

How to Stop Excessive Absenteeism from Undermining Your Business

MON TUE WED THU FRI SAT SUN

June 2019



Welcome!

Before we get started...

- Use the chat box on the left to ask questions
- Audio for today's webinar will come through your computer speakers. Please be sure your speakers are turned on and you have the volume turned up
- If you are signed on more than once, please locate the duplicate log-in and close it. This will create a better audio experience
- All attendees will receive a link to the presentation and slides in a follow-up email

What We'll Cover

- The hidden costs of excessive absenteeism
- Practical ways to prevent the problem
- How to recognize legally protected absences
- Popular types of PTO accrual
- The importance of a written attendance policy and consistent tracking

Most Creative Excuses

- *I was blocked in by police who were raiding my home.*
- *I had to testify against a drug dealer, and the dealer's friend mugged me.*
- *I accidentally ate cat food instead of tuna and now I'm violently ill.*
- *I was bit by a duck.*
- *I used hair remover under my arms and got chemical burns.*

What Is Employee Absenteeism?

- There are two types of absences: Planned and unplanned
- Planned absences consist of scheduled vacation or personal time
- Unplanned absences include arriving to work late, leaving early, taking long lunches, calling in sick or simply not showing up at all

1 in 10 Employees is Absent

Employee Absence Statistics

- 40% of workers have called in sick in the last year when they weren't actually ill
- 38% of employers have checked up on a sick worker
- 26% have fired someone for using a fake excuse
- 43% have caught an employee lying about being sick by checking their social media posts
- Over 1/3 of workers reported coming into the office sick in order to save sick days to use when they are feeling well

Why Do Employees Call in Sick?

- 30% needed to go to a doctor's appointment
- 23% said they just didn't feel like going to work
- 20% said they needed to relax
- 15% needed to catch up on sleep
- 14% took the day off to run errands
- 8% needed to catch up on housework
- 8% said they had plans with family and friends

Unscheduled absenteeism costs roughly \$3,600 per year for each hourly worker and \$2,650 each year for salaried employees.

—*Absenteeism: The Bottom-Line Killer* by Circadian

Financial Impact

- Payroll costs increase when non-exempt (i.e., “hourly”) employees use PTO because they often need to be replaced while they are out
- Salaried employees typically are not replaced when they are absent, so the direct payroll costs are limited to the hours lost
- All unplanned absences can impact your ability to meet customer demands and generate revenue

Additional Consequences

- Lower morale due to increased workloads
- Frustrated employees 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

Do an Internal Audit

- What are the primary drivers of employee absenteeism?
- Do health-related behaviors – alcohol, smoking, obesity, etc. – contribute to absenteeism?
- What is your culture surrounding absenteeism?

How to Reduce Absenteeism

- Foster open communication between employees and managers
- Address the issue with staff
- Explain the impact unscheduled absenteeism has on the business
- Ask for employee feedback

How to Reduce Absenteeism

- Understand personal and family commitments
- Focus on wellness
- Create an absenteeism policy
- Share the policy with staff
- Enforce rules consistently

The Case for PTO

- Employees are more likely to give advanced notice for requests
- Employers have a better ability to plan in advance and avoid scheduling gaps
- Morale and productivity improve as other employees feel less burdened by last-minute absences
- Maintaining only one type of time-off plan means less administrative hassles for supervisors
- It can help employee retention

Deciding on an Accrual Method

- Many employers use a yearly accrual rate because of its simplicity
- 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
- This can get complicated; if you use this method, you may want to use an automated tracking system

Potentially Protected Absences

- Birth, adoption or becoming a foster parent
- Medical or health-related issues
- 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
- Voting, jury duty or witness responsibilities
- Certain volunteer work (e.g., firefighter or disaster recovery)
- Attending a child's school activities

Tracking Absences

- Record general reasons for absences (even if you have a PTO program)
- Make tracking attendance every manager's job
- Identify excessive absenteeism or tardiness
- Address issues with employees when needed
- Recognize when absences are protected by law

Attendance Policy

Your policy should include:

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

HR Solutions



- Easily track employee attendance and spot troubling patterns
- Pre-set absence codes ensure your approach is consistent
- Create additional absence codes specific to your business
- Ability to deduct used hours from an employee's time off bank to track time
- Access four years of an employee's attendance history



**Attendance Calendar
Smart App**

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