

The Impact of Drug Abuse on Organizational Performance and Policy Evaluation

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Organizations in recent years have faced a variety of economic and business problems directly related to the firm's product or service. For many organizations however, the personal problems of their employees have become a professional concern. Companies have developed programs to aid employees' legal, medical, social, financial and personal problems. Chemical dependency, alcoholism and drug abuse, has been a major focus of many of these employee assistance programs.

Estimates of the costs of employee alcoholism and other drug abuse continue to rise as new factors are recognized and included in the loss analysis. The National Institute on Alcohol Abuse and Alcoholism reports that lost production, due to alcoholism alone, costs America's Industry more than \$20 billion a year. Other drug abuse and a variety of losses not directly traceable to chemical dependency would conservatively double this estimate of loss. Employee Assistance programs have been developed in a variety of organizations to deal with employee personal problems. Numerous publications have included information on the development of company policy and procedures, on identification and program design, and on employee counseling techniques. Information published, in surveys on employee alcoholism and drug abuse continue to indicate that organizational response to chemical dependency problems, including those which have a direct impact on an employee's performance and overall organizational effectiveness, has not met the goals set by public interest, changing social demands, and the increasing emphasis on human resources management.

This report concerns a confidential mail survey of the two hundred organizations representing all forms of manufacturing, service and non-profit firms. The survey was conducted during the period of November 1976 to February 1977. Eighty-nine responded to the questionnaire with many of the firms supplying, in addition to the survey results, copies of company policies and educational materials concerning chemical dependency programs. The organizations were a variety of sizes ranging from less than twenty-five employees to more than five thousand employees.

The study was designed to examine management policies and rehabilitation programs that have been formulated over the last six years to determine if the programs were successful. Information was also collected to determine the impact of the educational efforts directed at the creation of new company policies and procedures. The study is based on similar studies conducted during the years 1968-1971. This was a time in which managers became aware of drug problems other than alcohol and began to develop new postures for dealing with alcohol and other drugs. A comparison of findings is presented throughout this paper.

Incidence of Chemical Dependency

50% of the firms responding to the survey reported that they have had to deal directly with drug problems. This represents an increase of 14% since 1971. Companies were then asked to compare their experience and perception of chemical use on-the-job to that in the years 1968 to 1971. It is felt that this period represented a "drug crisis" in organizations and in society in general. While there is no evidence that this was, in fact, a time of crisis, it did represent the time period when drug use in particular commanded much attention from the nation's media. It was also the time period when the "drug problem" in organizations occupied a major portion of the media's concern. In the survey, organizations were asked to respond on their perceptions for both their own organization and others. 6% of the firms responding felt that the chemical dependency problem in their organizations was the same or more serious than in 1968-1971. Only 28% felt that the problem was less serious than those years. 19% of the firms surveyed felt that the problem was more serious. When asked to respond as to their perceptions for other organizations however, 28% thought that the problem was more serious than in 1968-1971, with an additional 34% responding that the problem was the same as it was in 1968-1971. Only 28% thought that the problem was less serious in other organizations in 1968-1971. The response to these questions indicates that:

- Management's perception of a problem with alcohol and other drugs within organizations is that of a serious problem.
- Managers still believe that the problem is more serious in other organizations than it is in their own.

Male vs. Female

In 1968-1971 most studies conducted on alcoholism and drug abuse were confined to predominantly male populations. Since that time, increasing evidence suggests a growing problem or recognition of the problem among women. Organizations were asked to respond to this possibility. A significant group, 33%, still perceive the problem to be greater for men. A large percentage however, perceive that the problem is the same for men and women and an equal percentage consider the problem to be growing among women. This would indicate not only increasing incidence of chemical dependency problems among women, at least an increase in the incidence spotted within organizational settings, but also a success in the awareness programs of both organizations and government in the last few years. It can be expected in the next few years that as women gain greater access to the work force and as they begin to fill higher positions within organizations, positions with more responsibility and stress, that increasing incidence of chemical dependency among women will continue. Continued attention will need to be given to those aspects of the working world which can foster problems with alcohol and other drugs. Both men and women need to be prepared for situations in which job fatigue, boredom and stress need to be faced and dealt with in ways that are not harmful to the employees and/or management personnel.

Organizational Policies

In 1971, 80% of the firms surveyed had an official policy concerning alcohol, while only 35% had taken an official stand on drug abuse. In the most recent survey only 36% of the firms reported a written policy which covered both drug and alcohol abuse, while an additional 10% of the firms had a policy which covered alcohol only. This leaves 52% of the firms with no written policy. It appears that one of the major aspects of the educational programs conducted in recent years, the effort to get companies to formulate written policies on alcohol and drug use, has been unsuccessful. While many companies may still have informal policies, there has been no increase in the number of formal policies developed. It is critical to the success of an organization's chemical dependency program to adopt a clear-cut written policy on alcohol and drugs.

Policy Statements

Several companies responding to the survey enclosed copies of their policies on alcoholism and other drugs. An examination of these policies indicated that companies have adopted a variety of philosophies for dealing with the problem. Some of the policy statements are brief, providing only a general outline of the company's attitude and procedures in dealing with the problems. Other policies are part of lengthy brochures and pamphlets describing the company's attitude toward chemical dependency, the services that the company offers, and the support that the company will give to the affected employee. The following statements explain the different philosophies of the programs.

The company believes that dependence on alcohol or other drugs is a treatable disease. The company's medical leave policies and insurance policies apply as with any other diseases. An employee counselor is available for confidential consultation concerning any employee who may have a problem.

The company is vitally interested in serving employees who develop behavioral-medical problems that directly affect their work and that could, if not corrected, result in their becoming unemployable. To this end, all employees needing help in these areas will be afforded the opportunity of receiving counseling and treatment to enable them to overcome their problems and remain a valued employee of this company.

The company recognizes that the behavioral-medical problems of alcoholism and other drug dependencies and emotional illnesses are highly complex illnesses that can be successfully treated. This recognition in no way sanctions or permits intoxication on-the-job. Intoxication on-the-job from any drugs or alcohol or possession or use of illegal drugs will be cause for termination.

Employees who are found to be or have been in possession or use drugs in an unlawful manner will be dismissed by the company for the first offense. Employees who report to work under the influence of an illegal drug and/or alcohol will be dismissed for the first offense.

Policy vs. Performance

A second area of company policy concerns not only the philosophy of the program, but the way in which job performance is designated as a critical factor in determining whether or not the organization will act when an employee is involved with chemical dependency problems. An examination of the policies submitted with this survey revealed various statements concerning job performance.

This company's concern for employees with one or more of these illnesses begins only when it results in unsatisfactory job performance or where such practice adversely affects the operation or reputation of this company.

It is recognized that management and supervisory personnel do not have the professional qualifications to make any diagnosis or judgment as to whether or not an employee has behavioral-medical problems. Therefore, referral for diagnosis and treatment should be made only on the basis of unsatisfactory job performance or behavior disruptive of the work force.

Policy Implementation

Organizations are motivated to develop a policy on alcohol and drugs by several reasons, most importantly, the impact on job performance, absenteeism, the rise in cases among employees, the illegality of some drugs and the company's image. Companies use a variety of means for announcing their policies. The most widely used technique was through an organization policy manual (49%), while employee newsletters (32%), special booklets (32%) and employee meetings (24%) were used by other organizations. Several companies used more than one technique while 27% of the organizations responding made no formal announcement.

One of the most important concerns of management in trying to effectively develop an organizational policy on chemical dependency are the problems which are encountered. In 1971 companies reported more than twenty-five different problems in developing an effective policy. The most important of these were:

- The difficulty in obtaining accurate information about the problem
- Detection of drug abuse and proving abuse
- Creating an accurate educational program for employees
- Determining the correct policy
- Obtaining good facilities for rehabilitation programs
- Coordinating efforts with the legal aspects of the problem
- Getting management interested in formulating drug abuse programs
- Creating a program which is fair to employees
- Conflicting opinions on the medical effects of drugs
- Getting a good counselor

In the most recent survey, organizations were asked which problems were encountered which seriously hampered their efforts in implementing a drug program. The responses to this question were similar to those received in 1971. The detection of drug use has become the biggest problem in implementing a drug program, while obtaining accurate information, determining a correct policy, obtaining good facility for rehabilitation, and getting management interested in drug programs remained serious problems.

Chemical Dependency Resources

In the past six years, organizations have had access to a variety of educational programs dealing with drugs and alcohol. The continued development of new film programs and the continued publication of new educational materials and textbooks on the subject of chemical dependency in industry, indicate that management is continually seeking solutions to the problem. 40% of the organizations responding to the survey have attended seminars outside the organization on alcoholism and drug abuse and more than one quarter are actively attending seminars at this time. Large percentages of the firms responding have conducted seminars within their organizations, distributed books or pamphlets to managers and employees, and used services of management consultants for developing chemical dependency programs.

The variety of problems faced by organizations in dealing with chemical dependency problems and the variety of resources available to organizations indicate that the alcohol and drug problem in an organization is a complicated, multi-faceted problem. It is not a problem which lends itself to any simple textbook solution. It is a problem to which there are many approaches and many solutions. It would appear, based on the results of this survey, that the problems of developing a program and of selecting resources are unique to each organization.

Organizational Responses

In the final segment of the survey, organizations were asked to respond to two situations in accordance with their organizations policies and/or the respondent's freedom to deal with such problems. The first situation dealt with a manager being informed that a significant loss in terms of dollars or time or product waste has occurred because of an employee's inability to perform his or her job. This inability was caused by the employee being under the influence of marijuana, barbiturates, amphetamines, heroin, or alcohol. Respondents were asked to choose from four alternatives or a combination of these alternatives, or to enter another solution based on their own policies or ideas. They were also asked to respond to the situation for both a first and second offense. The second situation was that the manager was notified that an employee is under the influence of some drug, however, no direct loss has been suffered. Again, marijuana, barbiturates, amphetamines, heroin or alcohol were provided as drugs being used in the first offense and second offense categories.

Respondents to the survey provided a variety of answers to the situation. Many managers returned the survey with additional comments concerning the incidents detailing how their organization's policy would interact with these situations. They described their intervention techniques and the counseling strategies that they would use in an attempt to assist an employee. Most of the respondents, however,

took action within the choices provided on the survey. In the incident where the significant loss occurred, a majority of the respondents chose to warn the employee when the drug involved was alcohol or marijuana. In cases involving heroin, more than 10% of the respondents fired the employee for the first offense.

For almost all types of drugs in the significant loss case, 40% of the respondents chose to fire the employee for their second offense. In cases involving heroin, approximately 10% for both the first offense and second offense would inform the police in addition to firing the employee. Only one respondent would ignore the incident all together.

In the case when no direct loss has been suffered, more of the respondents expressed a willingness to ignore the situation for a first offense. However, the majority of the respondents still chose to warn the employee for the first offense and many of them still decided to fire the employee on the second offense.

The responses to these questions indicate that many firms follow a basic, two—step model in dealing with incidents of drug usage on-the-job. In most cases, the employer will warn the employee for a first offense and take stronger action, usually termination, for a second offense. Greater leniency is indicated when no direct loss has been suffered. Secondly, the similarity in reaction to both marijuana and alcohol indicates that managers are more tolerant of marijuana in 1977 than they were in the period between 1968-1971. Responses that were not included in the survey choices were also greater than those obtained in previous studies. Most of these showed a counseling, employee assistance, type program which provided for greater employer-employee interactions in an attempt to reach a mutual satisfying solution to the problem. The responses to these questions indicate that management reaction has changed over the last few years. However, it is still geared to a disciplinary approach rather than a counseling/treatment approach for most companies responding to the survey.

Organizational Response Based on Experience and Size

Two of the critical factors in determining an organization's response to employee assistance programs, particularly in the alcoholism and drug abuse area, appear to be the size of the company and whether or not the company has experienced a problem in dealing with chemical usage on-the-job. An examination of the responses to this survey, based on employment levels and experience, shows that clearly larger organizations have experienced a much higher rate of drug usage. 84% of companies with over 2,000 employees directly experienced a problem while only 23% of companies with less than 100 employees directly experienced the problem. Companies in the range between 100 and 2,000 employees experienced a "drug problem" in 50% of the firms responding. Clearly, as the size of the company increases so does the organization's likelihood of having to deal directly with a case of alcoholism or other drug abuse.

In response to the question which asked respondents to evaluate their perception of the problem today in comparison to the 1968-1971 period, larger organizations and those who have directly experienced the problem accounted for a larger proportion of the responses claiming that the problem is more serious today than in 1968-1971. Small and medium sized companies perceived the problem to be more serious in "other" organizations than in their own. This information could be interpreted in two different

ways. One, it possible that smaller companies experience problems with chemical dependency to a much lesser extent than larger firms, therefore, creating in their minds less of a need to directly confront the problem and a perception that if the problem does exist, it is not true for their company. A second interpretation, one which is more consistent with data available on chemical dependency problems in general, would indicate that companies are practicing a policy of reaction rather than preventive policy formulation. Smaller organizations are often times forced to be more selective in their hiring than in larger organizations. In smaller companies there are also factors in the working environment, for example the close working relationships, which may help alleviate the possibility of chemical dependency problems.

Official policies on alcohol and drugs are more likely to exist in companies that have experienced the problem. 52% of those companies having direct experience with the problem have formulated written policies on both drugs and alcohol, while 74% of those companies without direct experience with the problem have no written policy concerning either alcohol or drugs. Formal policies are also more common among the medium and large firms in comparison to the smaller firms.

Organizational response to chemical dependency problems is clearly related to an organization's past experience and its size. The responses to this survey clearly indicate that organizations are reacting to their past experience with the problem more than they are adopting a preventive education program and the development of effective policies for dealing with potential problems before they occur. Similarly, the small and medium sized company faces realistic and serious constraints in its effort to develop an effective program. It must deal with limited economic resources which would prevent the firm from extensive use of outside materials, consultants or specialized programs. It also must deal with a serious constraint on its manpower productivity due to employee lost time because of a chemical dependency problem. Larger firms have been able to devote more manpower and resources to the development and operation of drug education programming.

Major Conclusions

The major conclusion generated from this survey of organizations is that companies are becoming more and more involved in the development of drug abuse programs and the development of company policies for dealing with chemical dependencies within their organizations. Unfortunately, the problem of drug abuse is still rising and posing a serious threat to the successful operation of many firms.

The survey also supports the following key issues:

- Alcoholism and the abuse of other drugs in organizational settings have not declined since the "crisis period" of 1968—1971. In fact, a significant percentage of organizations responding to this survey feel that the problem is more serious.
- While the problem among women is not perceived to be as great as the problem among men in organizational settings, the perception of many is that the problem is growing among women at this time.
- The efforts to have all companies develop formal policies on chemical usage and chemical dependency within their organizations have not been successful. A large percentage of companies still do not have formal policies on drugs.
- The problems which organizations face in effectively developing a drug program have changed slightly in the last six years, however, the detection of drug use, obtaining accurate information concerning alcohol and drugs, and determining the correct policy, still remain organizations' most serious difficulties.
- Organizations have used, and continue to use, a variety of resources in the development of their programs.
- Organizations are adopting a reactive policy in terms of the development of chemical dependency programs and policies much more so that they are adopting preventive programs.
- Smaller organizations face a number of serious financial and staff constraints which prevent them from developing policies and programs. In addition, the smaller firm has had less direct experience with the problem and is forced in some cases to deal with it in harsher, less flexible terms than the larger organization.

The use of alcohol and other drugs in organizational settings is a costly problem to organizations in terms of profits, and more importantly in terms of the damage it does to industry's critical resource, the personnel that work within the firm. Management of organizations, large and small, profit and non-profit, manufacturing and service, must continue to develop effective programs for confronting and solving problems concerning employee use, misuse and abuse of chemical substances. Management must continually develop training programs for its management staff and for its employees in the dangers, treatment and company policy concerning chemical usage. Companies must use a variety of resources in developing the program that will be most effective for their structure, needs and size. It will be possible to reduce the effects of chemical dependency on organizations only with a continual, serious and determined effort in these areas.