



# Tradition of Workplace Services Leads to EAP Diversity in Germany

| By John Maynard, PhD, CEAP

**G**ermany is an economic powerhouse. Despite being well down the list of the world’s most populous countries (ranking 16<sup>th</sup>, behind Vietnam and Egypt), Germany has the world’s 4<sup>th</sup> largest economy and ranks 3<sup>rd</sup> in terms of exports.

Germany’s EAP marketplace is among the most diverse anywhere, in large part because of its long tradition of workplace-based human services and its well-developed national health system. I had the opportunity to talk with many of the country’s leading EAP providers while I was in Germany to attend the 2018 Employee Assistance European Forum (EAEF) conference in Hamburg.

## Long History of Workplace Health and Social Services

The evolution of the German health insurance system can be traced back to the Middle Ages, when craftsmen were members of guilds. All guild members were required to pay into a fund, which was available to help individual members who experienced financial difficulties because of accidents or illness. With the advent of the industrial revolution, similar insurance funds were organized for factory workers.

In 1883, Otto von Bismarck’s social legislation standardized health insurance for workers involved in both industrial and non-industrial

production. He set out the principles that have been at the core of Germany’s healthcare and insurance delivery systems to this day.

Health insurance is compulsory and available to everyone. Funding is generated primarily by mandatory insurance premiums paid by employees and their employers, supplemented by tax revenues when necessary, such as for social welfare recipients. (This system is in contrast to publicly funded national health systems, such as those in the UK and Canada, which draw primarily on tax revenue.) Funds are administered by private self-governing bodies, made up of members representing doctors, dentists, psychotherapists, hospitals, insurers, and the insured. Premiums are based on income, not health status or actuarial calculation.

In addition to universal health insurance, Germany has been providing workplace-based social and human services since the early 20<sup>th</sup> century. German workplaces lost much of their male workforce when the army needed men during World War I. Women – many with children and other family obligations – were brought into the workforce to keep factories running. Most large companies recruited and employed nurses and social workers to support and assist these women. Even after the war, these services continued, gradually evolving into what

became known as occupational social work.

With universal healthcare (including behavioral healthcare) eliminating any healthcare cost containment incentives, and occupational social work services already available onsite at most major employers, EAPs in Germany struggled to gain a foothold. Only in the last ten years have EAPs begun to proliferate and develop a substantial presence.

## EAPs Appear

The earliest EAP-like external service in Germany began operations in 1989, offering face-to-face counseling for employees and families, education and team building services, and special services for executives. In the early 2000s, a few other EAPs appeared, driven primarily by multinational companies based elsewhere wanting services for their employees in Germany.

By about 2009, the demand for behavioral health counseling, therapy, and treatment began seriously outstripping the capacity of services offered under the national healthcare system. Waiting times to access behavioral care grew longer, often stretching to several months. Associated with this unmet demand were rising numbers of people away from work for extended sick leaves and increased levels of employee turnover.

In this environment, EAPs began to flourish. Not only did they offer short-term counseling without long waiting periods, but they also provided education and prevention activities, as well as hands-on guidance to help employees and families navigate the quickest possible access to care within the health system.

In 2013, Germany adopted the Occupational Health and Safety Act requiring all employers to identify and assess work-related psychosocial risk factors, and to develop and implement measures to respond. Both assessments and responses can be conducted by the employers themselves or by outside contractors. This act provided a huge boost for EAP services. Some EAP firms began conducting or participating in the assessment process, and virtually all have benefitted by being part of the required response actions.

### Finding Their Niche

Widespread onsite occupational social work services and universal healthcare have led EAPs in Germany to look to niches and gaps in other services for growth. In this environment, EAPs have evolved in unique and interesting ways.

In contrast to many countries, where expansion of EAPs within foreign-based multinational corporations has led the way, EAP firms in Germany do most, if not all, of their work with German-owned corporate clients. Perhaps because a significant selling point for EAPs is helping employees efficiently access services available from the national health system, German EAPs tend to do more face-to-face and onsite counseling with fewer session limits than those in most other countries.

A prime motivation for companies to engage EAP services often is to comply with health and safety requirements related to psychosocial assessments and interventions. As a result, EAPs in Germany tend to focus more on employer services, such as training, consultation, and education, and they are often connected quite closely with occupational health departments or services. The broad focus on psychosocial issues also leads to a strong emphasis on work-life concerns, in addition to psychological, addiction, and relationship difficulties.

Given these differences, German EAPs appear to have higher levels of staffing and the luxury of charging higher prices than the market will allow in many other countries. Whether this will last as EA markets everywhere continue to mature will be interesting to observe.

### Challenges and Opportunities

The existence and strength of “Works Councils” in German companies presents both challenges and opportunities for EAPs. Although Works Councils exist in a number of countries, especially in Europe, they are most developed and have the longest history in Germany.

In German workplaces with more than 500 employees, nearly 90% have Works Councils. Members are elected by workers for four-year terms. If a union is present, members don’t have to be union members, but they can be. Works Councils exist primarily to provide systematized communication channels between workers and management. They do not participate in collective bargaining or organized work actions, such as strikes, but

they must be consulted on specific issues, including in most cases, the establishment of an EAP.

Of course, the challenge is to convince the Works Council to recommend the EAP; without their endorsement, the EAP is unlikely to be established or to succeed. On the other hand, they can become significant EAP allies within the workplace when they do support it.

Probably the greatest opportunity for EAPs in Germany is the sheer size of the market that remains untouched. With that market ahead of them, German EAPs for the most part seem confident in their future, less focused on what others are doing globally, and more centered on meeting the unique needs in German workplaces. Their success so far is a testament to the strength and flexibility of the EA concept. ♦

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*Dr. John Maynard served as CEO of EAPA from 2004 through 2015. Prior to that, he was President of SPIRE Health Consultants, Inc., a global consulting firm specializing in EA strategic planning, program design, and quality improvement. In both roles, he had the opportunity to meet and exchange ideas with EA professionals in countries around the world. He currently accepts consulting projects and speaking engagements where he believes he can make a positive difference. He can be reached at johnmaynard8@gmail.com.*