

Total Absence Management:

A Well-Rounded Approach

by Paul D. Taylor

In today's economy, employers have to meet the needs of a diverse workforce and grant their employees the job protection that comes with certain leaves. But they also realize that there can be a significant productivity impact if absences and leaves are not appropriately and consistently managed. Total absence management is often associated with family medical leave (FML), an employer's disability insurance program and work schedules. However, it is also important that employers think about a holistic approach to health and financial wellness, as these issues can keep employees out of work as well. Taking a comprehensive approach to total absence management should involve not only capturing and managing absences but also mitigating them in the first place, returning disabled workers to their jobs safely and effectively, and helping increase productivity.

Managing employee absences can be complicated from a compliance as well as an administrative perspective. Leave laws continually change at the federal, state and municipal levels. Additionally, many companies have multiple leave policies within the organization for different categories of their workforce. For example, a company may have varying bereavement leave policies for salaried and hourly workers. Employers must manage these administrative burdens while simultaneously working to achieve their overall business objectives. According to MetLife's ninth annual *Study of Employee Benefits Trends*, employers' most important benefits objectives, in order, are controlling costs, employee retention and increasing employee productivity.¹ An integrated absence management solution can help ease employers' administrative burdens and help in attaining all of these objectives.

Experience shows that when companies have

loose and decentralized tracking systems, they have the potential to approve more leaves and more time than employees are entitled to. In today's economy, employers especially benefit from having a tightly managed program. Employers are trying to do more with less, and they want to ensure that the people they have at work are active and productive. Employers also want to be sure to retain top talent for their organizations, and doing this could mean granting flexible work arrangements that are more difficult to track. Employers are in a position where they have to meet the needs of a diverse workforce and grant their employees the job protection that comes with certain leaves, but they also realize that there can be a significant productivity impact if absences and leaves are not appropriately and consistently managed.

Currently, only 31% of all employers indicate that their company uses an integrated absence management system to track and report on employee absence, according to the MetLife study. For larger employers (those with 1,000 or more employees) to whom an absence management program may be of most value, the percentage increases to 52%. This

means that the majority of employers—and more significantly, almost half of the larger employer population, which generally has a larger, more widespread workforce—are missing an opportunity to more effectively manage employee absences. And although flexible work situations are becoming more common, only 33% of employers that offer flexible work hours and only 39% of employers that offer telecommuting use an integrated absence management system to track and report on employee absences. Although one might think the percentage would be higher because of the inherent complexity involved, only 55% of companies with international locations use an integrated absence management system to track and report on employee absences. Those employers that choose to implement a total absence management program are likely to find that they benefit from enhanced tracking and reporting capabilities and efficiencies in administration.

Total absence management is often associated with federal and state family medical leave (FML), an employer's disability insurance program and work schedules. However, it is also important that employers think about a holistic approach to health and financial wellness, as these issues can keep employees out of work as well. Taking a comprehensive approach to total absence management should involve not only capturing and managing absences but also mitigating them in the first place; in the case of disability-related absences, returning workers to their jobs safely and effectively; and helping to increase productivity. Of those employers participating in the MetLife study that currently use an integrated absence management system to track and report employee absences, 43% strongly agree it is effective in increasing employee productivity.

MITIGATING ABSENCES WITH HEALTH AND WELLNESS PROGRAMS

Employees with a disability-related illness or injury, or who are living with a chronic health condition, are among the highest users of an employer's medical benefits and may experience more frequent absences from work. To more effectively control costs and aid employees in their recovery, it can be important to coordinate the management of these claims with the health and wellness options available to employees. A total absence management program can provide insights to employers through multiple reports to better understand the absences impacting their workforce. This can help identify which health and wellness programs might provide the greatest return on investment (ROI) for a particular workforce.

Programs that integrate the options available from an employer's current medical carriers, wellness providers and disease management providers can help improve employees' understanding of wellness programs through education, as well as help facilitate access to plan providers' information for employees throughout the duration of a disability claim. Also, these programs can help employers promote a healthier workforce by identifying trends and top drivers impacting absenteeism and health plan costs. Creating awareness of these programs among an employee population helps both the employees and the employer get the most from an employer's benefits investment. Promoting healthier behaviors can lead to a more health-conscious workforce, reduced absences, earlier return to work (when appropriate) and potentially lower incidences of disability—which can even contribute to a company's bottom-line growth and prosperity.

Offering and promoting participation in a wellness program is another method by which employers can help employees attain and maintain healthier lifestyles. From the employer perspective, it can be difficult to measure the monetary ROI of a wellness program; however, employers may anticipate that healthy employees perhaps will experience the following:

- A longer work span
- Fewer sick days
- Reduced *presenteeism* (days present but unproductive due to poor health symptoms)
- Fewer disability claims
- Fewer, and less costly, medical expenditures.

According to the MetLife study, nearly half (48%) of employers that offer wellness programs say they are very effective at improving productivity, and offering a wellness program serves as one investment to help create a healthy workforce—a valuable asset in achieving business objectives.

Employees, too, appreciate the availability of wellness programs through the workplace. Important to note is that 65% of employees who participate in a wellness program through their employer say they do so because they want good health.

FINANCIAL WELLNESS

Physical health is not the only “wellness” factor that may impact the frequency of absences and productivity and, therefore, business outcomes. Employers increasingly recognize that employees' financial concerns can negatively impact business results. The majority (58%) of employers believe that employee financial stress contributes to employee absences.

TABLE

EMPLOYEES' FEELINGS OF FINANCIAL SECURITY LINKED TO HEALTH STATUS

	I am in good health or better	I am in fair/poor health
I live paycheck to paycheck.	38%	54%
I sometimes have trouble paying bills.	28%	42%
I feel in control of my finances.	36%	21%

And more than three-quarters (78%) of employers believe that employees are less productive while at work when they are worried about personal financial problems. A holistic approach to absence management will take into consideration employees' financial wellness—and the fact that financial security could be linked with lower morbidity, lower health care costs and increased engagement, productivity and loyalty.

Feelings of financial security (or lack thereof) may also be linked with an employee's health status. Employees reporting excellent, very good or good health are less likely to say they live paycheck to paycheck, less likely to say they sometimes have trouble paying bills and more likely to report feeling in control of their finances. (See the table.)

Many employers already recognize and acknowledge the potential negative impact of personal financial worries on their employees, employees' ability to perform their job responsibilities and, therefore, their business. However, they may not have been focused on mitigating this issue. Fortunately, there are existing solutions that, when implemented through the workplace, may help employees navigate financial challenges and get back on the right financial track—a win-win for employers and employees alike since offering these solutions may also help mitigate negative effects in the workplace.

Over half of employees express interest in receiving education or advice and guidance through their employer on how to address issues that cause financial stress. Currently, nearly half of employees report that they do not consult with anyone regarding personal financial matters. Access to education through the workplace could help bridge this gap, yet only 34% of employers report that they currently offer broad-based financial or retirement education programs.

Companies looking to promote financial wellness

among employees can begin by asking themselves the following two questions:

1. How can we get our employees to act in their best interests and take on more personal responsibility for their financial security?
2. How can we give our employees greater opportunity to secure their own financial well-being?

RETURNING EMPLOYEES TO WORK

Promoting both physical and financial health may help mitigate some absences before they happen, but an important element of a total absence management program is an effective return-to-work strategy. According to MetLife's *Study of the Emotional and Financial Impact of Disability*, which surveyed people who have experienced a nonworkers' compensation/nonpregnancy disability that prevented them from working for six months or more but have since returned to work, six out of ten employees surveyed reported that their return to work was challenging.²

There are several steps that employers can con-

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sider to create a return-to-work culture at the workplace. Careful planning and management of the return-to-work process can make a difference for employees as they reintegrate into the workplace—and help employers achieve normal productivity levels again with limited interruption.

- **Start at the top.** Facilitate a supportive return-to-work culture that starts at the top and permeates throughout the entire organization.
- **Communicate, communicate, communicate.** Supervisors may want to stay in communication with their workers who are out on disability. Many employees are unclear on benefits and return-to-work policies and may feel anxious about losing their jobs while out on disability unless they are in contact with someone from work.
- **Help people feel welcomed back.** Set up a meeting within a few days of their return. Provide information on any new initiatives or procedures.
- **Think ahead.** Ensure that the employee's work is taken care of in his or her absence to avoid an overwhelming backlog on return. This includes making sure that e-mails are being answered.
- **Partner with an expert.** Work with a carrier that provides vocational rehabilitation specialists who can help the company make necessary accommodations or set up a graduated return schedule.

This helps employees feel motivated to return at the earliest appropriate opportunity.

CONCLUSION

The key advantages to an integrated approach are not only enhanced tracking and reporting capabilities and efficiencies in administration, but also the ability for employers to focus on other issues affecting their business. To take the approach to total absence management a step further and advance productivity, loyalty and long-term cost savings objectives, employers may aim to mitigate absences in the first place through wellness and financial wellness approaches, and help manage effective reentry into the workplace through a strategic return-to-work program. In effect, taking a comprehensive approach to total absence management can be a win-win for employers and employees by helping to achieve business objectives and making sure employees' needs are effectively met. ◀

Endnotes

1. A copy of MetLife's ninth annual *Study of Employee Benefits Trends* can be found at www.metlife.com/trends2011.
2. Information from MetLife's *Study of the Emotional and Financial Impact of Disability* can be found at www.metlife.com/disabilityimpact.

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