

Incidence of Substance Abuse in the Workplace

prepared by

The John J. Heldrich Center for Workforce
Development

prepared for
The United States Chamber of Commerce

February 2000

Executive Summary

The U.S. Chamber of Commerce, with the Center on Addiction and Drug Abuse at Columbia University and the John J. Heldrich Center for Workforce Development, developed and produced the *Incidence of Substance Abuse in the Workplace* survey to measure employers' perceptions regarding the prevalence of drugs in the workplace, how employee drug use impacts their firm, and the effectiveness of company policies in addressing and preventing the incidence of substance abuse by employees. This includes the use of illegal drugs such as marijuana and cocaine, legal drugs such as prescription medication, tobacco products, and alcohol. The survey's findings will assist employers by providing new information about company drug policies and perceptions nationally, to evaluate their drug and alcohol policies.

Employers have different perceptions regarding the problem of drugs in the workplace, and have devised a number of strategies to address employee drug use. The *Incidence of Substance Abuse in the Workplace* survey finds that:

- For many employers, drug use is not perceived as a significant problem. For those that do perceive it as a problem, tobacco and alcohol incur the greatest costs.
- Small companies are the most likely to say that drug use by employees is not a problem at their firm, and are the least likely, in the past year, to be aware of an employee that has come to work under the influence of drugs and alcohol.
- The majority of employers do not believe that drug use has had a big impact on health care costs or workers compensation costs. Employers believe that employee drug use contributes to lateness, absenteeism, and overall productivity.
- The survey finds a positive correlation between companies that have a written policy and companies that believe their policy is effective. Small companies are the least likely to have a written policy and the least likely to say their policy is effective. Large firms are the most likely to have a written policy and the most likely to say that policy is effective.

- Large and medium sized firms are more likely to have drug testing and drug treatment programs than small companies are. Large companies are the most likely to offer a comprehensive package of testing and treatment programs to employees with a substance abuse problem.
- Firms offering a comprehensive response and treatment plans are the most likely to offer a variety of treatment and prevention options to employees. Small firms are the least likely, and large firms are the most likely, to offer a variety of treatment and prevention options.
- Firms offering a comprehensive response and testing plan are the most likely to have a variety of drug testing programs. Small firms are the least likely, and large firms, in general, are the most likely, to conduct drug testing of employees.

Methodology

Sampling

The survey was conducted by the Center for Survey Research and Analysis (CSRA) at the University of Connecticut. The results are based on a total of 2,502 telephone interviews completed with personnel managers, designees, or CEO's at a random sample of for-profit businesses with ten or more employees.

Interviews were conducted from the CSRA's interviewing facility in Storrs, Connecticut, using a Computer Assisted Telephone Interviewing (CATI) system. Professional survey interviewers who are trained in standard protocols for administering survey instruments conduct all CSRA surveys. All interviewers assigned to this survey participated in special training conducted by senior project staff.

The draft survey questionnaire and field protocols received extensive testing prior to the start of the formal interviewing period, including a total of 100 pre-test interviews which were not included in final data. During the formal interviewing period, interviews were extensively

monitored by Center staff to insure CSRA standards for quality were continually met. Selected respondents were recontacted to validate the accuracy of recorded responses.

The sample was drawn from the ABI Business Database, and consisted of a stratified random sample of all businesses in selected SIC codes with ten or more employees in the contiguous U.S. The sample frame excluded known branches of businesses. Additionally, approximately 11% of screened establishments in the sample were also eliminated as branches. The sample frame eliminated selected SIC codes (See Table 1) which were believed to contain a high percentage of non-profit organizations. Additionally, all sampled businesses were screened and non-profit and governmental organizations (approximately 5% of screened establishments in sample) were eliminated.

The sample was stratified so that small, medium, and large businesses were represented in proportion to their percentage of all businesses in the sample frame. (See Table 2) Within each stratum, a simple random sample was drawn to insure that the overall data are approximately representative of population figures on all key variables.

Table 1
Selected SIC Codes Containing Non-Profit Establishments

SIC Code	Definition
43	U.S. Postal Service
6011	Federal Reserve Banks
6019	Central Reserve Depository
6371	Pension, Health and Welfare Funds
6732	Trusts, Educational and Religious
6733	Trusts
82	Schools and Educational Services
83	Social Services
84	Museums, Botanical Gardens, Zoos and Gardens
86	Membership Organizations
8733	Noncommercial Research Organizations
91 – 97	Public Administration
99	Non-classifiable Establishments

Table 2
Distribution of Firms In Proposed Sample Frame
(Primary Establishments in Contiguous States Excluding Selected SIC Codes)

Number of Employees	Number of Establishments	Percent of Total
10 – 19	659,161	52.4%
20 – 49	385,838	30.7%
50+	213,790	17.0%
Total:	1,285,789	100.0%

Survey Methodology

Interviews were conducted with the person at each firm who was most knowledgeable about substance abuse issues at the firm. Respondents were selected according to defined protocols. For businesses with an identifiable Director or Manager of Human Resources, this individual was initially contacted. In cases where there was no identifiable Human Resources contact, the initial contact was made with a principal business decision maker: typically the owner or general manager of the firm. In all cases, the primary contact was asked to designate the appropriate respondent to complete the survey at that firm. Firms were contacted up to 25 times to attempt to complete an interview. Firms which refused to be interviewed were contacted at least one additional time by an interviewer trained in “refusal conversion” techniques.

The sample error associated with a survey of this size is +/- 2%, meaning that there is less than one chance in twenty that the results of a survey of this size would differ by more than 2% in either direction from the results which would be obtained if all for-profit establishments in the contiguous U.S. with ten or more employees had been selected. The sample error is larger for sub-groups. CSRA also attempted to minimize other possible sources of error in this survey.

Introduction

Substance abuse permeates every aspect of society ranging from relationships at home to productivity in the workplace. The economic costs of substance abuse are substantial, placing a burden on the national health care system, as well as the medical budgets of individual households. In addition, there are the hidden costs of substance abuse, including drug-related crime, destruction of families, and loss of friends and other relationships. When an individual abuses drugs, society as a whole pays the price.

Although certain costs associated with substance abuse are well documented, the financial and social impact of substance abuse in the workplace warrants further research, particularly since employers across the nation have such a wide variety of approaches to drug use. The gamut of workplace policies addressing the issue of substance abuse varies widely among employers from pre-employment screening and random drug testing to the absence of any policy or program.

Drug use, both legal and illegal, is present in the American workplace. According to a 1998 survey, nearly 14 million Americans use illegal drugs, and nearly three-quarters of these users are employed in American businesses (National Household Survey on Drug Abuse, August 1998, U.S. Department of Health and Human Services). The abuse of legal drugs such as alcohol and prescription medication adds to the number of employees with a substance abuse problem.

The use of drugs in the workplace is a problem for employers and employees alike. Numerous studies indicate that drug use decreases the efficiency and productivity of employees, and increases their risk for accidents and injuries to themselves and their co-workers. In 1992,

the National Institute of Drug Abuse and the National Institute of Alcoholism and Alcohol Abuse estimated that the use of drugs and alcohol by American workers cost employers over \$80 billion in lost productivity and employment (National Institute of Drug Abuse and the National Institute on Alcoholism and Alcohol Abuse, “The Economic Cost of Alcohol and Drug Abuse,” 1992 (preprint copy) 5/98, p. 5-1). Drug users pose risks and incur costs to themselves, their co-workers, and their employer.

To increase awareness of these issues among employers, it is important to better understand the experience of substance abuse in the workplace, as well as the range of policies and programs currently implemented by employers. This national survey of small, medium, and large businesses provides new information to deepen employer understanding of the issue, and to increase encourage the business community to take effective actions to address this persistent problem in U.S. society, with its many ramifications for workers, families, and children.

The Employer’s Perspective: How Big A Problem is Employee Drug Use?

Incidence of Substance Abuse in the Workplace Survey explores three main topic areas:

- employers’ perceptions of the prevalence and financial impact of employee substance abuse within their firms;
- compare employers’ perceptions of the prevalence and cost of employee substance abuse to the actual prevalence and cost; and
- employers’ policies and practices that deal with avoiding, detecting and responding to employee substance abuse.

Substance abuse includes the use of illegal drugs such as marijuana or cocaine, legal drugs such as prescription medication, tobacco products, and alcohol.

Although the majority of respondents said that drug use by employees has a negative impact on their firm, the survey indicates that for many employers, substance use by employees is not perceived as a serious problem. A third (33%) of respondents indicate that their firm has not incurred costs as a result of substance use by employees. Less than one third (27%) of employers are aware of any employees who have come to work during the past year under the influence of alcohol or illicit drugs.

In addition, half (50%) the employers surveyed report that they do not have any type of drug testing program, simply because drug use is not a problem at their firm. Although 54% of respondents report that summary termination (firing) is the mandatory response to any evidence regarding substance use in violation of company policy, over three fourths (84%) of respondents indicate that they have fired one or less employees in the past year because of drug use.

Although many respondents indicate that drug use by employees is not a problem at their firm, the majority of respondents identify one or more substances—both legal and illegal—that are subject to abuse and inflict costs on their firm. Of these substances, alcohol and tobacco are identified most frequently as the substances abused by employees. Almost half (49%) of the respondents indicate they incur the greatest cost from alcohol and tobacco. In contrast, only 8% identified illegal drugs as incurring the greatest costs to their company of abused substances. Use of prescription drugs accounted for 4% of drug related company costs.

These figures suggest that employees abuse illegal drugs and prescription drugs far less than tobacco and alcohol. While this is a significant finding, it is also likely that employers find it easier to detect and identify alcohol and tobacco use than either illegal drugs or prescription drugs. Abuse of prescription drugs, in particular, may be difficult for employers to detect.

Employers are faced with the challenge of differentiating between the employee that is taking a simple cold remedy, from an employee that is taking a more powerful drug. Likewise, employers must distinguish between those employees who are taking a prescription drug responsibly and in the manner in which it is prescribed, from those who are abusing such drugs.

The Impact of Drugs in the Workplace

The use of drugs can impair the ability of an employee to perform his or her job responsibilities in a number of ways, the survey finds. Respondents indicate that employee substance use incurs costs to their company, including absenteeism, turnover, and overall profitability. Survey respondents indicate that substance use has a significant impact on workers being late for work and missing work, with 47% indicating that absenteeism is a significant problem, and 44% believing that lateness for work is significantly impacted by employee drug use. Approximately one third (30%) of employers report that substance use has a significant impact on turnover among their employees. Conversely, fewer employers believe that drug use has a negative impact on health care and workers compensation costs. Slightly more than one fourth (28%) of respondents believe that drug use has a significant impact on the cost of health care coverage offered to employees. Even fewer respondents (23%) indicate that employee drug use had a significant impact on workers compensation premiums and workplace accidents or injuries.

Finally, overall productivity is believed to suffer, with 42% of employers indicating that employee drug use significantly impacts productivity. Fewer employers express concern about

the effect on overall profitability, with slightly more than one third (34%) indicating that drug abuse has a significant impact.

Overall, many employers do not perceive drug use by employees as a problem. Those that do cite alcohol and tobacco as the most frequently problematic substances, and many employers report that employee drug use has a significant impact on lateness, absenteeism, and overall employee productivity. Despite the fact that a majority of respondents indicate that employee drug use incurs costs to their company, many employers do not test for drugs, and the majority had fired less than two people in the last year because of drug use.

Addressing the Problem

The way firms perceive employee drug use depends a great deal on the strategies they have developed to address the incidence of abuse. Some firms do not address issues of employee drug use problems. Other firms police drug use extensively. Still others take a carrot and stick approach, instituting drug testing and offering treatment to employees.

Initial Actions

On discovering the incidence of drug or alcohol use in the workplace, respondents indicate that they take a number of initial actions, actions that vary substantially depending on whether drugs or alcohol is involved. Half (50%) of the employers surveyed report that the initial action they take when an employee first exhibits signs of alcohol use is that the employee receives a warning. Only 13% of employers say they test that employee for additional drug use. Less than 10% of employers refer that employee to voluntary counseling or treatment (6%),

require that employee to attend counseling or treatment (3%), suspend the employee (6%), or fire the employee (9%).

An employee is less likely to receive a warning and more likely to be drug tested when that employee exhibits signs of drug use. Nearly one fourth (24%) of respondents report that their initial action regarding an employee suspected of drug use is to drug test that employee. Another 31% of employers indicate that they initially give the employee a warning. Similar to the actions taken when an employee is suspected of alcohol use, few employers refer or require the employee to attend counseling or treatment (5% and 4%, respectively), or suspend the employee (6%). However, slightly more employers are willing to fire an employee who exhibits signs of drug use (15%) than alcohol abuse (9%). These figures may indicate that employers view drug use as a more serious offense than the use of alcohol.

Company Policies Regarding Drugs in the Workplace

The companies surveyed can be divided into five categories, based on their drug policies and how they address drug use problems in the workplace: Uninvolved, Summary Termination, Treatment Oriented, Testing Oriented, and Comprehensive Response. The first category consists of those companies who have no standard approach for drug use. One fourth (25%) of survey respondents are in this Uninvolved category. These firms do not test for drugs, either prior to hiring or during employee tenure, nor do they offer drug treatment for employees who have a substance abuse problem. They do not make it a policy to fire employees immediately for drug abuse. The general policy is a hand-off approach based on the perception that drug use by

employees is not a significant problem, and 44% of Uninvolved say that this general policy on drug use is effective.

These companies tend to be fairly evenly distributed across production, trade, and service industries (30%, 32%, and 38%, respectively), and almost two-thirds (65%) of Uninvolved companies are small companies. Not surprisingly, these firms are the most likely (81%) to be unaware of employees working under the influence of alcohol or illicit drugs in the past year. The majority (95%) of uninvolved companies have fired only one or no people over the past year because of substance use. Almost two-thirds (62%) do not have a written policy on substance use. Despite the fact that these firms remain uninvolved with either testing for or treating drug abuse, almost half (49%) offer their employees a health insurance policy that covers substance abuse treatment.

The second category (16% of respondents) consists of companies who are also uninvolved, neither engaging in drug testing or offering drug treatment. The difference is that for these companies, the standard response to employee drug use is summary termination—to fire the employee immediately. Summary Termination companies are fairly evenly distributed across production, trade, and service industries (28%, 37%, and 35%, respectively), and 61% are small companies. More than half (57%) of Summary Termination firms have a written policy on substance use, and 59% say their general policy on drug use is effective. Less than half (44%) offer employees a health insurance policy that covers substance abuse treatment.

In keeping with their uninvolved policy, three fourths (75%) of these companies are unaware of employees who have come to work under the influence of alcohol or illicit drugs in the past year. And despite the fact that for these firms summary termination is the standard

reaction to employee drug abuse, the majority (86%) have fired only one or no employees for substance use over the last year.

The third category of companies are those that offer some type of program for affected employees. Among survey respondents, 13% are Treatment Oriented companies. These companies do not test employees for drug use, but offer a variety of assistance and treatment programs to help employees control their substance abuse problems. Companies in the service industry are more likely to be treatment oriented than either those in production or trade (43%, compared to 30% and 27%, respectively), and slightly more than half (51%) are small companies.

To support their emphasis on treatment and assistance, three fourths (76%) of treatment oriented companies offer health insurance that covers substance abuse treatment. Almost three fourths (72%) have a written policy on substance use. Two thirds (66%) of Treatment Oriented respondents believe that these policies are effective in addressing employee drug use.

Three fourths (75%) of Treatment Oriented respondents say that they are unaware of employees who have come to work under the influence of alcohol or illicit drugs in the past year, somewhat less than either the Uninvolved or Summary Termination firms. Even when drug use is identified, it appears to rarely end in termination. Almost all (94%) of treatment oriented companies have fired less than two employees for substance abuse over the last year.

The fourth category consists of companies that are Testing Oriented, and approximately one-fifth (19%) of respondents fall into this segment. These companies test employees for drug use either prior to hiring them, or conduct random drug testing of current employees, and do not offer treatment programs or assistance for those employees who are found to have a drug use

problem. Production industries are more likely (43%) to be Testing Oriented than either trade industries (33%) or service industries (24%). Companies located in the South are also more likely (43%) to be Testing Oriented than companies located in the Northcentral part of the country (26%), the West (20%), or the Northeast (11%). Half (51%) of the Testing Oriented companies surveyed are small companies, with 31% classified as medium and 18% as large. The percentage of small and medium firms is higher for Treatment and Testing Oriented firms than either Uninvolved or Summary Termination firms.

Almost three fourths (72%) of Testing Oriented respondents are unaware of employees who have come to work under the influence of alcohol or illicit drugs in the last year, slightly less than the previous three categories. Slightly more than three fourths (79%) of Testing Oriented respondents have fired less than two employees for substance use over the last year, also less than the previous three categories. Almost one fifth (19%) of these firms fired two to five people for substance use over the last year. This finding suggests that Testing Oriented firms are more likely to fire people for drug use than either Uninvolved or Treatment Oriented firms, and more than those firms for whom Summary Termination is company policy.

Slightly more than half (51%) of Testing Oriented companies offer health insurance that covers substance abuse treatment. The majority (83%) of testing oriented companies have a written policy on substance use, and three fourths (76%) of them report that their general company policy on drug use is effective.

The survey finds that 28% of companies surveyed offer a comprehensive response to drug use by employees. This last category of companies conduct drug testing and offer treatment and assistance programs or referrals to those employees who are found to have a substance use

problem. Almost half (49%) of these Comprehensive Response companies are production industries, with the remainder evenly split between trade and service industries (26% and 25%, respectively). Like Testing Oriented companies, Comprehensive Response companies are most likely to be located in the South, with 39% of Comprehensive Response respondents located in that region. Only 11% are located in the Northeast, with the remainder located in the west and Northcentral region of the country. Comprehensive Response firms are the most likely to be large companies, with almost half (45%) being large companies. Of the remainder, 31% are medium-sized companies, and 20% are small companies (see Table 1).

Table 1. Size of Company vs. Type of Response to Drugs in the Workplace

Type of Company	Small company (%)	Medium company (%)	Large company (%)
Uninvolved	65	26	9
Summary Termination	61	31	8
Treatment Oriented	51	30	19
Testing Oriented	51	31	18
Comprehensive Response	38	35	27

Comprehensive Response companies are the most likely (39%) to be aware of employees who have come to work under the influence of alcohol or illicit drugs in the past year.

Comprehensive Response companies are also the most likely to fire people for drug use, with less than three fourths (71%) having fired only one or no people for substance use in the last year, and nearly one fourth (22%) having fired two to five people in the last year.

Nearly three fourths (73%) of Comprehensive Response companies offer health insurance that covers substance abuse treatment, more than any other category except Treatment Oriented companies. The majority (95%) of Comprehensive Response companies have a written policy on substance use, also more than any other category. Of all the programs Comprehensive Response companies have, 41% believe that pre-employment testing/screening is the most effective in addressing employee drug use. Comprehensive Response companies are also the most likely to say that company policy is effective, with 84% indicating that their policy is effective.

Company Size Matters

The survey also finds a strong correlation between the size of the firm and employer perceptions and policies regarding the incidence of substance abuse in the workplace. In general, smaller companies are less likely to say that employee substance abuse incurs costs to their company, while large companies are most likely to believe that substance abuse by employees incurs costs to their firm. For instance, 42% of small companies report that drug abuse has a significant impact on employees being late for work, as compared to 46% of medium-sized firms and 54% of large firms. In another example, 43% of small firms indicate that drugs have a significant impact on absenteeism, as compared to 49% of medium and 60% of large firms. Overall, small firms are the most likely to say that drugs incur no costs: 40% of small companies, 32% of medium-sized companies, and 23% large companies say that employee drug abuse does not incur costs for their firm. Similarly, over three fourths (78%) of small firms are

unaware of employees who have come to work in the past year under the influence of drugs or alcohol, compared to medium-sized (71%) and large (58%) companies (See Table 2).

Table 2: Size of Company and Employer Perceptions

Size of company	Do not believe drugs cost their firm (%)	Unaware of employees who have come to work under the influence (%)	Have a written drug use policy (%)	Believe policy is effective (%)
Small	40	78	57	63
Medium	32	70	76	69
Large	23	58	89	73

End Results: The Cost and Effectiveness of Company Policy

Effectiveness

Having a written policy is a strong indicator of whether a company believes its general policy is effective, the survey finds. Of all respondents with a written policy, 75% of them indicate that the general company policy is effective in addressing employee substance use. Of those without a written policy, only 47% believe the general company policy to be effective.

According to the survey, companies with a comprehensive response to employee drug use are the most likely to have a written policy on substance use, and are the most likely to say that their company policy is effective (See Table 3). Conversely, uninvolved companies are the least likely to have a written policy on substance use, and the least likely to believe their policy is effective. This suggests a correlation between firms that have a written substance use policy and firms that believe their general policy is effective, with companies that have a written policy on

substance abuse more likely to believe their overall policy is effective in addressing employee drug use.

Table 3: Written Policy on Substance Use vs. Effectiveness of Policy

Type of company	Have a written policy on substance Use (%)	Believe policy is effective (%)
Uninvolved	34	44
Summary Termination	57	59
Treatment Oriented	72	66
Testing Oriented	83	76
Comprehensive Response	95	84

In another comparison, small firms show the least confidence regarding the effectiveness of their company drug policy, with 63% indicating their policy is effective. Slightly more than two thirds of medium-sized firms indicate their substance abuse policy is effective, while 73% of large firms believe their policy is effective. Mirroring this trend, slightly more than half (57%) of small companies have a written drug use policy, while 76% of medium-sized and 89% of large firms have a written drug use policy (See Table 2).

Companies with a written policy on substance use are also more likely to fire an employee for substance abuse than companies that do not have a written policy. The majority (93%) of companies without a written policy fired less than two people for substance use in the last year, as compared to 80% of those with a written policy. Whereas only 6% of companies without a written policy have fired two to five people in the last year, 16% of companies with a written policy did so. On a possibly related note, companies without a written policy are less

likely to view drug use as a problem among their employees. When asked where their company policy has had the greatest impact, 41% without a written policy said that substance use is a problem at their firm, as compared to 61% of those firms with a written policy.

Employers identified a number of factors that influenced their decision to adopt a written policy on substance abuse. These concerns include about safety, health care costs, worker compensation costs, absenteeism, performance problems, government regulation, liability and insurance costs, and a sense of social responsibility. No one factor was identified by a majority of respondents as the main reason for adopting a written policy. Employers appear to make the decision to adopt a written substance use policy based on a variety of considerations.

Costs

A third (33%) of employers report that substance abuse does incur bottomline costs to their company. Uninvolved companies are the most likely to say drug use does not impact costs, while Comprehensive Response firms are the most likely to say drugs do cost the firm. Of those who believe it does, almost half indicate that alcohol and tobacco cause the greatest cost to their company. This holds across all categories of companies. Substance use incurs the greatest cost through absenteeism (47%), lateness (44%), and overall employee productivity (42%).

Only 23% of overall respondents report that substance use significantly increases Workers Compensation premiums or workplace accidents/injuries. Only 28% of companies report that substance abuse increased the cost of their health care coverage offered. In general, Comprehensive Response companies are more likely to say that substance use has a significant impact on costs, while Uninvolved companies are the least likely to say substance use has a

significant impact on cost. For example, more than a third (35%) of Comprehensive Response companies indicate that substance use significantly hikes Worker's Compensation premiums and/or workplace accidents/injuries, while only 11% of Uninvolved companies felt the same. Companies in the Summary Termination, Treatment Oriented, and Testing Oriented categories report smaller increases in their costs than Comprehensive Response companies (16%, 20%, and 30%, respectively). The same trend holds for the impact on the cost of health care coverage, absenteeism, lateness, employee turnover, overall employee productivity, and overall profitability. For each, Comprehensive Response firms express the most concern, and Uninvolved express the least, regarding the impact on costs than other categories of companies. Likewise, small companies are the least likely to indicate that drug abuse has an impact on costs, and large companies are the most likely to say that drug abuse has an impact on costs.

While for the majority of all employers interviewed, drug use rarely costs the company an employee, Comprehensive Response and Testing Oriented companies did fire more people in the last year because of substance use. In the last year, 19% of Testing Oriented and 22% of Comprehensive Response firms fired two to five people for substance abuse, compared to 5% of Uninvolved and 5% of Treatment Oriented companies. Only 12% of companies classified as Summary Termination fired two to five people for drug abuse. Despite the fact that for some companies summary termination is company policy for addressing employee drug abuse, these companies fire fewer people for drug use than companies that test for drugs and companies that comprehensively address employee drug use.

There is little consensus on the effectiveness of the specific programs that employers use to reduce costs related to substance abuse. Slightly less than one fourth (23%) indicate that pre-

employment drug testing and screening is the most effective program. An additional 14% favor summary termination. Only 10% see employment drug testing as the most effective means of controlling costs. For the remainder, 7% favor direct referral programs (other than EAPs), 4% favor drug prevention programs, and 9% favor training supervisors to identify and respond to employee drug use.

Prevention and Treatment

We have noted that companies describe a variety of approaches to employee drug use, ranging from a hands-off policy to a comprehensive response. Of the employers surveyed, only 20% have established a formal Employee Assistance Program (EAP) that provides confidential mental health referral and assessment services sponsored and paid for by the employer. Only Treatment Oriented and Comprehensive Response companies offer EAP programs. Slightly more than half (52%) of Comprehensive Response companies, and slightly less than half (47%) of Treatment Oriented companies surveyed have an EAP. Similarly, only Comprehensive Response and Treatment Oriented companies provide direct referrals to a treatment program other than an EAP, with 57% of both Treatment Oriented and Comprehensive Response companies providing such referrals.

Likewise, the incidence of Treatment Oriented and Comprehensive Response companies that provide prevention programs far outweighs that of other company types. Overall, only 15% of employers surveyed provide a prevention program. None of the Uninvolved, Summary Termination, or Testing Oriented companies surveyed provide employees with a substance abuse prevention program, whereas 27% of Treatment Oriented and 43% of Comprehensive Response

companies do provide such programs. Comprehensive Response and Treatment Oriented companies are also the most likely to sponsor a program to assist employees in their efforts to quit smoking (23% and 14%, respectively). Less than 10% of Uninvolved, Summary Termination, and Testing Oriented companies do the same (4%, 6%, and 7%, respectively).

In response to the problem of tobacco use in the workplace, more than half (52%) of the firms surveyed maintain a smoke-free workplace. An additional 37% provide a designated smoking area in their facility. Only 11% of firms do not restrict smoking in any way. Tobacco use is probably the easiest substance for employers to address, by eliminating or restricting smoking in the workplace. Such measures are generally supported by federal and state laws that restrict smoking in public buildings and other workplace areas.

More than half (59%) of employers have a health coverage policy that covers substance abuse treatment. Treatment Oriented and Comprehensive Response companies are the most likely to offer employees health insurance that includes coverage for drug abuse treatment. As can be seen in Table 4, 76% of Treatment Oriented companies and 73% of Comprehensive Response companies offer this coverage. Summary Termination firms are the least likely to offer coverage.

Table 4. Companies that Offer Coverage for Drug Abuse Treatment

Type of company	Offer health insurance (%)	Offer coverage for drug abuse treatment (%)
Uninvolved	88	49
Summary Termination	87	44
Treatment Oriented	96	76
Testing Oriented	91	51
Comprehensive Response	97	73

A number of employers train supervisors to identify and respond to substance abuse, with 42% of companies indicating they provide this service. Nearly half (47%) of Testing Oriented companies and nearly three fourths (72%) of Comprehensive Response companies train supervisors to identify and respond to substance abuse. For other types of companies, 32% of Summary Termination and 40% of Treatment Oriented companies train supervisors in substance abuse response. In keeping with their neutral status, only 13% of Uninvolved companies train supervisors in substance abuse issues.

Overall, 32% of respondents indicate that they mandate pre-employment drug testing. The majority (60%) of Testing Oriented and Comprehensive Response (74%) companies perform this testing. For current employees, 36% of employers perform drug testing based on suspicion. Testing Oriented and Comprehensive Response companies are the only firms that indicate they engage in this activity, with 73% of Testing Oriented and 83% of Comprehensive Response indicating that they perform drug tests based on suspicion alone. These firms are also the only ones to perform random drug testing of employees. Almost half (49%) of Testing

Oriented and more than half (59%) of Comprehensive Response companies perform random drug testing of employees.

In looking at company size, small companies are least likely to drug test an employee who exhibits signs of using alcohol and drugs. Small companies are also the least likely to offer health insurance benefits that include coverage for substance abuse, have an EAP, refer employees to other assistance programs, maintain a prevention program or sponsor a program to assist employee efforts to quit smoking, mandate summary termination, or train supervisors to identify and respond to substance abuse. In almost all instances, large companies are the most likely to offer such incentives and assistance. In terms of disincentives, small companies are the least likely to conduct mandatory drug testing, drug testing based on suspicion, or random drug testing. Large companies are generally the most likely to conduct these types of drug testing.

For those employees who test positive for drugs, 26% of companies fire the employee immediately. Another 13% of firms issue a warning. At 12% of firms, the employee is required to attend counseling or treatment, and 4% are referred to voluntary counseling or treatment. At 36% of firms, a combination of these strategies is employed.

Employers indicate that there are a variety of reasons why their companies do not have any drug testing programs, including the size of the company, expense of conducting drug testing, lack of human resources, and fear of litigation. Half of those surveyed do not have any drug testing programs because drug use is not a problem among their employees. Slightly less than one fourth (24%) indicate that the reason they do not have any drug testing programs is because their firm is too small. Less than 5% of employers indicate that high expense (4%), lack

of human resources (1%), and fear of litigation (1%) as reasons for not conducting mandatory drug testing.

How effective are these prevention and treatment efforts? Overall, there is little consensus on what area company policies have the greatest impact. Nearly half (46%) of those surveyed indicate their policy has no impact because drug use by employees as drug use is not a problem. Almost equal numbers of small, medium, and large companies say they do not have a drug testing program because drugs are not a problem at their firm (53%, 55%, and 53%, respectively).

An additional 10% of all respondents indicate that their policy has been most effective in improving employee performance. Less than 10% of employers indicate that their policy significantly impacts accidents and workers compensation (7%), reducing absenteeism (8%), reducing turnover (6%), and reducing health care costs (2%).

Findings

The survey and our analysis reveals that employees will find a wide divergence of perceptions of and approaches to workplace drug abuse across the country. The *Incidence of Substance Abuse in the Workplace* survey finds that:

- For many employers, drug use is not perceived as a significant problem. For those that do perceive it as a problem, tobacco and alcohol incur the most significant costs.
- Small companies are the most likely to say that drug use by employees is not a problem at their firm, and are the least likely, in the past year, to be aware of an employee that has come to work under the influence of drugs and alcohol
- The majority of employers do not believe that drug use has a big impact on health care costs or workers compensation costs. Many employers believe that

employee drug use has a significant impact on lateness, absenteeism, and overall productivity.

- There is a positive correlation between companies that have a written policy and companies that believe their policy is effective. Small companies are the least likely to have a written policy and the least likely to say their policy is effective. Large firms are the most likely to have a written policy and the most likely to say that policy is effective.
- Large and medium sized firms are more likely to have drug testing and drug treatment programs than small companies are. Large companies are the most likely to offer a comprehensive package of testing and treatment programs to employees with a substance abuse problem.
- Comprehensive Response and Treatment firms most likely to offer a variety of treatment and prevention options to employees. Small firms are the least likely, and large firms are the most likely, to offer a variety of treatment and prevention options.
- Comprehensive Response and Testing firms most likely to have a variety of drug testing programs. Small firms are the least likely, and large firms, in general, are the most likely, to conduct drug testing of employees.

Conclusion

Substance abuse impacts every aspect of society, from personal relationships to productivity in the workplace. The social and economic costs of substance abuse are substantial, placing on burden on the national health care system, and contributing to drug-related crime, destruction of families, and loss of friends and other relationships. Substance abuse by one person affects many.

While some employers do not perceive drug use by employees as a significant problem, the majority of employers continue to struggle with the incidence of substance abuse in the workplace and its associated costs. Alcohol and tobacco frequently cited as problem substances

in the workplace, although illegal drugs such as marijuana and prescription medication are also subject to abuse by employees. In response, firms of all sizes are employing a range of strategies to prevent and address drug use in the workplace, with varying degrees of success. As employers continue to face the problem of employee substance abuse, the strategies they employ to address it must be refined and improved.

APPENDIX A
SURVEY QUESTIONNAIRE

APPENDIX B
SURVEY MARGINALS