

# How to Stop Excessive Absenteeism from Undermining Your Business

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Jaime Lizotte  
HR Solutions Manager

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Welcome! Before we get started ...

- Use the chat box on the left to ask questions
- If you are having audio trouble, please message us in the chat box, and we will do our best to assist you

# Today's Agenda

- True cost of excessive absenteeism
- Practical ways to prevent the problem
- Absences that could be legally protected
- The case for PTO
- Popular types of PTO accrual
- The importance of a policy and tracking

# Most Creative Absence Excuses

- *The ozone in the air flattened my tires.*
- *My pressure cooker exploded.*
- *I had to attend the funeral of my wife's cousin's pet.*
- *I was blocked in by police who were raiding my home.*
- *I ate cat food instead of tuna, and I'm deathly ill.*
- *I have traumatic stress from a large spider in my home.*
- *I wasn't sick but my llama was.*
- *I used hair remover under my arms and got chemical burns.*
- *I was bowling the game of my life so I couldn't leave.*
- *I ate too much birthday cake.*
- *I was bit by a duck.*

52%

More than half of all employees calling in sick for work admit they were not actually sick.

# Why Do Employees Call in Sick?

- 28% said they just didn't feel like going to work
- 27% took the day off to attend a doctor's appt.
- 24% said they needed to just relax
- 18% needed to catch up on sleep
- 11% took the day off to run personal errands

# What Is “Employee Absenteeism?”

Two types: Planned and unplanned

- Planned absences consist of vacation or personal time
- Unplanned absences can include arriving to work late, leaving early, taking long lunches, calling in sick or simply not showing up at all

**According to *Absenteeism:*  
*The Bottom-Line Killer* by Circadian:**

Unscheduled absenteeism costs roughly \$3600 per year for each hourly worker and \$2,650 each year for salaried employees.



# Additional Consequences

- Lower morale due to increased workloads
- Frustrated managers and supervisors
- Loss of productivity and missed deadlines
- Reduction of services
- Negative word-of-mouth by unhappy customers
- Decreased product quality
- Increased risk for on-the-job injury due to fatigue
- Employee turnover

# Conduct Your “Internal Audit”

- What are the primary drivers of employee absenteeism?
- Do health-related behaviors contribute to absenteeism?
- What is your culture surrounding absenteeism?

“Respectful treatment of all employees at all levels” and “trust between employees and senior management” are the top two contributors to job satisfaction.

- *SHRM’s Report on Employee Job Satisfaction and Engagement*

# First Steps to Fix the Problem

Now that you've analyzed your corporate culture inside and out, it's time to consider steps you can take to affect change.

- Address the issue with staff
- Ask for feedback
- Value personal and family commitments
- Focus on wellness
- Create an absenteeism policy

# The Case for PTO

- **Employees have more privacy:** There's no need to reveal details of every absence, which could possibly create legal obligations for employers.
- **Employers have a better ability to plan in advance:** So you can avoid scheduling gaps as well as the cost of hiring temporary workers.
- **Morale and productivity improve:** Other employees feel less burdened by last-minute absences.

# The Case for PTO

- **Employees are more likely to give advanced notice for requests:** They no longer need to justify the need for paid days off.
- **It can help retention:** PTO is an added benefit for those employees who rarely take sick days - they end up with more time off which perceived as an incentive
- **There's less tracking and administrative hassles:** You only maintain one type of time-off plan - instead of sick days vs. personal days vs. vacation days.

# Deciding on an Accrual Method

- Many employers end up using a yearly accrual rate because of its simplicity
- This method is easy - you determine how many days employees should get per year and give a lump sum
- Accruing time by hours worked is another popular method - time off reflects actual time worked at the company
- This can get complicated; if you use this method you may want to use a tracking system

# Potentially Protected Absences

- Birth, adoption or becoming a foster parent
- Medical or health-related issues
- Caring for a sick relative or partner
- Workers' compensation injury or proceedings
- Donating blood, an organ or bone marrow
- Religious holiday or practice
- Military service obligation
- Caring for a disabled service member
- Jury duty or witness responsibilities
- Voting in an election
- Certain volunteer work (e.g., firefighter or disaster recovery)
- Attending a child's school activities



# Have an Official Policy

- Communicate it clearly to all employees
- Keep signed copies in employee files
- Enforce the policy fairly and consistently
- Don't pry into employee privacy
- Be aware of applicable laws

# What Should the Policy Cover?

Develop a concise policy, that includes:

- Employee work hours
- Call-out procedure
- Available paid or unpaid leave
- Holidays
- FMLA leave
- Military leave
- Leave of absence
- State and local laws
- Discipline and consequences

# Feeling Overwhelmed?

Don't! All attendees will receive a free attorney-developed attendance policy that will get you on the right path to combatting unplanned absences.

# Tracking Absences

- Record absence reasons - even if you have a PTO program
- Make attendance every supervisor's job
- Identify excessive absenteeism or tardiness
- Have tough conversations when needed
- Make sure absences aren't protected and if they aren't - use written warnings and progressive discipline

# Having that Initial Conversation

1. Remember this meeting is for information gathering, not punishment
2. Focus on solving the problem, not punishment
3. Meet with the employee privately
4. Prep for the meeting by gathering all the facts
5. Explain how the missed work impacts the business
6. Continue to monitor and discipline if needed

# Final Notes

- Understanding employee absenteeism: planned vs. unplanned
- Conduct an ‘internal audit’ of your company’s absences
- Implement a plan to fix your absentee issues
- Understanding PTO; making sure it’s the right fit for your company; and selecting an accrual plan
- Dealing with legally protected absences
- Importance of Attendance Policies
- Tracking absences and having conversations with employees with issues before disciplining

# ComplyRight HR Solutions

## TrackSmart



- Web-based solution
- Manage both planned and unplanned absences
- Employee Self-Service

For more info visit [www.hrdirect.com](http://www.hrdirect.com)

## Gradience Attendance w/ Employee Recordkeeping Software



- Desktop Software
- Robust and includes Employee Recordkeeping
- Track attendance, run reports, setup accruals

For more info visit [www.hrdirect.com](http://www.hrdirect.com)

## Attendance Calendar Smart App



- Web-based solution
- Easy-to-use and implement
- Affordable for small businesses
- Comes with FREE Employee Records App

For more info visit [www.hrdirectapps.com](http://www.hrdirectapps.com)

# Questions

