SHORING UP ENGAGEMENT
AS TEMPERATURES RISE

As summertime brings warmer temperatures and more hours of daylight, it often carries more instances of planned and unplanned absences. Coincidence or not, how can businesses predict and manage the impact?

The Business Impact of Absenteeism

Absence is more than empty space. It affects labor costs, overtime, productivity, and employee satisfaction. Consider how the following can derail the achievement of business goals by diminishing employee engagement and increasing costs[1]:

- About four-fifths of organizations use overtime as a way to provide coverage for at least some absences. The total cost of that overtime is 2% of payroll.
- Average productivity loss due to replacement workers, an indirect cost of absence, is 31.1%.
- Supervisors spend an average of 4.2 hours per week (a tenth of their work week) dealing with absences. That's equivalent to 210 hours per year per supervisor.

What to Do?

1 The first place to start is to put programs in place that encourage attendance, such as creating more flexible schedules that consider employee preferences, allowing them to meet personal commitments without sacrificing productivity. Soliciting employee input to understand the organization's needs and clearly communicating fair policies around flextime will help drive buy-in and adoption.

According to the Working Mother Research Institute, all companies that made their *Best Companies for Hourly Workers* list – including Best Buy, Marriott, Mercy Health System and GM among other large businesses – offer flextime to nonexempt employees, and 68% of eligible workers use it.[2] In fact, many employers are finding that, by adding this flexibility, they are boosting employee engagement and attracting top talent. How does a flexible schedule impact productivity? Sixty-six percent of those who have summer schedules say it increases it.[3]

2 In the event of unplanned absences, new options like using mobile devices for tracking time now allow employees to communicate unanticipated events, such as a child's sickness or family emergency, in a more convenient and timely manner. This can help relieve the stress of lengthier, manual notification processes for the employee and enable managers to find suitable replacements more efficiently.

These mobile capabilities allow ongoing adjustments even while supervisors and workers are off-site. The availability of an open shift can be broadcast quickly via text, email or phone. You can even prioritize the recipients based on specified criteria to allow available, qualified employees to volunteer to pick up extra hours if they desire. Thus, the real-time information of a pending absence can be dealt with in an equally real-time fashion through effective communication across the organization.

3 Ensuring the collection and maintenance of accurate records of time and attendance can help organizations anticipate when absenteeism may spike. Various reporting tools that analyze this data can help managers pinpoint specific issues in terms of individual supervisors or workgroups that experience higher incidences of unplanned absences.

Informed organizations can then address underlying causes, such as employee engagement and satisfaction, or prepare for cyclical trends that are anticipated to occur again. Organizations that harness this information by automating leave and absence management have 33% less unplanned overtime[4] and achieve a 19% reduction in payroll by reducing overtime hours.[5]

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Expect Results

With the right communications, tools and processes, organizations are finding that they can identify and address the root causes of unplanned absences, respond to absenteeism in a more timely manner, and make better decisions to help ensure business continuity and control unnecessary costs.

The bottom line: There are many ways an organization can benefit by engaging employees in the process, while providing managers with better insight and oversight into absences.

[1] Total Financial Impact of Employee Absences, SHRM 2014.
[2] 2013 Working Mother Best Companies for Hourly Workers.
[3] Survey conducted by Opinion Research Corporation for AOC Marketing Research, cited in US News "How Summer Hours Make Employees More Productive" 2012. http://money.usnews.com/money/blogs/outside-voices-careers/2012/05/03/how-summer-hours-make-employees-more-productive-
[4] Aberdeen Group, "Productivity: Managing and Measuring a Workforce," January 2015.
[5] Aberdeen Group, "Improving Productivity and Reducing Labor Costs through Automated Absence Management," December 2012.