



# Cutting Costs and Absenteeism

May 19, 2021 / 58:00:00

**Emmet Ore** Hello, everyone. Welcome to Part Three of our May Wednesday webinar series. It's hard to believe we're already in the latter half of May, but here we are. My name is Emmet. I'm a digital marketing specialist over here at Vensure and I will be your host today.

We're going to be talking all about absenteeism today. There will be a Q&A session, so feel free to submit questions as we go along and we'll get to those at the end. And we get this every time, so I'll just preempt this question by saying, yes, we are recording, and we will share that recording and the slide deck with you after we're done here.

This webinar is brought to you as always by Vensure Employer Services. Vensure is the leader of 20-plus PEO partners with clients in all 50 states.

Today, we'll be talking about the cost of absenteeism, some trends in absenteeism, mandated rights to be off work, some reasons employees don't show up for work, and reasons they do show up for work. And then we'll have a Q&A at the end as well.

So, if you haven't used GoTo Webinar before, you may be wondering how to submit questions. You should have seen a control panel open when you join the webinar room. In that control panel, there's a drop down section labeled questions. So, just type your questions and comments into that section and hit enter. If you are a client, please put "client" in your questions so we can track that later. Questions are private so you won't see the questions or comments of others, and we'll try to get to all your questions in the time that we have. But, if we don't, for some reason, please contact us at [webinarhrhelp@vensure.com](mailto:webinarhrhelp@vensure.com).

---

800.409.8958 / [info@vensure.com](mailto:info@vensure.com) / [vensure.com](https://vensure.com)



V-CUTTING COSTS AND ABSENTEEISM ©2022 Vensure



And we are thrilled to have Robin Paggi joining us as our panelist today. She's a seasoned human resource practitioner who specializes in training on topics including harassment prevention, communication, team building, and supervisory skills. And I will hand it over to Robin.

Thank you, Emmet. Let's just jump on in and go to our first slide. Now, what is the cost of absenteeism? Well, let me give you some numbers before we look at these direct costs here. Employers spend about 36% of their base payroll on employee absences. So they are paying 36% of their payroll to pay people while they are not there. That means if an employer has a thousand employees making an average of \$50,000 each, \$4.5 million would be spent on employee absences each year. And so, that's a whole lot of money. So let's look at what that money is being spent on.

First of all, wages and benefits paid to the employee during an absence. Now, there are some times that employees are going to be absent, that the employer is not paying them, but the employer pays employees when they are not there, if they provide sick leave, vacation leave, PTO, or things like bereavement leave or things that they agree upon that the employer says we will pay you when you are not here. There are some times that the employer is, or the employer does not have to pay employees when they are absent, for example, if they are out on workers' comp or disability, or something like that. So the employer is not paying the employee; the state that they live in is paying them. But the employer probably is paying overtime to other employees, or to temporary staffing, to cover for those employees. And so all of that is paying for employees to not be at work. So that costs \$4.5 million for larger employers.

Now, because productivity, morale of co-workers who have to cover for employees who are not there, and customer service usually suffer as a result of these absences, whether they are planned or unplanned, the indirect costs often exceed the direct costs. And so, how is customer service hurt when employees are not there? Well, it's hard to provide really good customer service if you don't have employees who are there to provide it, or you only have a few employees. And customers are having to wait in long lines because there are fewer employees, or they can't find employees to help them with what they need to do. Productivity suffers as a result of that, and so fewer employees means that fewer things are getting done, and so not as much is being accomplished. And employee morale; if employees are having to cover for other co-workers, especially when they know that those co-workers are calling in sick when they're not really sick, then that makes their morale go down. And indirect costs often exceed the direct costs of absenteeism.

So I want to give you a little bit more information before we go on to the next slide. A Harris Interactive survey asked people, "What happens to your workload when you're absent from work?" And their responses completely reflect what I just talked about. 37% of the respondents said, "Another person covers my shift." So there you go. Overtime paid to other employees, 10% of people said, "Another person works overtime to cover my shift." 4% said, "An employer hires a temp." And so, that's all that payment that we talked about as far as those direct costs.

But here's where the indirect cost takes a big hit. 61% of respondents said, "Nothing happens to their workload when they're not there, because their work simply does not get done." And so that's a perfect illustration of how those indirect costs can exceed the direct cost of what the employer is paying. And so that ends up being a whole lot of money that employers are paying because employees are not there.

Now, one more thing before we go on. There's two types of absenteeism. There is innocent absenteeism, and that's when people have, are calling in sick when they're actually sick, or when they have scheduled their time off from work because they're going on vacation, or they're going to have surgery, or something like that. But then there's culpable absenteeism, and that's the term used when employees call in sick when they're not. And these unplanned employee absences cost about 9% of the employer's base payroll.

So I started by telling you that absences cost about 36% of an employer's base payroll, well 9% is those unplanned absences. And that's when people have to scramble around and try to cover, or nobody's covering so the work's not getting done, and all of that. That's what you want to be concerned with. We don't want people to come to work when they are not feeling well. We want people to take their vacations. If people need to have surgery, we want them to go on disability and have their surgery. We don't begrudge people for taking time off work. The problem is when people can come to work and they simply choose not to, and then folks have to scramble around in order to cover for that unplanned absence. That's what we're talking about. That's what we want to do something about. So let's go to our next slide and look at some trends in absenteeism.

First of all, the higher the rate of pay, and the greater the length of service of the employee, the fewer the absences. And that makes sense if employees are being paid well, then usually they are more motivated to go to work. And if they've been with the organization for a long time. And one of that, if they have, the chances are they're loyal to the organization and that's why they've been there. But then another thing is, if they've been with the organization for a long time, chances are they're an older employee. And I don't want to bag on the younger employees, but the trends in absenteeism, is that the younger you are, the more likely you are to skip work. So we'll get there.

And next, as the organization grows, there's a tendency for higher rates of absenteeism. The reason for that is that when you have a smaller organization your attendance noticeably impacts others. When you have a larger organization absenteeism isn't as obvious to others. Sometimes because they might be paying attention, maybe you're not working in the same building, you may not be working in the same state. And so it's easier for people to be absent when it looks like no one's really going to notice. Another thing, too, is that the larger an organization gets, the less loyalty people tend to have toward that organization, and, the less loyalty they have to their coworkers. Because when it's a large organization, a lot of times people don't know each other. And if the organization does not allow for time for people to get to know each other, or make it happen, people just aren't building those connections that keep them in the workplace and loyal to the workplace. And I'll talk a little bit more about that in just a moment.

Women are absent more frequently than men. Well, any guesses why that is? I'll tell you. Because women usually are still in charge of the child care. So even though lots and lots and lots of women have full-time jobs, just like men do, in a male/female household, if a child is ill, it is the mama who usually stays home. And I used to work with a gal long, long time ago, and she only worked a couple of days a week and her husband worked full time. But when those kids were sick, she was the one that stayed home with them. And I always thought, why doesn't the husband stay home? He works full time. She's only here a couple of days a week. Why does she have to miss those couple of days a week she's here to stay home with those kids? Why can't he stay home with those kids? Because that's not how society works for the most part. And then the other thing, is that women are pregnant and men do not get pregnant yet. And so that's one of the reasons that women are absent from work sometimes, too, is because of the pregnancy. So we'll get around to pregnancy disability leave in just a moment.

Single employees are absent more frequently than married employees. And speculation on that is because when you're single, maybe you're out there trying to find someone and you stay out late and you're too tired to get up to go to work the next day. Or, maybe it's because married people don't want to stay at home, they want to go to work. I don't know.

As I said, younger employees are absent more frequently than older employees. However, when older employees are absent because of illness or injury, they are absent for longer periods of time. And the reason for that is

because it is harder to mend from your illnesses and injuries when you are older. And so sometimes those illness and injuries drive older people right out of the workplace. For example, my mom involuntarily retired because at the age of 75, she fell at work and she broke her leg. Well, for somebody who was 25, you fall, you break your leg, and maybe you're out for six weeks. When you're 75 and you fall and break your leg, you're out of your job for the rest of your life because your leg does not mend the way that it's supposed to. And so that's the reason for older people being out for longer periods.

And then finally, unionized organizations have higher absenteeism rates than non-unionized organizations. Reason for that is because unions usually bargain for more time off work for their members. And so in addition to sick leave, they get paid holidays and other benefits that sometimes non-unions don't. The other reason for that is because when you work for a union organization, it's more difficult to be fired. And so people take advantage of that as well. So those are some trends and absenteeism before COVID. We'll see what happens after COVID, things might change a little bit. All right, speaking of changing, let's go to our next slide.

Now, there are lots of reasons that people have the right to be off work and we're talking about mandated rights, that means legislation was created to allow them for that time. So let's go to our next slide and we'll look at some of that legislation.

Now, one of the things about all of these listed here is that you're going to have to figure out what your state allows, because there are some federal laws that require employees to be off for work for various things. But then states come along and they do their own thing to it. And so I don't want to spend a lot of time going through each one of these, but I'll just touch on them a little bit.

But I'm going to keep reiterating, you're going to need to figure out what your state laws are, because that's what you're going to have to make sure you comply with. And so what do I mean, make sure you comply with? Well, when people have the statutory right to be off work because legislation says so, and they are qualified for that leave, if you do not allow them to have that leave, then your organization can get sued. And they can be very hefty lawsuits and hefty fines that go along with not allowing people time off and then to come back to their job. And so one attorney I worked with said it's not really the right to be off work, it's the right to come back from your leave. However you want to phrase it, it is important that you know what those laws are.

And this is one of the things I usually talk about with supervisors. When supervisors are doing their thing, they make legal decisions just about every single day that they work, and they might not even know they are making legal decisions. And if somebody asks for time off, for example, to go see their kid in a school play and the supervisor says, "No, you can't have time to see your kid in a school play, we've got work to do," you might have just violated your state's law on school activities, or parental rights, or what have you. So it's critical that when you are making these kind of decisions, that you know all of these things so you don't make the wrong decision and end up costing your company money.

So, just briefly going through these, pregnancy disability leave applies to businesses federally employing at least 15 people. But, I'm in California and here it applies to employers with five or more employees. And so whatever is most beneficial to the employee is what you comply with, whether it's state or federal. So pregnancy disability leave says that women who are disabled by their pregnancy get to take disability leave, and then they get to come back to their job. And one of the ways that employers frequently blow it, is that they hire a temp to fill in, and then they like the temp a lot better than the employee, and then they don't allow the woman to come back to her job after she is no longer disabled by the pregnancy and birth of her child. And that's what causes lawsuits.

Family care. And so we have Federal Family Medical Leave Act, and that applies to employers with 50 or more employees. However, there are states that have a lower employee threshold. And so, again you need to know what your state says. But briefly, FMLA allows employees 12 weeks off of work to care for themselves, if they are seriously ill, or to care for a parent, spouse, child, domestic partner, stepchild, etc. Employees have to be qualified to take this leave. They have to have worked for the employer for at least 12 months and 1,250 hours prior to them asking for the leave. And so we could do a whole hour workshop just on FMLA, so make sure you are familiar with that.

With workers' comp, again this is the employer is not paying the employee to be off work, but they, there is no definite time that an employee is going to be off work for workers' comp. And so with Family Medical Leave Act, it's 12 weeks. But with workers' comp, it's however long it needs to take and you need to manage that quite closely if you're in charge of workers' comp.

And disability. And here are slides as disability, jury, or witness duty. And those are put together there. Disability leave is all by itself. And again, there's no specific timeline when it comes to how long somebody can be off for disability leave. Now the Americans with Disabilities Act is the federal law, and that applies to employers with 15 or more employees. But again, your state might have its own. And so you need to figure out what the employee threshold is on that. So with disability leave, there's no exact time limit because employers are required to provide a reasonable accommodation for employees with a disability. And it depends upon, the time off depends upon how large your organization is and how reasonable it is to allow people to have whatever time off work that they need.

So jury or witness duty. So there's no universal law that mandates what employers need to do with employees when they're called for jury duty or witness leave. So again, you need to look at your state law. States, or laws in one state, may mandate that your employer has to pay your regular salary when you're on jury duty and another state might not. Your employer might be able to pay you on a prorated basis. And so, again, you got to look at your state.

Voting, determined by state, again. And so that's one of the things that we hear frequently here in California around voting time, is that employers are required to give employees two hours of time off work to go vote, and they have to pay them for that. Well, that's a little misleading. Employers here have to provide employees up to two hours of leave if they are scheduled the entire time that the polls are open, and the polls are open here from 7:00 a.m. to 7:00 p.m., or 8:00 p.m. last time. And if you're scheduled the entire time, then, yes, you get up to two hours, not a guarantee. So there's just all sorts of little nuances involved in law that people frequently get wrong. And you need to make sure you get it right.

As far as school is concerned, one of the things that affected all of us this last year was the Families First Coronavirus Response Act that said that parents can take time off from work if their kid's school is closed. And everybody's school was closed just about. And so that was one that did affect all of us. But as that's going away, then again, we need to figure out what our state and local jurisdictions are telling us is okay. But in addition to that, here in California, if you have 25 or more employees, your employees have the right to take off work for school activities, which is seeing their kid in a school play, or going to a baseball game, or something like that. Employees get up to eight hours a month, no more than 40 hours a year. And so, that's why HR in California is a little bit more difficult than lots of other parts of the state because there are so many more things employees get here.

Emergency duty as a volunteer firefighter, reserve police officer, or emergency rescue personnel. Some states say that employees at least get time off to go do that, but the employer might not have to pay them.

Military service. And so that's USERRA, the Uniform Services Reemployment Act. And so employees who are in the Reserves or the National Guard and they are deployed, they get to come back to their job. There are time limits and notification requirements, so you need to know all of that stuff.

And military spouse leave. If somebody has, is married to somebody who's been deployed and that person is coming back on leave, the spouse gets to have time off to be with that person. Now, one of the things employers frequently complain about all of the employment laws that they have to adhere to. And I like to use the military spouse leave as an example of why we have so many employment laws. In San Diego, we've got a naval base. And somebody who worked for a grocery store down there, her spouse was coming home on leave. And so she asked her employer for time off to be with her spouse while he was on leave, which was like a week or two weeks. And her boss said no. And she said, "I'll take the time off without pay", and the boss said, "No, you do not get the time off." So, because you have employers like that, that is the reason that we have employment laws such as we do. What that employee ended up doing is going to a legislator to complain about how her employer had treated her. And the legislator is the one who introduced the military spouse leave law. And so, that's just something to consider, is that sometimes the government forces us to treat people humanely.

And then the final thing is any other reason agreed to by the employer or the employee. And so that's one of the reasons you need to be really careful about not just downloading a handbook off the Internet because of things that might be in there. So I have seen handbooks where employers are giving personal time off, in addition to everything else the government tells them that they have to give time off. They give bereavement leave, which is not a requirement by the government. They give paid holidays, not a requirement by the government. They give all sorts of reasons that employees can be off work. And even if the government doesn't mandate it, if it's in your handbook, or if it's part of your practice the way you do things, it is an agreement between you and the employee that they get this time off work, whether you're paying them or you're not paying them. And so that's one of the reasons to be very mindful of all of the things that are in your handbook because once it's there, it's an agreement and you have to stick to it. All right, let's move on.

Now, we don't begrudge people all of those leaves. They have the right to be off work. But we do need to figure out why people are not coming to work when they can come to work. And so, now we're going to take a look at that.

So I mentioned the Harris Interactive survey before. And this survey is titled "Working in America Absent Workforce." Nearly 40% of the respondents said they called in sick last year for reasons other than being sick. And now one of those reasons they said, that's not listed here, was taking a mental health day. I used to think that calling in sick when you're not physically sick was a problem. I have changed my mind on that.

So many years ago, I was taking an HR class at our local university, and there were probably 50 people in the class and the instructor said, "How many of you think that taking a mental health day off work is okay?" Everyone raised their hand except me and this other lady who was close to my age. I'm at the tail end of the Baby Boomer generation and we were taught you go to work even when you're sick. That demonstrates your dedication to your job, that's a good work ethic there. And shortly after I did not raise my hand to taking a mental health day, somebody in San Francisco walked into their workplace and killed some of their coworkers. And people had mentioned how stressed that coworker was before he went in and killed some of his coworkers. Now he survived the police coming after him and capturing him and all of that. He survived all of that. And when he was asked, why did you do this? He said, "I have been so stressed and I've been asking my employer for time off work and he did not allow it." So I changed my mind about mental health days. If you feel like you cannot go to work because your head is so much out of the game that you can't function properly, don't go to work.

But, when people say that they call in sick because they ran errands, because they stayed up too late watching a sporting event or an award show, or something like that, that's when we've got a problem we need to do something about.

So besides illness, injury, and obligations, why don't employees show up? This is the list we're looking at, and this comes from the article, "An Introduction to Attendance Management." And it said employees don't show up for work because of low morale. Now why do employees have low morale? Well, that's the thing to figure out. Maybe they have low morale because their coworkers are calling in sick and they're having to do all of their work for them. Don't know. But you want to find out.

Poor working conditions. What are those poor working conditions? Now sometimes it's because people work in extreme heat. And so, I know that where I live in the summertime, sometimes we get up to 112 degrees and we have a whole lot of people who are working outdoors. And so, those are working conditions that maybe they don't want to show up to work for. But what are some other poor working conditions? Are they the environment people are working in that, how they're being treated at work? So those are something to look into.

Boredom on the job, and I could understand that. I have got to be busy. And, there is a whole lot of people that when they are not busy, their energy just sinks, they become lethargic, and they start getting into trouble. And so that's why you've got to keep people busy.

Lack of job satisfaction. Why aren't people satisfied with their jobs? Something to find out.

Inadequate leadership and poor supervision. I think that we all know this. When we have a supervisor that we do not care for, or that we feel is not a good supervisor, that encourages us sometimes to just not show up for work. And so that's one of the reasons that I provide as much supervisory training as I do, or at least I did before the pandemic--and hopefully, it will resurrect itself-- in that supervisors have a huge impact on their employees' morale, and their development, and everything that employees do. And when you have people who are thrown into supervisory positions, or promoted into supervisory positions because they're really good at their job but they receive no training on how to be a good supervisor, usually they'll do what comes naturally, and what comes naturally doesn't work 100% of the time for any of us.

And so poor supervision. I was just training a group of people and the reason they came to me for training is because they had employees quitting because of one supervisor in particular. And so I thought, this is great, I'm going to get to train these people for a long time and spend a lot of time working with them, and unfortunately, I got the call that they were terminating the training because the supervisor was not going to change his ways. And trying to get him to change his ways was a waste of time and money. And so there you go. So we'll see what happens with that organization.

Stress is one of the reasons that employees don't show up, and we've got lots of reasons to be stressed. But if work is causing the stress, then that's something we need to look at.

Excessive workload and just general discontent.

So there are lots of reasons that people are not showing up for work. And hopefully you have picked up on my encouragement to find out why people aren't showing up. Well, how do you find out? One way to do it is an engagement survey. And so that's one of the things that employers do on occasion, is that they survey their employees

to see how they're doing, how they're feeling about things, any changes that they'd like to have made that are doable and reasonable, those types of things. So just checking in with employees and seeing how they're doing. Unfortunately, there are a lot of employers who don't do that. And they just figure that if you've got a paycheck, then that should be all that that you need to be worried about. And that is not the case. So let's move on.

It's tempting as an employer to discipline employees who misuse sick leave, however, it's difficult to prove that employees have called in sick when they're not sick. And research has shown traditional methods of absenteeism control that focus on disciplinary actions are ineffective. What we need to do is we need to figure out why employees show up for work. So I'm going to give you some reasons. Let's go to the next slide.

Employees show up for work when they identify with the goals of the organization and they care what happens to it. All right, well then that begs the question. Does the organization have any goals? Do employees have goals that tie into the organization's goals? Do the employees identify with those goals? And so that's one of the things that I talked about in one of our previous webinars. And again we have all of our webinars since September on the Vensure website and you can go back and look at all the topics that we have covered. And, what I talked about is enhancing your team's performance. And one of the ways to enhance your team's performance is to have a mission, vision, and goals for the organization, and then your department or team's goals tie into the organization's goals. And then every single member of your team has their own personal goals that tie into the organization's goals. And so that's one of the ways to get people headed in the right direction and motivated going forward, especially people who are very goal-oriented. When they've got those goals right in front of them, it gives them a purpose to go to work every day to make things happen in order to achieve those goals. And if the organization or, excuse me, if the individual doesn't achieve their goals, then the team won't achieve their goals, then the organization won't achieve their goals. And so that gives people a greater sense of purpose. If I'm not here, things will happen or not happen as a result of that. So my absence means something. When people think their absence means nothing, then why show up? And when people care about the organization, they're more than likely going to show up.

Now, here's one of the things you probably know. If it appears that your organization does not care about you, then you're probably not going to care about your organization. So things like that are very reciprocal. So how does the organization demonstrate that it cares about employees? Well that's where supervisors come in to a great degree, because one of the things that can happen is that organizations can spend a lot of money trying to demonstrate to its employees that they care. They can have employee appreciation barbecues, they can give them all sorts of swag, they can throw money at them on occasion, they can do all sorts of things to try to demonstrate that the employer cares. But when it comes down to it, it's really who people are supervised by that is going to demonstrate whether the organization cares or not. So we'll touch on that a little bit later. All right. So the next reason that people show up for work is they find their jobs meaningful. Now, sometimes you need to tell employees why their job is meaningful because they don't know and they can't figure it out. So for example, I used to work for a law firm, and during the summertime, we would frequently hire people who were in law school to be our messengers, or people who were in college to be our messengers. And so our messengers just were runners. They ran things around from law firm to law firm, and they would make copies of legal briefs and other documents, and they would set up the conference room and make sure that there was fresh coffee, and water, and things like that. And so, when you're in college, those things seem pretty menial to you. And I know because I remember very well when I was in college and thinking, I shouldn't be doing this menial job because I'm a junior in college and I know all sorts of stuff. So I know how it feels to feel that making copies and cleaning up conference rooms is way beneath you. And so that's what they were feeling and it was evident in their behavior. And so I had a chat with these messengers one summer when they were really starting to slack on their job. And I said to them, "You know, when we have a potential customer or

potential client, they come into our lobby and the first person they see is our receptionist and they begin to make decisions about whether they're going to retain us or not based upon their interaction there. So first of all, how the lobby looks and their interaction with the receptionist, that's the first thing that's going to help them decide whether they're going to retain us or not. Second of all, when they are taken to a conference room and they go into the conference room, if it is all nice and neat, and there is fresh coffee and fresh water, and if documents that are put in front of them are all nice and clean, and neatly stapled together, and things like that, they begin to make decisions about us. And then when they meet me, or an attorney, we're the third rung on their decision making. And so you, messengers, are the second rung, because you're the ones who are setting up the conference rooms, and making the coffee, and doing all of those things. And so while I understand you think your job is very menial, at this point for this station in your life, you are helping people determine whether they're going to retain us before they even meet the people that they're going to do business with." So when I explained all of that to them, they found their jobs more meaningful, and they understood how important their jobs were, and that then produced better work from them.

So, again, find out whether employees find their jobs meaningful or not, take action on feedback that they give you, have them involved in being problem-solvers so that if they do have a job that really doesn't do it for them, they have additional opportunity to do additional things that can make their jobs more meaningful.

Next, employees show up when they like working for the organization. That begs the question, what would make an employee like working for the organization? So we have organizations that have all sorts of things that they do for employees. They have in-house cafeterias. They provide child care. They have dry cleaners who come pick up their dirty clothes and deliver them. They have people who come and wash their cars for them while they're working. So employers throw all sorts of things at employees to help them like working for the organization. And those things certainly help. But you know what really makes people like working for the organization, you probably do know this-- permanent flexibility. That's one of the things employers right now are going to have to grapple with, is that people are coming back to the workplace and they've had a taste of working from home. Now, some people did not like working from home and can't wait to be back to the workplace. And for other people, working from home worked out just fine. And you might think, well it's because you weren't really working the whole time you were there. No, that's not the case. Lots of studies have demonstrated that people working from home, in general, were even more productive than people making the commute into the office. So, some people are rebelling against being brought back into an office and having to be there when really they could do their job from home just as easily. So employers who can allow that flexibility might need to look into it, because that's one of the top things that employees say helps them like working for their organization. Also, commitment to health and well-being. Now, everybody's mental health has taken a toll to some degree, some more than others, as a result of this pandemic. And one of the things that I discuss in my book, yeah shameless plug, "Managing Generation Z," is that Generation Z was already the most stressed-out generation we already had before this pandemic and afterward, even worse. Well, we're getting close to afterwards. Because we've all experienced the pandemic, but it's very different going through it when you're 20 years old versus when you're 58 years old like I am. You have more coping skills when you're 58 than you do when you're 20. And so that's one of the things that employers are really going to need to focus on is enhancing the health and well-being of their employees, their mental health, as well as their physical health. And that's one of the things people my age, we don't like to talk about mental health too much, certainly not ours. We're not going to admit to having any mental health problems. Well, we're going to have to get over that. And we're going to have to talk about mental health and what we can do to enhance people's mental health at work and make sure that work doesn't add to people's mental health problems.

And then another thing that people like working for the organization because of, is because of having a sense

of purpose, and that we're doing more than just trying to make as much money as we possibly can, but that we are doing something worthwhile for our world, for our local community, for people in general, etc.

Now, people like working for an organization when they feel free to discuss their on-the-job problems with their immediate supervisor. And again, I cannot emphasize how important it is to have good people in supervisory positions and to develop them to be good supervisors, because just because you're a good person doesn't mean you're a good supervisor, but it helps. So one of the things that happens when people go to discuss their on-the-job problems with their immediate supervisors, their supervisor doesn't want to hear about it, and they don't take time to listen, or they poo-poo whatever the person is talking about, or they're on their phone sending text messages while they're supposed to be listening, or they get mad, or they say, I can't do anything about it, or all sorts of things. So for those of you who are supervisors out there, your reaction to how, when people talk to you about their problems is critical to their happiness on the job, and is critical to how they feel about the organization and whether they want to come to work and whether they don't.

And then finally, people show up for work when they feel confident and have supportive working relationships. Now, people feeling confident means that they get to master skills at work. And so you want to help people develop so that they are very good at their jobs. And when they're very good at the job, they feel good about themselves and they're more than likely going to show up for work. But the supportive relationships, research indicates that having friends at work is vitally important, and employees with high levels of peer social support tend to live longer. And so if you want to live longer, have a friend at work.

Guy named Tom Rath wrote a book called "Vital Friends: The People You Can't Afford to Live Without." And he says, an employee with a best friend at work is seven times more likely to be engaged with that work. Now, when I'm talking work, for instance, I'm not talking that you know everything about each other's personal lives and that you party with each other outside of work, you help each other move, I'm not talking about that. And by the way, that's my criteria of a friend. You're a friend if you'll help me move, if you won't help me move, then we're not friends. So I'm not talking about that kind of friend. I'm talking about somebody that you look forward to seeing when you go to work, that when you're not there, that person goes, "Hey, everything okay with you?" and you do the same with them. That maybe you do have conversations on occasion, and especially when you need to vent, they're great to vent to, and they're very sympathetic with you. I'm talking about those kind of work friends. And having those people who care and take notice when you don't show up is critical to success. So what can you do if you're in a position of authority, is to make sure people have the opportunity to build those relationships. All right, let's go on.

So how do you manage absenteeism? Well, employers can do the following things, and if you're in HR you can do these things, or at least make an impact on it. And so the first thing is to create an attendance policy. So why is it important to have an attendance policy? Policies are trying to communicate things that are important for employees to know, and also they are the agreements between the employer and the employee. So, I, I like policies. I like knowing exactly what's okay and exactly what's not okay, so that I can adhere to what's okay, and I don't have to worry about doing what's not okay, because I know what's out of bounds and I'm not going to do it. So policies are just clear channels of communication to let employees know what's okay and what's not okay. And without them, then it's a guessing game and employees guess incorrectly and they get punished for it when there was no policy. So that's not really fair. So, it is important to create an attendance policy that clearly communicates the expectation of attendance. And that might sound silly. Yeah, when we hire you, we expect you to actually show up for the job, but you need to go into a little bit more detail.

Now, in a survey that I read about, it said only 64% of employees know if their employer has a disciplinary attendance policy. So only 64% percent of employees know policies. And I believe that because I know a lot of times people never look at the employee handbook. They don't know what the company policies are. And, big mistake that employers frequently make, is creating a handbook, giving it to people, having them sign an acknowledgment that they've read it, when they never did, and then never talking about it again until they go to discipline somebody. That's not the way to use your handbook. The way they use your handbook is to talk about bits and pieces over the course of the year when you are, before problems happen, so that you can prevent people from doing things that they should not do. So it's never fun to find out about the policy after you've broken the policy. You want to find out those things beforehand.

So another statistic, 48% of employees said their policy is not enforced consistently. That leads to lots of big problems. And so the consistency is the important part. If the policy is never enforced by anyone, then that's one thing. But when some people get written up for being late and other people don't get written up for being late, that's when you've got a problem. And inconsistency leads to contempt, and employees who are filled with contempt do not perform very well. So that's one of the reasons supervisory training is so important also is making sure all the supervisors know the policies and they are enforcing them consistently. 60% of survey respondents said their workforce, or their work performance, is negatively impacted when attendance policies are not fairly enforced. Of course, that's the contempt. They are less motivated. They only do what they have to do and nothing more. And so you've gotta have a policy, make sure everybody knows about it, and make sure that it is enforced consistently.

The other thing is to monitor attendance and to talk to employees about the purpose of sick leave if they're taking what you consider to be too much, and the impact their absence has on the organization and their coworkers, because sometimes people don't know that their absence has an impact on their coworkers and maybe if they were told those things, they might care a little bit more.

Now, one of my favorite phrases is silence equals permission. An employee is late, you say nothing, you've just given them permission to be late. So don't let things slide. Now, I'll want to go through how that conversation might sound, when somebody is frequently absent and how you're bringing it to their attention. I was asked by a client to talk to one of their employees who had been absent seven times in one month because she said that she would get headaches. And so, I gathered the data, make sure that I have all the facts straight. And I met with the employee and I said that I was asked to talk with her about her frequent absences. And she said, "Oh, I don't have frequent absences. I mean, I've been absent, you know here and there, but not frequent." So I pulled out the data and said, according to your payroll, payroll records, you were absent seven times this last month. "No, it couldn't have been seven times this last month." Well, let's look at these days, what the days off indicate and so she went, "Wow. I didn't realize I'd been off seven days this month." "And so is there a reason that's causing you to have to be off work all this time?" "Well, I get headaches, sometimes, and so, that's why I end up going home or calling in." And I said, "Are the headaches caused by something at work?" "Oh, no, no, no. These kinds of headaches run in my family." "Is there anything the employer can do to help? I mean, is it lighting, or is there a smell, or is there something?" "Oh, no, no, no. It's just the family. Family gets headaches." "Well, regular attendance is a requirement of your job, and so there is nothing that the employer can do, to help. There's nothing the employer is doing to cause it. The employer requires you to regularly show up for work. So what are you going to do?" She said, "I guess I'll show up for work." "Great." All right, so those are the kind of conversations that you'll sometimes need to have with employees.

So next, provide supervisory training, I've hammered on that enough, so I'll leave it alone. Provide conflict resolution and team-building training for all employees. And one of the reasons for that is I found out with one of my

clients, when employees had to travel together for their work, which they frequently had to do, and they all went in the same car. If employees were upset with each other, they'd call in sick. Well, that's not the answer. The answer is to help them resolve those issues so it doesn't interfere with their ability to do their job.

Provide personal time off, PTO, instead of vacation or sick leave. And that allows employees to use their days off how they want to use those days off. And so if they need to take a day off to run errands, as long as they schedule that day so that the employer can plan around it, great. Use your day off or whatever you want to use your day off for. Just schedule in advance so that we can work around it.

And provide incentives, such as cashing in unused sick leave and rewards for perfect attendance. So that's what one of my clients did, is that, at the, in January, employees could cash in any unused sick leave. Now, they had to keep at least one week in their bank, but anything in excess of that, they got paid for. And it was in January because people usually spend a lot of money in December. And so that was their incentive. Now, of course, that did present a problem of people coming to work sick so that they could get their cash at the end, and they had to be told you don't get to come to work sick, and be sent home, and that type of thing. But providing those incentives usually inspires people to come to work.

And again, provide flexibility if possible. And I explained all of the reasons for that.

So employees who are committed to the company show up for work and employers who foster that commitment by doing some of the things that we talked about, those employers end up paying people to work instead of paying them to stay home. And that's how you manage employee absenteeism. All right. That's the info I have for you. What questions do you have for me?

**Emmet Ore** Excellent, thanks, Robin. Can you recommend a sample survey that could be used in the office to ascertain overall satisfaction?

**Robin Paggi** I don't have a sample survey myself, but if you just Google employee engagement surveys, you'll just find all sorts of things available to you. So, lots and lots and lots of stuff out there. And especially if you are a member of SHRM, the Society for Human Resource Development, then they have got that, they've got lots of surveys available for their members, too. And, I realize I didn't say their name correctly, but anyway, you know what I'm talking about. So, yeah, lots of resources available for you.

**Emmet Ore** Thank you. If employees only have PTO and they want to leave the company, do we have to pay them their PTO time?

**Robin Paggi** Well, it depends upon what state you live in. For the most part, employers have to, yes. And so, it's one of the things employers, in general, are not required to provide PTO or vacation time. But when they do, they do have to give unused when people leave. But again, check which state you're in, just to make sure.

**Emmet Ore** Excellent. So how do you prove if someone isn't legitimately sick?

**Robin Paggi** Yeah, that's the thing, it's really tough to prove. However, an easy way of doing it is looking on their social media page if you have access to it. And so that is one of the things. A woman was taking time off from work because she was sick, but was posting pictures of herself down in Mexico on vacation, and so her company fired her as a result of that, and she fought them about it, saying that she had been wrongly terminated. And they said, no, you lied about it

and so you're gone. And the employer won that lawsuit. So, that's one of the things, people post all sorts of things about themselves when they're out and about. And that is one way that employers are demonstrating that they are abusing their sick leave policy.

**Emmet Ore** Alrighty, well, that appears to be all the questions that we have. I think next week we are going to be talking about managing employees in a technological world, and I'm not sure if you want to give a quick plug on that, Robin, but everyone is already registered for that. So, if you signed up for any of the other episodes, you've been signed up for the whole series.

**Robin Paggi** Yes, one of the things that we know is that everything is through technology now. And so I will give you the legal info about if you can look on applicants' social media pages and what you can do with that information, when you can discipline employees for their technological use at work and away from work, and all sorts of things that go along with the fact that we do just about everything on the computer these days. And of course, people are going to do things that they shouldn't, and what can you do when they do that? And I'd also like to let everybody know that next week is our last Wednesday webinar. And so I hope that you will show up for it.

**Emmet Ore** Excellent. Well, thanks, everyone, and we'll see you all next time.