

*Employees far from home may be struggling to balance around-the-clock work demands, health, families and more. Globalization and advanced technologies can actually have an adverse effect on employee productivity, and many global companies lose millions of dollars in decreased worker productivity due to depression, illness and difficulty managing work/life issues. Global employee assistance programs are helping companies save money while increasing productivity and quality of life for employees.*

## Global EAPs and the Challenges of Managing a Global Workforce

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The teenage son of an expatriate employee develops a drug problem while overseas, and his parent struggles to help him recover. A worker at a multinational company in India wrestles with the cultural gap between his westernized workplace and home. Another feels overwhelmed by the daily stress of managing calls from demanding customers half a world away.

As the global workforce becomes increasingly more complex, major corporations are grappling with how to help support their employees' mental and behavioral health—and preserve their organizations' productivity. Large companies increasingly are turning to global employee assistance program (EAP) services—programs that offer work/life, wellness and personal consultations.

### Increasing Complexity in the Global Marketplace

Managing a workforce hasn't always been this challenging. But many factors have increased the pressure in recent years, creating new stressors for employees and forcing companies to be more strategic and proactive about employee issues than ever before. Among the drivers:

- Globalization, which can result in “culture clashes” or “culture shock” among expats working abroad and local employees of multinational and national companies. The problem is becoming more prevalent as expat assignments grow. According to Mercer, the number of employees on international assignments rose by almost 90% between 2005 and 2008.<sup>1</sup> Also, despite the uneven economy, 65% of companies asked said they plan to increase or maintain their expat staffs in the near future, according to a recent survey by Sibson Consulting.<sup>2</sup>
- New technologies that are ramping up pressure on employees worldwide to perform faster and more efficiently, and to always be “connected” and on call
- New, higher standards of living. As employees working for multinational or national companies in emerging economies increase their earning power, many experience difficulties adjusting to a new, higher standard of living, as evidenced by behaviors such as binge spending and tensions with family members.

These challenges are causing increased incidences of employee stress, anxiety and behavioral issues. According to the World Health Organization, in many developed countries 35-45% of absenteeism from work is due to mental health problems.<sup>3</sup>

And problems for employees and their families can quickly become problems for their employers, impairing worker productivity and driving up health care costs. According to RAND Health, “Depression costs employers more than \$51 billion per year in absenteeism and lost productivity, not including high medical and pharmaceutical bills.”<sup>4</sup>

In addition, mental and behavioral issues often prompt expats to return home before their assignments are finished—at considerable expense to the company. The Society for Human Resource Management (SHRM) has reported that the cost of an expat assignment can run more than \$1 million during a typical three-year engagement (data: National Foreign Trade Council).<sup>5</sup> SHRM adds that the hefty price tag is no guarantee of success: Companies report a greater-than-40% failure rate for international assignments in Asia and the Pacific region, and a greater-than-60% failure rate in Europe.<sup>6</sup>

To address these concerns, multinational and national companies are looking for new ways to provide a full and consistent range of support services to their employees around the world. Many see EAPs as the answer.

## How EAPs Affect Employees

EAPs are worksite-based programs designed to improve overall employee health and productivity by providing support in a variety of areas, including health, marital, family, financial, legal, emotional, alcohol and drugs, stress and other personal issues that may affect job performance.

EAPs became popular in the United States in the 1970s and began to expand globally a decade later. Today, EAPs offer personal assistance by a local EAP clinician service via the telephone or on the Web.

For employees, EAPs can provide easy, convenient solutions to personal challenges before they turn into life crises that affect their careers. They can also be a way for them to test the waters before deciding to seek formal mental health counseling. For managers, EAPs can be an effective way for learning to deal with difficult work situations and stresses. For employers, EAPs can help maintain productivity by reducing absenteeism and *presenteeism* (workers are on the job but underperforming).

In an analysis of U.S. customers, OptumHealth found that absence from work can decrease by more than 50% and presenteeism by 60% after individuals use EAP services linked with behavioral health offerings.<sup>7</sup>

## Rise of Global EAPs

The rise of globalization and recognition by employers around the world that personal issues affect work is turning the spotlight on global EAPs—programs that enable a multinational company to provide a consistent portfolio of services to its worldwide employee base, and allow a national company to offer support previously limited to English-speaking countries.

According to Watson Wyatt, while 93% of multinational employers provide prevention, health and productivity benefits for their U.S. employees, only 42% do so for employees in other countries,<sup>8</sup> providing a compelling opportunity for compa-

nies looking for new ways to preserve or increase productivity.

However, going global with an EAP can present challenges:

- A one-size-fits-all approach will not work when planning an EAP in multiple countries or regions of the world.
- Companies must ensure that EAP services fit with the local culture where their employees are based, and adapt to local attitudes about counseling.
- EAPs in many countries encompass all workplace-based support services, including work/life and wellness services which often are available through separate vendors in the United States.
- Many companies have had to stitch together a global plan by working with a number of different vendors around the world.

## Integrated Approach Offers Value to Employees and Companies

One way for companies to navigate these challenges is to use an integrated global EAP solution or a sole EAP provider with a worldwide footprint and a local presence in each of the countries it serves. This approach allows companies to select one partner to achieve a unified benefits structure—rather than contracting with different vendors in different parts of the world whose practice standards and reporting may not be comparable—allowing for greater efficiency and ease of use. For employees, a unified approach can better ensure access, quality, consistency and comfort level, regardless of where they work and live.

## Promising Future for Global EAPs

As business becomes even more globalized and integrated, companies will increasingly look to global EAP providers for new ways to help employees balance work/life and health and productivity demands and cross-cultural pressures.

Two promising areas for future growth include expansion into new geographic markets, such as India and Latin America, and potentially broadening global EAP portfolios of services into new areas, such as wellness and health risk assessments.

Above all, the global EAP industry will continue to make more companies aware of the compelling value of global EAPs: They enable employers to help their employees while at the same time helping their bottom line.

## Endnotes

1. Mercer, *2008/2009 Benefits Survey for Expatriates and Globally Mobile Employees*, 2008.
2. Sibson Consulting, *2009 Expatriate Talent Market Trends Survey*, 2009. Available at [www.sibson.com/uploads/8eea71e1a139119d2b72dc08da1e8212.pdf](http://www.sibson.com/uploads/8eea71e1a139119d2b72dc08da1e8212.pdf).
3. World Health Organization, *Investing in Mental Health*, Geneva 2003.
4. RAND Health, "The Societal Promise of Improving Care for Depression," 2008. Available at [www.rand.org/pubs/research\\_briefs/RB9055-1/index1.html](http://www.rand.org/pubs/research_briefs/RB9055-1/index1.html).
5. Society for Human Resource Management, "Managing International Assignments," September 21, 2009.
6. Ibid.
7. OptumHealth analysis of feedback provided by 5,245 EAP members concerning work absence and 4,918 respondents concerning presenteeism, 2008.
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