

Impact of Substance Abuse: Human Resource Strategies for the Hospitality Industry

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No hospitality organizations are immune from the negative effects of substance abuse in the workplace. Owners and managers must confront the problem head on and, in order to accomplish this, they must be in possession of the facts regarding the problem, and regarding options for dealing with the problem in the most appropriate manner for their individual organizations. The authors include an assessment of this problem as well as a summary review of procedures for positive management of a potentially negative situation.

Health care costs continue to rise in the U.S. and American business has been asked to assume a greater share of those costs. The focus has become centered on strategies to contain costs at the worksite.¹ Cost-benefit and cost-effectiveness studies of worksite employee assistance programs have been generally positive.²

Studies of Employee Assistance Programs (EAPs),³ stress management,⁴ and related health programs associated with health promotion demonstrate the benefit of early intervention on productivity and psychological health of employees.⁵ Table 1 summarizes the apparent current relationships between worksite health promotion and short-term and long-term economic impact.⁶

To date, evidence exists that well-designed and carefully-targeted health promotion programs can cause changes in employee behavior and reduce associated risk factors. Of the studies conducted to measure financial impact, most have focused on the cost-effectiveness (non-monetized) benefits of health promotion. These studies have all shown positive outcomes.⁸ This study examines employee substance use and abuse in the workplace. The impact of health promotion through EAPs in the hospitality industry is discussed. The '90s do, indeed, have the potential to be a difficult time for the hospitality industry. A decrease in the number of workers seeking entry-level positions is already a fact of life in the industry, making reduction of employee absenteeism and turnover a top priority on the list of management concerns. A second problem is the increase in the federally-mandated minimum wage, which places an increased emphasis on the productivity of each employee and on the quality of the work product.

Table 1
Strength of Relationships Between Worksite Health Promotion and Economic Benefit¹

Area Studied	Potential Economic Impact of Worksite Health Promotion per Employee		Benefit Range
	Short Term	Long Term	
Absenteeism	Moderate - Strong	Inconclusive	1-2 days fewer absences
Employee Health Behavior	Moderate	Inconclusive	Not quantified
Health Care Costs	Moderate	Inconclusive	\$61-\$851 fewer medical Costs
Productivity	Moderate - Strong	Inconclusive	4%-25% increased productivity

Source: Opatz, Chenoweth and Kaman, (1990).⁷

One would be hard pressed to name another industry with a higher degree of responsibility (“reasonable care”) for the safety and well being of guests and their property than the hospitality industry. Housekeepers and maintenance personnel oftentimes have access to guest rooms and the property therein. Valet parking attendants, bell persons, health club locker-room attendants, and cloakroom attendants all have responsibility for guest property. Bartenders, cocktail servers, dining room servers, front desk personnel, and management representatives all have innumerable interpersonal contacts with guests.

Each of these contacts is an opportunity for enhancing the total guest experience, but each also carries with it a duty to act in a responsible manner. Under the doctrine of *respondeat superior* the employer must assume responsibility for the actions of all employees in the performance of their duties. The courts also are becoming more willing to grant large monetary awards in cases of negligent hiring, in which an employer is considered responsible for hiring an individual who later commits a negligent or unlawful act. Under these conditions, no hotelier or restaurateur wants to be held responsible for an employee’s actions while under the influence of drugs or alcohol.

Probably no two managers in the hospitality industry share exactly the same personal experiences, opinions, viewpoints, and knowledge of the facts regarding substance abuse. Amidst this confusion prejudices flourish, misinformation is perpetuated and spread, and opportunities for growth are overlooked.

Substance Abuse Is a Problem

The National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) have estimated that at least 10 percent of the work force is afflicted with alcoholism or drug addiction. An NIDA survey indicates that 19 percent of Americans over the age of 12 have used illegal drugs during the past year. Among 18 to 25-year-olds—the population from which the hospitality industry employs a majority of its entry-level workers—65 percent have used illegal drugs, 44 percent in the past year.⁹

Substance abuse, in the form of alcohol or prescription, over-the-counter, or illicit drugs, is a common occurrence at all levels in all industries. The hospitality industry, unfortunately, is no exception. In a recent survey of 450 prospective job applicants at a national hotel chain, 16 percent openly admitted to using illegal drugs. This figure does not even include the other three categories of frequently-abused substances mentioned above.¹⁰

In fact, because of the many different types of jobs—many with minimal or no supervision at times—employees in our industry have more opportunities than most to engage in deviant behavior.

Some of the signs that an employee might have a drug or alcohol problem are as follows:¹¹

- slurred speech or unsteady gait
- bloodshot or watery eyes, dilated or constricted pupils
- noticeable sudden weight loss or gain
- tremors and excessive perspiration
- frequent trips to the bathroom or water fountain
- evidence of illegal drug use (paraphernalia, etc.)
- erratic mood swings
- loss of concentration
- arguments or fights with other employees or supervisors
- attendance problems, including excessive tardiness and use of sick days
- poor work quality and increased errors
- frequent accidents or near misses
- sudden increase in number of guest complaints
- unexplained shortages of supplies
- incidents of theft from the company, from customers, or from other employees

Of course, none of these is proof of anything other than the fact that a problem of some sort exists. Further investigation is necessary before a conclusion can be reached.

In a recent (1986) survey, four of the top reasons given by management for substance testing were, in order: safety, security, productivity, and costs.¹²

Alcohol and drug abuse are said to cost American industry more than \$100 billion annually. That means that each abuser

costs an organization an estimated average of \$7,000 annually. Substance abusers have three to four times as many accidents on the job and four to six times more accidents off the job, which in turn contributes to absenteeism. The substance abuser is absent from work up to two and one-half times more often than the non-abuser and his or her medical costs and benefits run three times higher.¹³

Since the enactment of the Drugfree Workplace Act of 1988, under which firms with government contracts are required to have a drug and alcohol policy which may or may not include testing of employees, drug testing is being looked upon by the courts and by the public with less disapproval. However, only 38 percent of service firms are currently engaging in drug and/or alcohol testing. Though the hospitality industry is considered part of the service industry, estimates of drug or alcohol testing by hotels and restaurants are much lower. Manufacturing is highest with 75 percent and educational institutions are lowest with 16 percent.¹⁴

According to the fourth annual workplace testing survey by the American Management Association (AMA), drug testing increased significantly (only 3.5 percent) from 1989 to 1990. On the other hand, the other three main Personnel/Human Resource Management (P/HRM) practices of drug education, supervisor training, and employee assistance programs show significant growth, with the greatest increase being in the area of Employee Assistance Program development, followed by the implementation of drug education programs.¹⁵

Employee Assistance Programs Are Growing

One of the fastest-growing Human Resource Management practices being used to combat substance abuse is the Employee Assistance Program (EAP), a human resource-oriented program based on the concept that employers can help their employees by enabling them to cope with their personal problems, including substance abuse, and thereby improve their on-the-job performance.

The fundamental objective of an EAP is to help to restore impaired employees to full productivity in the workplace, as well as to allow them to regain a satisfactory level of emotional and physical well being.¹⁶

Identifying the program which is the right one for an organization can only be done by those in the top management of your company. Some of the factors to be considered are as follows:

- costs of the various treatment programs vs. costs to the company caused by the problem
- management attitudes toward employees
- organization and perceived importance of the human resource department

Table 2
Per-Employee Cost of Treatment

Treatment Setting	Approximate Cost
Alcohol education programs	\$150-\$350
Social detoxification facilities	\$150-\$500
Employee assistance or other counseling.....	\$250-\$1,000
Halfway house or other sheltered living program	\$750-\$2,000
Medical or mental health practitioner (includes outpatient detoxification).....	\$1,000-\$1,500
Low intensity outpatient alcoholism program	\$1,000-\$2,000
Inpatient medical detoxification	\$1,500-\$3,500
High intensity (day care) outpatient program	\$2,000-\$5,000
Short-term (14-28 days) residential program (with low-intensity aftercare).....	\$5,000-\$10,000
Short-term (14-28 days) relapse program (with high-intensity extended aftercare)	\$8,000-\$15,000
Specialty hospital intermediate program (1-6 months inpatient care, extended aftercare)	\$10,000-\$25,000
Long-term (6-24 months) rehabilitative program (custodial care capabilities).....	\$15,000-\$30,000
Medically intensive intermediate rehabilitation.....	\$15,000-\$50,000

Source: Curtis Wright, "Occupational Chemical Dependency Programs: The Business of Alcohol and Drug Dependencies," *Occupational Medicine: Alcoholism and Chemical Dependency in the Workplace*, (Philadelphia: Hanley & Belfus, Inc., April-June, 1989).

The approximate cost per employee of some of the most common treatment settings for substance abusers can range from \$150 to \$350 for an alcohol education program or \$250 to \$1,000 for an employee assistance program or other counseling, all the way up to \$15,000 to \$50,000 for a long-term medically intensive rehabilitation program (see Table 2).¹⁷ Before instituting or changing a program for prevention and treatment of substance abuse, each employer must consider these costs, as well as administrative and record-keeping costs and details and coverage of the company's particular insurance program.

Obviously, a program with greater emphasis on education and prevention is less costly to the company than most of the methods of treatment of an already-existing dependency problem. The hospitality industry is well-suited to adopting ongoing education programs. Almost all employees spend at least some part of every work day in back-of-the-house areas, where rules and policies can be posted, informative and educational posters and signs can be displayed, and confidential hot-line telephone numbers can always be readily available.

Testing Can Be Expensive

The cost of the laboratory test is between \$7.50 and \$70 per test. The rate depends on the test method; the immunoassay method is cheaper but less reliable than the gas chromatography method. Based upon a decision by the paying company, laboratories often perform a follow-up test on positive samples using the more reliable gas chromatography method. To these costs must be added the costs of test administration, the test, record-keeping, transportation of urine samples to the laboratory, lost work time for employees being tested, etc.¹⁸

Arguments most frequently presented for not testing for drug use include the following:

- Drug tests cannot measure impairment at the time of the test; they can only detect the presence (or absence) of drugs in the urine. According to the Council on Scientific Affairs of the American Medical Association, the length of time (after ingestion) during which drugs may be detectable in urine can range from two days (for users of amphetamines, codeine, and cocaine) up to 21 days (for chronic heavy smokers of cannabinoids). Barbiturates, PCP, and single or moderate use of marijuana can be detected for three to 10 days.¹⁹ From the information, it is reasonable to infer that the drug use may have taken place away from the workplace and that even though the employee may still have traces of the drug in his/her urine, the amount may not be enough to cause impairment. Historically, job performance has been the only legitimate issue on which to base a decision to take some kind of disciplinary action.
- The presence of alcohol is not detectable using these tests.
- The possibility exists for tampering with or alteration of samples by the employee being tested or by outside parties.
- Certain substances other than illegal drugs may result in a positive test result.²⁰ (see Table 3)
- The effects of legal drugs, although usually more subtle, can be just as deleterious to job performance as the effects of illicit drugs or alcohol.²¹

It is a common belief among managers in all industries that if strong disciplinary action is taken against substance abusers in the workplace, this action will serve as an equally strong deterrent to other employees. The truth is that, on the contrary, when disciplinary action is the only possible outcome, supervisors are reluctant to report employees, peers are unlikely to confront or refer

Table 3
Some Commonly Available Substances That Cross-React
With Widely Tested-For Drugs

Cross-Reactants	Tested-For Drug
over-the-counter cold medications (decongestants) asthma medications over-the-counter prescription dietary aids anti-inflammatory agents	Amphetamines
anti-inflammatory agents phenobarbital (used to treat epilepsy)	Barbiturates
herbal teas (made from coca leaves)	Cocaine
non-steroidal anti-inflammatory agents ibuprofen (Advil, Motrin, Nuprin)	Marijuana
codeine prescription analgesics and antitussives poppy seeds over-the-counter cough medicine	Morphine, Opiates
prescription cough medicines Valium	Phencyclidine (PCP)

Source: Rothstein, *Drug Testing in the Workplace: The Challenge to Employment Relations and Employment Law*, 63 Chi.-Kent L. Rev. 683,698 (1987), and authorities cited therein.

co-workers, and abusers themselves will very likely refuse to admit, even to themselves, that a problem even exists. This condition strongly decreases the chance to bring about a decrease in the number of substance abusers in the workplace.²² Because a policy of disciplinary action is viewed by employees as almost a police action, the whole workplace can become infected with an “us against them” attitude toward drug testing and toward those viewed as responsible for the testing policy decision. There is no room for such an attitude in the hospitality industry.

EAP Option May Provide an Alternative

To refer an employee to an EAP, the employee’s manager or supervisor is not required to state the suspected problem. In fact, supervisors should be encouraged to refer a troubled employee to an EAP without first attempting to pinpoint the nature of the problem.

Many types of problems other than substance abuse, including financial, emotional, interpersonal, or a combination of these problems, can affect an employee's performance on the job. An EAP can provide the employee with help with any or all of these problems. A non-specific referral based solely on job performance can avoid the appearance of persecution, reduce employee resistance, and foster an atmosphere of caring and help.

An effective Employee Assistance Program can benefit a hospitality firm as a whole, by helping to bring about the following:

- reduction in guest complaints
- reduction in workers' compensation claims
- reduction in on-site claims
- reduction in hospitalization and medical treatment
- improvement of work quality and productivity
- reduction in absenteeism
- reduction in turnover of employees
- demonstration of employer commitment to employee health and welfare
- improvement in employee morale

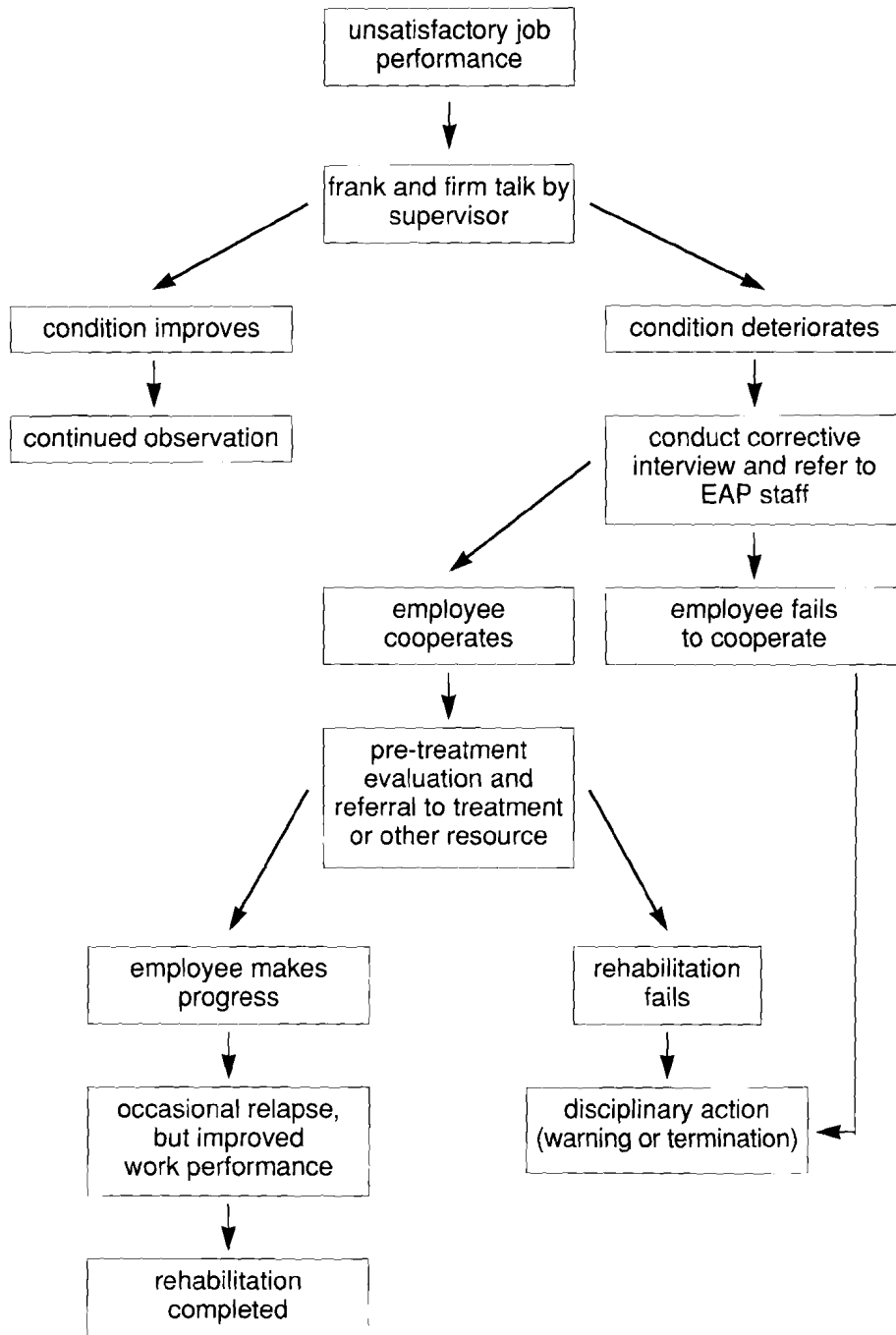
An effective EAP is one that satisfies the goals of management and fills the needs of employees. Some of the characteristics of a good EAP are the following:²³

- Program is accessible 24 hours a day, 7 days a week.
- Program is carried out by qualified professionals who are understanding of personal problems.
- Early identification of employees with problems is carried out.
- Confidentiality is maintained at all times.
- Program should be advertised and available to the entire family.
- Employee should not receive any special favors or exemptions from on-the-job rules during treatment.

Steps involved in setting up an EAP include the following:

- Start by performing an analysis of the company's needs for an assistance program and talk to experts in the field.
- Get top management commitment to the program.
- Develop a policy statement that clarifies the intent of the EAP and communicate this policy throughout all levels of the organization.
- Establish a model that fits the organization and its stated policies. (Exhibit 1 is an example of one of the many EAP models.)²⁴
- Select an EAP provider based on referral procedures, services, reporting, confidentiality, etc.

Exhibit 1
Typical EAP Supervisory Procedure



- Give one person in the company authority for managing and monitoring the selection process and ongoing program.
- Include supervisory training so that managers know how to identify job performance problems and how to properly confront and refer employees.
- Set up an education program to let employees know what the EAP can do for them, to build their trust in the program and to increase awareness of the problem of substance abuse in the workplace.
- Evaluate the program on a regular basis to be sure that it meets objectives.²⁵

The information provided here is not meant to propose any one course of action but rather is to demonstrate to hospitality managers and other concerned individuals the existence of the problem of substance abuse in the workplace and to provide information that will be of real assistance in making a decision as to how to cope with the problem.

The only real conclusion to be drawn from all this information is that each management team must draw its own conclusions. There are no 100 percent right answers to the substance abuse problem in the workplace, and there are no 100 percent guarantees of the success of any one program. The only things that are certain are that substance abuse problems do exist and that they will not disappear without management intervention.

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