

## **Multinational Corporation's Workplace Programs**

### **Occupational Mental Health Services and Employee Assistance Programs (EAPs) in Developing and Less Developed Countries**

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#### **Introduction**

##### **Multinational Corporations need to address workplace environment issues.**

Globalization, technology advances, changing employee demographics are key elements that can affect employee mental health. According to the International Labour Organization's Mental Health in the Workplace report, the workplace is an appropriate environment to raise awareness about mental health difficulties and prevent them from developing. To stay competitive in the international marketplace, it is to the best interest of Multinational Corporations to address workplace environment issues that affect productivity.<sup>1</sup>

##### **Rising health care costs and lost productivity**

A leading study on the prevalence and correlates of psychiatric disorders in the workplace by Ron Kessler, Ph.D., Harvard School of Public Health states that workplace costs of depression alone associated with absenteeism is at \$24.5 (74.3%), while at work is at \$ 8.5 (25.7%), total of \$33.0 (100.0%). (Cost in billions of 1990 US dollars).<sup>2</sup>

US national spending on depression management alone is \$30-40 billion, and an estimated 200 million days are lost from work each year.<sup>3</sup> In the European Union the costs of mental health problems for member states is estimated to be an average of 3-4% of the GNP.<sup>4</sup> Compiled data on the prevalence of psychiatric or psychosocial problems in developing and less developed nations poses a challenge due to lack or unavailability of infrastructure on mental health technology, policy, services and reporting.

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<sup>1</sup> **Mental Health in the Workplace**, Phyllis Gabriel and Marjo-Ritta Liimatainen, ILO 2000

<sup>2</sup> **US National Co-morbidity Survey**, Ronald Kessler, Ph.D, Harvard School of Public Health, 1999, *Global Congress on Mental Health at Work*, World Strategic Partners / ILO, October 2000

<sup>3</sup> **Mental Health in the Workplace**, Phyllis Gabriel and Marjo-Ritta Liimatainen, ILO 2000

<sup>4</sup> **Mental Health and Work: impact, issues, and good practices**, G. Harnois and P.Gabriele, WHO and ILO, 2000

With an increasing awareness of rising health care costs and lost productivity due to mental health and psychosocial problems in workplaces, and in addition, the shift of health expenditure from the public sector to employers, leading Multinational Corporations are increasingly willing to address mental health issues through a continuum of efforts that include health promotion programs, management programs and employee assistance programs (EAPs) globally.

**EAP services may prevent mental health and substance abuse problems.**

Workplace programs are primarily provided and financed by Multinational Corporations. Delivery of services, such as occupational healthcare services, health promotion and EAPs are independent of the employer. Workplace program design is based on trends that affect the work environment and the evolving needs by the employer, employees and family members. Providing these types of services may prevent mental health and substance abuse problems from seriously interfering with the job performance of their workforce that impacts the overall economics of their business.

**Increased focus in developing countries**

In developing or less developed countries, Multinational Corporations extend support services primarily to their expatriate employees and family members. A limited number of Multinational Corporations provide local employee networks support services due to the lack of provider networks or services in these countries. If support services are provided, these programs are based on the local employees work environment. However, a growing need in addressing more local employee network's healthcare requirements is becoming a priority to most leading Multinational Corporations due to the increase in mental health and psychosocial problem related healthcare costs associated with workplace injuries and absenteeism.

## **Challenges Faced**

**Top management understanding of challenges**

Since the market economy and low production/manufacturing cost offered by developing and less developed countries impact greatly Multinational Corporations' decisions on establishing an infrastructure or not, understanding challenges that affects workforce productivity in these countries is a necessary assessment to justify the financial investments required in expanding globally.

**Low priority and Lack of government funding and available services**

In developing and less developed countries, Multinational Corporations face unique challenges in both work and social environments. Work environment challenges faced, such as difficulty in lack of provision of basic public healthcare needs, accessing appropriate services and/or essential medications, stigma related to mental illness and substance abuse, and weak financial conditions on mental health financing by governments, if any, requires components of strong workplace programs to drive business success.

### **Benefits needs to be documented**

Multinational Corporations also face challenges of documenting health expenditures to manage effectively health risks. Without the infrastructure, effective health risk management and benefit designs, such early intervention, demand management and maintenance treatment, delivery of quality services and assurance become unpredictable or unreliable. Supporting the rationale of healthcare investments on mental health and health promotion programs is more difficult. Receiving top corporate buy-in becomes a challenge as these benefits demonstrate health expenditures with indirect benefits to the employer bottom line figures.

Pro-active Multinational Corporations employ internal occupational health medical officers, employee assistance professionals, government policy liaisons and occupational social workers to meet the healthcare and mental health care needs of their employees. Internal documentation is controlled or in partnership with their healthcare providers, such as the Health Maintenance Organization (HMOs), Managed Behavioral Healthcare Organization (MBHOs) and Employee Assistance Program (EAP) providers. They also encourage and support their service providers to develop networks in developing and less developed countries.

### **Need for dialogue between employers and government**

Addressing economic goals is a priority for Multinational Corporations. Multinational Corporations understand that if the general population of a Country is not able to access basic needs to achieve physical health and mental wellbeing, these factors affect their own economic growth. As such, they find ways to form partnerships or to collaborate with the government and social partners to provide support services to their employees.

Facing these challenges, Multinational Corporations are interested to dialogue with health policy leaders to try to influence policymakers to integrate budgets for mental healthcare into the general health financing. In developing and less developed countries where they have a major presence, they may leverage in their negotiations or dialogues with the government corporate financial investments made in the Country and their role in alleviating poverty in the Country by providing work to the population.

### **Risky work environment**

Other challenges that Multinational may face are increasing workplace violence, political unrest and natural disasters. These are work environment risks that may not be preventable but may be manageable.

## **The Solution**

### **Examples of EAP Models and Tools**

Depending on the employer, employee and family members needs accompanied by the available resources, Employers may select from the following EAP models offered by EAP providers or managed behavioral healthcare organizations (MBHOs).

These are:

- In House Model
- Out of House Model
- Consortium Model
- Affiliate/Subcontractor model

A description of each model and EAP tools is outlined below:



**In House Model**

A company manager supervises the program's personnel, approves policy and finalizes all procedures.

Benefits: Lower cost, Increased control, Greater identification of alcoholic and drug addicted employees, Increased supervisory and medical referrals, Positive acceptance by unions

**Out of House Model**

An outside vendor to provide EAP staff and services.

Benefits: Better accountability, Lower Legal liability, Ease of program start-up and implementation

**Consortium Model**

Companies pool their resources to develop a collaborative program and maximize individual resources.

Benefits: Vendor reaches multiple employers under one program umbrella (ideal for companies that do not have enough employees to warrant their own EAP).

**Geographical Communities**

Role of Public Health Service- assumes role for coordination

**Affiliate/Subcontractor Model**

A Vendor subcontracts with local professionals.

Benefits: Service in remote areas or areas with few employees.

**Disadvantage: Less accountability**

Vendors have difficulty to impose standards



## The Solution



### EAP's

### EAP Tools

- Policy Statement
- Call center or Hotline
- Assessment/Referral
- Short term counseling
- Clinical supervision
- Employee Orientation
- Supervisory Training and Union Steward Training
- Employee Education and Outreach
- Legal
- Staff
- Confidential Record Keeping System
- Community Resource Referral Network
- Critical Incident Stress Debriefing
- Funding
- Evaluation



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## **Comparison of Workplace Program Models from Multinational Corporations: headquarter based in USA and headquarter based in Europe**

### **USA firms typically offer EAP services**

Workplace Program may be provided by Multinational Corporations, but may differ based on their corporate culture or delivery of health services orientation from their Corporate Headquarters. For USA based Multinational Corporations, they typically offer EAP models for their expatriate employees and tailored programs for local employee network. Critical incident programs are also provided to expatriate employees experiencing loss or trauma.

### **European firms have different models**

Many of the European based multinational corporations extend occupational health care services, which operate in a different basis. Activities and employee support programs are in the form of management training, learning opportunities and team building. These programs may not directly address mental health issues but more in terms of improving teamwork skills that may be essential in reducing stress. However, some of them are now beginning to give attention and resources to mental health issues. EAPs are becoming a more common means to provide counseling and confidential information.

### **Expatriate Programs**

Most Multinational Corporations begin globalization of their business by dispatching employees from Home countries to understand the local markets and set-up operations. Although, they are interested in eventually shifting business leadership to the local economy. Expatriate employees are required to migrate to new locations and cultures. The cost of one foreign assignment is estimated to \$200,000 - \$400,000 per employee over the domestic compensation<sup>5</sup>. Investing in relocating an expatriate employee then becomes costly. Most multinational corporations provide Expatriate Programs to prevent or manage risks.

Employee placement failure of an expatriate employee may be caused by the extreme stress and required adjustments of the employee and their family members to cope or adjust to a different culture and a new location. According to Sheila Monaghan, Vice President, Director, Global Employee Systems, Motorola, Inc., “*An employee placement failure may have an estimated loss of a \$1 million dollars for the employer*”.

In developing and less developed countries, there may be lack of social support and personal assistance offered that may cause divorce, family separation, alcohol and substance abuse and depression that interfere with employee job performance. In some cases, with the lack of health service resources, the expatriate employee or their family members may have to resort to emergency services, (such as having to dispatch a helicopter emergency medical units, lifting to take to the nearest facility with appropriate health service, or coming back to the home country).

A basic expatriate program model may include pre-departure assessment, cross-cultural orientation, home-based and in-country assistance, aggressive outreach, employee and family focused support, and clinical and social services. Counseling may be provided with greater emphasis on Internet access and email.

Critical Incidence Programs are also offered to expatriate employees that may have experienced trauma or are facing a loss. The mental health problems or psychosocial behavioral problems may be caused by the increasing workplace violence worldwide, political unrest and natural disasters. This is a cost-effective approach requiring less upfront investment for the employer.

### **Local Employee Network Programs**

Leading Multinational Corporations may provide some form of EAP service to their local employee network but differ from the scope of service of a typical EAP service provided in Industrialized Countries. In developing and less developed countries, programs are designed to meet the needs of the employees based on the work environment. Overcoming the stigma associated with mental health requires a creative approach in delivery of support services. Otherwise, the program may fail due to lack of support from the employees. The programs are staffed locally and must be culturally relevant. Typically, these programs may or may not be called EAPs.

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<sup>5</sup> **Assisting Employers Around the World**, David Levine, Business & Health Magazine, April 2000

Examples of local employee network programs from leading Multinational Corporations that are recognized for their robust EAP services are outlined below:

JP Morgan Chase in Asia Pacific Region. JP Morgan Chase in partnership with their EAP provider in the Asia Pacific Region, Human Dynamics, Ltd., demonstrates how human resources takes the lead by providing diversity management and leadership programs. A case study was presented at the Second Annual Global Symposium on Business and Mental Energy at Work<sup>6</sup>.

GE Capital in India. Their priority is to recruit and retain staff for which other employees compete so, they offered transportation, help to extended families and medical care.

Ford Motors in South Africa. Ford Motors had newly opened manufacturing facilities in South Africa learning after that majority of their employees tested positive for HIV/AIDs. With the stigma on HIV/AIDs, high cost of medication and limited healthcare resources from the South African government, they opened a Ford Motors clinic for their employees to access appropriate care.

Motorola in Malaysia. In a previous email, Dr. Deva, Malaysia provided a Case Study of the Motorola EAP program offered in Malaysia as reference. Motorola through their Global Employee Consultation Systems recommend mental health systems and tools that have been effectively repeated in several of Motorola sites. These tools are benchmarked, are considered reliable with predictable process to resolve workplace issues.<sup>7</sup>

## **Conclusion**

The success of most Multinational Corporations is measured by their profitability and growth. Ethical business practices and quality standards make them excel as leaders. Despite economic challenges, Multinational Corporations understand that their workforce is the formula that drives business success.

Growing awareness of social and economic costs of mental health difficulties by Multinational Corporations develops a new direction in corporate policies. Reducing costs related to absenteeism, improving productivity and fulfilling corporate responsibilities have prompted growth to the increase in occupational mental health services, EAPs and health promotion programs.

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<sup>6</sup> **JP Morgan Chase Diversity Policy and Program in Asia Pacific**, Eddie Ng, Vice President, Asia Pacific Region, JP Morgan Chase and **Developing EAPs in Asia Pacific Region**, Eric Kung, Managing Partner, Human Dynamics, Ltd, *Second Annual Global Symposium on Business and Mental Energy at Work*, WSP/ILO, 2001

<sup>7</sup> **Motorola Global Employee Consultation Systems**, Rusty Livock, EAP Director, EMEA, Motorola, 2000, *Global Congress on Mental Health at Work*, WSP/ILO, 2000

These services are required by Multinational Corporations in developing and less developed countries where they have business presence. With the limited mental health policy and appropriate services for occupational mental health or EAPs in this parts of the world, opportunities for these nations economic growth are presented.

A clear example is Thailand's Bangkok Program for Healthy Organizations (BPHO), which is spearheaded by the Thailand Department of Mental Health. This program is in collaboration with the leading employers of the Asia Pacific Region in response to the need in addressing the growing substance abuse problem in the region that affects work environments and the economic growth of the employers. Because of the positive response of the Thailand government to dialogue with the employers, this program was initiated in Thailand and is now in an early stage of development. With the success of the BPHO program, employers seek to continue their dialogue with neighboring countries to encourage governments to replicate the program based on their own Country settings.

A framework for the development is attached for your review (Appendix 1). This framework was designed by World Strategic Partners in response to the invitation from the Thailand Department of Mental Health and leading Multinational Corporations in Thailand, such as Kimberly-Clark, Unocal and Unilever.

#### **Club of Geneva: Global Movement Supports Developing and Less Developing Nations**

Club of Geneva is a nonprofit organization representing thought leaders and key decision makers from a multi-disciplinary background from five continents working to address international agencies, governments and employer need to implement mechanisms and tools on mental wellbeing while creating an efficient workplace.

Club of Geneva supports 3 initiatives that may contribute to the development of EAPs or occupational mental health programs in developing or less developing countries. Nations. These initiatives are Mental Health at Work in Developing Nations initiative, Worldwide Guidelines on EAPs, and Mental Health at Work in Small Enterprises. Attached is a prospectus that outlines the description and projected completion dates on each initiative for your review (Appendix 2).

As the World Health has prioritized in their 2001 World Health Report, "Mental Health is as important as physical health to the overall well-being of individuals, societies and countries." <sup>8</sup>

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<sup>8</sup> The **World Health Report 2001: Mental Health: new understanding, new hope**, WHO publication