations and not just when there's an obvious problem);

embedding the EAP in standard materials (in the footer on letters to employees, emails and memos); using benchmarking (against others nationally, in the same region and same sector, and using data in management reporting and budget discussions).

For employers with fewer than 250 employees, smaller HR resources can mean less focus on wellbeing. For any employer — from small firms up to 249 staff — the average return is still substantial, an overall average of £9.60.

“The past year has been unlike any other. Employers are navigating new territory when it comes to hybrid working demands. At the same time, employees are exercising greater agency and understanding when it comes to their personal wellbeing. They are also experiencing heightened levels of stress and anxiety, particularly relating to financial difficulties. As a result, employees are utilising their EAP in greater numbers.

“In the last quarter alone, we've seen a 14% increase in incoming EAP calls, with an alarming growth in those experiencing financial challenges (11%) or struggling with work-related stress (32%). We expect these numbers to continue rising over the coming months given the current economic and social climate.

“This emphasises the need for preventive wellbeing solutions to be the norm and employee wellbeing innovations coming to market are indicative of both the need and demand for such solutions.”

— **Dr. Emelina Ellis**, Chief Clinical Operations Officer, Spectrum Life

ROI by sector:

Sector	ROI per £1.00		% of total calculations 2022	Average usage	
	2022	2021		2022	2021
Services	£11.28	£7.85	42%	11.8%	10.5%
Manufacturing	£10.00	£7.96	14%	12.7%	10.2%
Charity	£10.42	£6.58	12.5%	12.6%	11.6%
Retail	£10.59	£8.95	12%	11%	10.8%
Finance	£13.09	£8.33	10%	14.7%	11.2%
Public administration	£12.30	£8.49	6%	10.4%	10.8%
Agriculture	£15.87	£7.87	2%	13.5%	5.2%
Transport/utilities	£8.27	£6.68	1.5%	10.6%	10.4%

ROI by region:

Sector	ROI per £1.00		% of total calculations 2022	Average usage	
	2022	2021		2022	2021
London and South East	£9.08	£7.46	28.5%	11.6%	11.5%
National	£13.05	£8.48	28.5%	11.2%	10%
North West	£11.19	£7.81	7%	14%	9.8%
South West	£9.02	£7.72	7%	13%	11%
Scotland	£14.46	£8.05	5%	13%	10.8%
West Midlands	£14.06	£7.54	5%	9%	10.4%
East of England	£7.44	£6.95	4.5%	16.7%	11.4%
Yorkshire	£8.12	£8.27	4.5%	15%	12.4%
East Midlands	£8.70	£8.29	4%	11%	11.6%
North East	£10.77	£7.76	3%	11.3%	13.2%
Wales	£8.99	£7.67	2%	11%	14.5%
Northern Ireland	£20.93	£7.91	1%	21%	10.2%

ROI by size of workforce:

No. of employees	ROI per £1.00		% of total calculations 2022	Average usage	
	2022	2021		2022	2021
5,000 and above	£16.11	£12.75	10%	9.9%	9.8%
1,000-5,000	£18.69	£12.48	11%	10%	9%
250-1,000	£9.61	£8.37	19%	12.2%	9.6%
Fewer than 250	£9.59	£6.71	60%	12.8%	13%



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