



Substance Use & Abuse in the Workplace

Executive Summary

How does employee substance abuse affect employers?

Substance use, abuse, and addiction can affect anyone in an organization, from entry-level employees to the CEO. Factors such as organization size, industry, and employee stress levels can increase the risk, but all employers have the potential to face risks which include;

- Financial losses such as workers compensation claims, productivity loss, and higher healthcare costs.
- Workplace violence and other safety hazards.
- Workplace disruption which adversely affects the quality of work and performance of employees.
- Serious health risks to the user and others.
- A negative impact on productivity and morale.

This white paper discusses the above risks related to employee substance abuse as well as detailed options for mitigating these risks.

Substance Use, Abuse and Addiction

Substance use (or substance use disorder) is a pattern of harmful behavior that involves using one or more substances for mood-altering purposes.

Substance abuse occurs when a substance is being used in a manner that is not intended or recommended.

Addiction is dependence on a substance that can result from a pattern of substance use or abuse.

¹
<https://www.nsc.org/Portals/0/Documents/NewsDocuments/2017/Media-Briefing-National-Employer-Drug-Survey-Results.pdf>

The Road to Recovery for Employers

Stories of substance use, abuse and addiction are, unfortunately, common. A construction worker is prescribed painkillers after an injury but continues taking them after returning to work. An emergency room doctor self-medicates to stay alert through long and stressful shifts. A recent college graduate enjoyed the party culture on campus but is now struggling to get through the work day without drinking.



Approximately 75% of individuals with substance use disorder are currently in the workforce. As a result, substance use in the workplace is a threat that many organizations face. A survey by the National Safety Council found that 70% of employers have been impacted by prescription drugs. Despite most of the employers acknowledging awareness of this problem, only 19% of them reported feeling "extremely prepared" to deal with prescription drug misuse, while 28% reported feeling "not very well prepared" or "extremely unprepared."¹

Although these statistics alone are cause for concern, the survey asked only about prescription drugs. The number of employers affected would likely be higher if all commonly used substances were considered. Additionally, the statistics tend to focus on higher risk employees who are addicted to a substance, but even occasional use can have an impact on work. Behaviors like binge-drinking cause hangovers, regardless of whether the drinker is addicted. How much higher would the numbers be if the focus was not just on addiction, but inclusive of other problematic use as well?



\$85 billion:
annual cost for
treating effects
of substance use
disorder in the
United States

Major Associated Risks

Financial Losses

The financial losses associated with substance use are primarily related to job turnover, productivity loss, and healthcare costs. Over time, these costs add up and account for thousands of dollars per employee who uses or abuses substances.

Employees who use substances are far more likely to have changed jobs within the past year, and this frequent job changing affects employers. Turnover alone can account for an annual cost of over \$4,000 per employee with untreated substance use disorder, and the costs increase when hiring for skilled positions. Average costs for turnover, including recruiting and training a replacement, is estimated to be over 21% of the position's annual salary.²

Substance use not only reduces productivity at work, but also causes those employees to miss 50% more days than their peers. The problem is not limited to those individuals. Employees using substances can reduce overall morale of coworkers because they may work in a stressed out or irritable state and may blame others for their own mistakes.³

Healthcare costs are another large expense for organizations offering coverage to employees. The U.S. spends about \$35 billion per year on treating substance use disorders, but far more – \$85 billion per year – to treat the effects of substance use disorder, including injuries and infections. The healthcare costs for employees using substances can often be twice as much as their peers.³

Employees with substance use disorder are not the only ones who have this impact. The problem extends to family members who may be on the employee's healthcare plan and/or may require caregiving by the employee.

Another factor to consider is reputation damage. Although this cost is more difficult than others to quantify, it is reasonable to expect that a negative experience with an employee can result in losses for the organization. An employee who is intoxicated, under the influence, or experiencing a hangover can easily become a negative representation of the organization. Incidents can range from bad customer service experiences to alienating a highly-qualified potential employee due to a hiring manager's erratic behavior.

²
<https://www.nsc.org/work-safety/safety-topics/drugs-at-work/costs-for-employers>

³
<https://www.shrm.org/hr-today/news/hr-magazine/pages/1110grossman.aspx>

2 out of 3
employees
involved in
workplace
violence tested
positive for
drug use

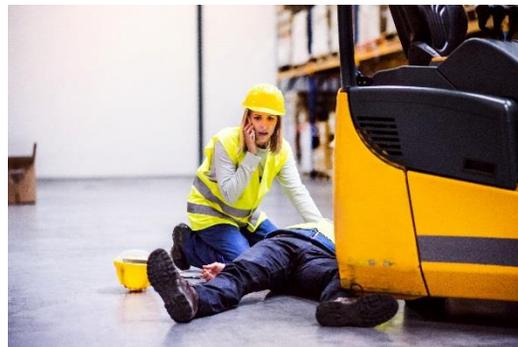


Workplace Violence and Other Safety Hazards

Numerous forces impact risks as complex as workplace violence, but substance use and abuse may have the most direct ties to this risk. An astonishing two-thirds of employees involved in workplace violence tested positive for drug use. Employees who are either under the influence of a substance or going through withdrawal may have lowered inhibitions, struggle to think clearly, and/or become irritable.

Accidents and injuries are another safety hazard for not only an employee using substances, but also for coworkers, customers, visitors, and even the general public. Many jobs already have high risk for injuries without substances contributing, such as truck drivers, electrical power-line repairers, roofers, and construction.

Employees who use substances are 3.6 times more likely to be involved in a workplace accident and 5 times more likely to file a worker's compensation claim.⁴



⁴
<http://www.employer-solutions-resources.com/whitepaper/drug-testing-guide>

Commonly Used/Abused Substances

- Alcohol
- Painkillers
- Marijuana
- Cocaine
- Heroin
- Benzodiazepines
- Stimulants
- Inhalants
- Sedatives

⁵
<https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/whatisaneap.aspx>

⁶
<http://psycnet.apa.org/doiLanding?doi=10.1037%2F0ccp0000018>

Managing These Risks

Drug Screening

Pre-employment drug screening is a proactive method to reduce the risk of hiring substance users and is a great first-line of defense for the organization. However, drug screening alone may not provide sufficient mitigation of this risk. The same individuals who initially pass a drug test may still have an underlying risk for future substance abuse. It sometimes takes only one trigger – a traumatic event, medical condition, mental health issues – or even just stress built up over the years, to create a new, dangerous drug or alcohol habit.⁴

Industries and organizations with higher rates of substance use may want to incorporate random or periodic testing to provide an active deterrent to substance use, where permitted by law. A few of the most affected industries are accommodations and food service; arts, entertainment, and recreation; mining; and construction.⁴

Employee Assistance Program

An Employee Assistance Program (EAP) is a benefit that provides short-term confidential aid to employees with personal or work-related difficulties that can impact job performance. Organizations with EAPs significantly reduce absenteeism, accidents, downtime, turnover and theft. At the same time, these programs increase overall productivity.⁵ Some Employee Assistance providers boast a 10-to-1 return on investment for an alcohol or drug case.³

Employees can refer themselves to the organization's EAP, or managers who observe a performance decline can recommend that the employee seek help through the program, without having to directly confront an employee's personal problem. Conversations with an EAP counselor are confidential. EAPs also help employees struggling with other concerns such as grief, family problems, financial concerns, and psychological disorders.⁶



Signs of Drug Use at Work

- Falling asleep or appearing tired
- Negative changes in work attendance and/or performance
- Disappearing frequently
- Extreme mood swings or attitude changes
- Unusual patterns of behavior
- Trouble concentrating
- Excessive absenteeism and tardiness

⁷
<https://www.crisisprevention.com/Blog/June-2017/Substance-Abuse-in-the-Workplace-A-Person-Centere?lang=en-US>

⁸
<https://novarecoverycenter.com/substance-abuse/effects-workplace-substance-abuse-2/>

Drug-Free Workplace Policy

Many organizations are required (either by law or insurance carriers) to have a Drug-Free Workplace Policy. However, all organizations can benefit from having a written policy which demonstrates a clear record of the organization's efforts and may provide the organization with protection against certain claims by employees. Such a policy makes a clear statement to employees that the organization views drug use as a serious concern, offers resources, and outlines plans for assistance or disciplinary action.⁷ Education, training, and enforcement of a substance-free workplace policy can provide a healthy, productive, and safe environment for employees.

Supervisor Training

Training supervisors to know the signs that may indicate substance use or abuse can help to identify early problems. Signs include frequently falling asleep at work or appearing tired, negative changes in work attendance and/or performance, disappearing frequently, extreme mood swings, and trouble concentrating.⁸

A trained supervisor can then address these concerns privately with the employee, placing an emphasis on the individual's value to the organization, and offering support to help improve job performance. This frames the conversation in a way that is less personal while remaining relevant and supportive.⁷

Conclusion: Recovery for Employer and Employees

The recovery process, both for employees using substances and their employers, can take time. However, the effects of these positive changes are often quickly reflected. Employees in recovery greatly reduce the previous negative impact on the workplace by improving overall safety, attending work regularly, focusing more on work, and reducing healthcare costs.²





Substance Use & Abuse in the Workplace

Additional Resources: Substance Abuse and Mental Health Services Administration (SAMHSA)

Provides free, confidential assistance and referrals 24/7 through a national helpline, 1-800-662-HELP (4357).

Drug-Free Workplace Toolkit from SAMHSA

The Drug-Free Workplace Toolkit provides information to help employers develop and sustain successful drug-free workplace programs:
<https://www.samhsa.gov/workplace/toolkit>

Substance Use Cost Calculator for Employers:

The National Safety Council provides the estimated cost of substance use for employers based on the organization's location, industry, and size:
<https://www.nsc.org/forms/substance-use-employer-calculator>

Top Security Threats & Management Issues Facing Corporate America:

More information on key security threats (including substance abuse) can be found in Securitas USA's publication *Top Security Threats & Management Issues Facing Corporate America*, which provides insights from Fortune 1000 organizations:
www.securitasinc.com/top-security-threats

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Michelle began working for Securitas USA after completing a Master of Business Administration (MBA) with a concentration in Risk Management. She also holds a Bachelor of Science in Psychology. Her previous work experience included behavioral health counseling for clients in recovery from substance use disorders.

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