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## Employee Assistance Program could help in workers' financial struggles

PROTECTING YOUR  
BEST INVESTMENT  
BY REESE MATYE



You're a mid-sized general contractor construction company with about six full-time employees, and your chief project manager has come to you three out of the last four pay-

periods asking for an advance on his paycheck. You've also received a couple of calls from financial institutions verifying employment and salary for this same employee for services such as a home refinancing and an extended bank line of credit.

Should this concern you? Absolutely! But what's the best way to address the subject?

It's an unfortunate fact of the industry (and our region) that times have been financially challenging. Oregon and Washington have seen the nation's highest rates of unemployment in recent months, and from early school closures to service cutbacks, financial stress is everywhere in the news. There's a very good chance that this stress is having a direct impact on one or more of your employees. Whether you want to acknowledge it, financial stress will find its way into your business if it's hitting one of your employees.

Requests for paycheck advances can disrupt your business planning, budgeting and daily operations. Employees handling financial stress at home will be distracted

at work, and that distraction can lower productivity or, worse, result in a job-related accident. At its most severe manifestations, employees undergoing financial stress can resort to truly damaging activity such as fraud and embezzlement that can devastate your company.

We've all read newspaper accounts of small businesses hit by employee embezzlement. The owners are always shocked and hurt when this happens, but they also generally admit to having ignored the warning signs. If it seems as though you've read more and more of these reports recently. It's not your imagination.

According to reports from the federal Justice Department, fraud and embezzlement are two of the fastest growing crimes in the country. Smaller businesses are far more likely to experience theft from employees, and these trends go up during periods of overall economic hard times.

As an owner of a small business, your natural tendency will be to handle your employees personally, but you may have conflicting emotions. On the one hand, you want to be firm, to not be taken advantage of, and you have your other employees and your business to be aware of. On the other hand, one of the advantages of running a small business is to be more flexible and to have a more personal contact with your employees.

This is another situation that could benefit from the involvement of an Employee Assistance Program provider. EAPs are designed to serve as a third-party mediator for issues just such as this.

One of the difficulties of trying to assist employees with financial problems is that there are usually emotionally charged side effects to financial issues. EAPs specialize in finding win-win solutions to just such emotionally charged issues, starting with providing your employees a safe place to reveal whatever challenges they may be facing that is affecting their work.

EAP providers are trained in a wide range of human resources and personnel issues. Some EAPs also have on-staff specialists in personal financial planning, and if they don't have them on staff, they have access and working relationships with local financial planners and advisers.

As a business owner, you turn to your professional financial advisers (accountants, insurance providers, surety bond representatives, bankers, etc.) when you are facing changing financial times. Through the use of an EAP, you can offer a similar service to your employees.

A growing number of health insurance and workers' compensation insurance providers are making EAPs a regular feature of the coverage available to small businesses and their employees. If your company doesn't have access to an EAP, look into the options. It could save you and your employees money in the long run and stress and anxiety in the short term.

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