

What's the value of an EFAP? JUNE 10, 2015



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Canadian employers face difficulty evaluating the impact of employee and family assistance programs (EFAPs) and many are unsure of how they advance their overall organizational objectives, finds a survey.

While more than 90% of respondents have an EFAP in place, the Aon Hewitt survey finds that only a quarter believe these programs to be an inseparable part of their comprehensive strategy. On the contrary, nearly 40% say their EFAPs are just part of a standard benefits offer, while almost as many (37%) say these programs are not fully integrated with their people/risk strategies.

“Employers see some programs as more strategic and others less so,” says Michael Kennedy, vice-president, national leader of health and wellness strategies at Aon Hewitt.

However, he adds that many employers are also struggling with how to effectively evaluate EFAPs and don't see the value of integrating these programs into overall people strategies because they don't know how to measure their effectiveness.

While more than four in five (89%) review utilization data at least annually and more than half say they try to determine value for money spent, 84% are either not at all confident or only moderately confident in their ability to determine the value of EAPs to their organization. Further, only 40% are benchmarking their program experience against that of other organizations, and only 35% are currently applying utilization data to support strategic organizational goals.

While the vast majority of employers believe EFAPs provide benefits to employee and business health, most identify the positive impacts as occurring in areas that are more difficult to directly measure.

More than 90% say EFAPs have a positive influence on employee/family health and well-being; a smaller majority say the programs improve employee productivity (53%) and reduce indirect costs such as absenteeism (61%) and presenteeism (present at work, but not productive).

However, fewer than half (45%) say that EFAPs reduce direct costs such as use of health benefit plans; only 36% believe they increase employee engagement; and fewer than a third (30%) say EFAPs enhance business results.

More than 130 organizations participated in the survey.

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