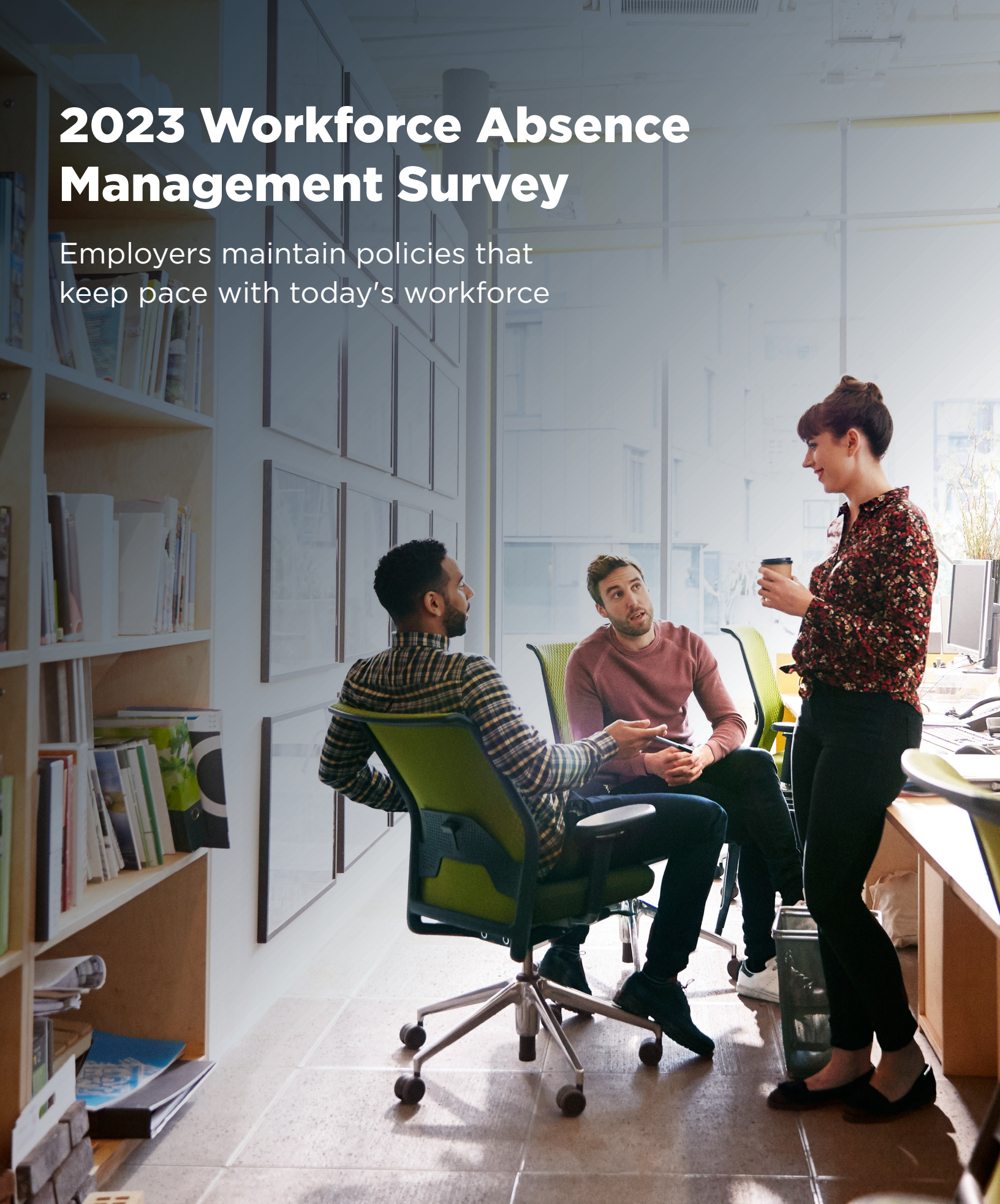


2023 Workforce Absence Management Survey

Employers maintain policies that keep pace with today's workforce



OVERVIEW

Changes in absence management policies in 2020 and 2021 were meant to be temporary — but it appears many of these changes have become permanent, fundamentally altering absence management for small- and medium-sized organizations across the U.S.

That’s one of the many takeaways from HUB International’s 2023 Workforce Absence Management Survey, which chronicles how absence management policies and procedures have changed since 2021, when HUB’s last absence management survey was conducted.

The enduring nature of changes is probably best illustrated by several trends: Telecommuting has become more commonplace, paid holidays have expanded and paid time off (PTO) allowances have increased.

Why is this important? Additional time off and flexible work arrangements are now more than a response to the pandemic or a tight labor market: HUB’s 2023 Workforce Absence Management Survey found employers are keeping or expanding their leave simply to stay competitive in an environment in which employees demand better work/life balance.

And there’s likely to be more changes in absence management, reflecting an evolving market for top talent. More respondents to the 2023 survey (71% in 2023 versus 64% in 2021) believe their benefits overall need improvement, including specific leave policies (48% versus 40%).

Ultimately, the trends suggest a growing recognition that creating a Quality Employee Experience (QEX) through improved absence management policies will boost engagement, raise productivity and strengthen corporate cultures.

WHAT’S BEHIND THE SURVEY?

HUB International’s Absence Management Survey sheds light on evolving leave management policies among small- and medium-sized employers in the United States.

Between March and April 2023, 514 HUB clients and prospects completed a survey that inquired about practices and policies that included telecommuting, paid time off, paid parental leave, and family and medical leave. Respondents included HR leaders in organizations with 50 to 1,000 employees.¹

¹ Survey conducted by Greenwald Research and in partnership with Mutual of Omaha, Guardian Life and Reliance Matrix.

Major trends from the 2023 *Workforce Absence Management Survey*

Some of the notable trends to emerge in the 2023 survey include the following:

TELECOMMUTING REMAINS DOMINANT

More than half (53%) of companies surveyed allow telecommuting, with the vast majority in a hybrid work situation. Three-quarters of employers sticking with remote work say their telecommuters are just as effective as in-office workers — and remote work plans help them stay competitive in hiring and keeping people.

SLIGHT UPTICK IN PAID PARENTAL LEAVE

A little more than a quarter (26%) of U.S. employers provide paid parental leave, compared with 23% in 2021. However, the number of employers with 50 to 100 employees that offer these benefits was 24%, compared with 16% in 2021.

In addition, employers that offer parental leave are standardizing this benefit across the workforce, with 70% providing the same leave option to all parent groups.

Employers that offer paid leave are also increasing the amount of paid leave available to workers: 36% of respondents are offering more paid leave today than they did two years ago. About three-quarters of those employers cited a desire to take better care of their employees as the first reason for increasing the benefit, followed by a need to be more competitive in retaining employees.

For employers that do not offer paid parental leave, about 40% cited cost as the primary factor for not offering that benefit, and about 30% said they don't offer additional paid leave because they operate in a state that has mandated PFML requirements.



A LIBERALIZATION OF PAID HOLIDAYS

Nearly one-quarter of organizations expanded the number of paid holidays offered within the last 12 months, compared to only 14% in 2021. More than half (53%) of organizations that reconsidered holidays did so as a result of diversity and inclusion initiatives. That may explain in part why 24% offer Juneteenth as a paid holiday — compared with 5% in 2021 — making it now a more commonly offered holiday than Veteran’s Day for employers with 100 to 1,000 employees.

PTO PROGRAMS EXPAND

About half (52%) of employers offering paid time off programs do so as separate buckets of sick, vacation or personal time, as opposed offering PTO in a single bucket. Twenty-three percent of organizations changed paid time off (PTO) programs in the past 12 months, and of those, 56% increased the number of paid time off days provided. Nearly six in 10 say they increased PTO to be more competitive in recruiting and retention and to take better care of employees.

In addition, eight in 10 respondents offer paid bereavement leave, with half providing three days and 23% indicating the amount varies based on the relationship to the employee.

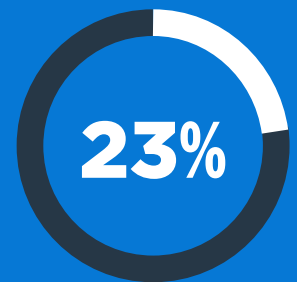
FMLA ADMINISTRATION AND EFFECTS OF PFML LEGISLATION

Of the 90% of respondents that are eligible for federal Family and Medical Leave (FMLA) benefits, 63% require employees to use available PTO during otherwise unpaid FMLA. The majority (62%) of FMLA-eligible respondents discontinue group benefits at the end of the month that FMLA expires. This is higher for employers with 50 to 100 employees (72%), while around half of employers with 100 to 1,000 employees do so.

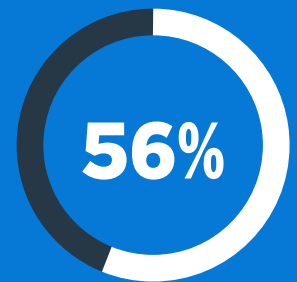
Nearly nine in 10 employers with fewer than 250 employees administer FMLA in-house and approximately 80% of companies with 500 to 1,000 employees do so as well. Of those choosing to outsource their FMLA administration, 73% cited maintaining better compliance as their primary reason for doing so.

DEMOGRAPHIC INFLUENCES REFLECTED IN LEAVE MANAGEMENT

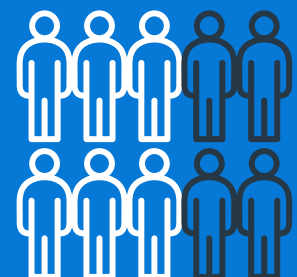
Organizations staffed with a workforce more than 50% women observed more paid holidays and have reviewed and expanded the number of days off. Likewise, companies with more than half of employees under the age of 45 were less likely to have reviewed their paid holidays due to diversity and inclusion initiatives, but were more likely to observe Columbus Day/ Indigenous Peoples Day.



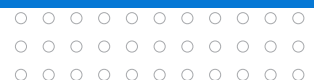
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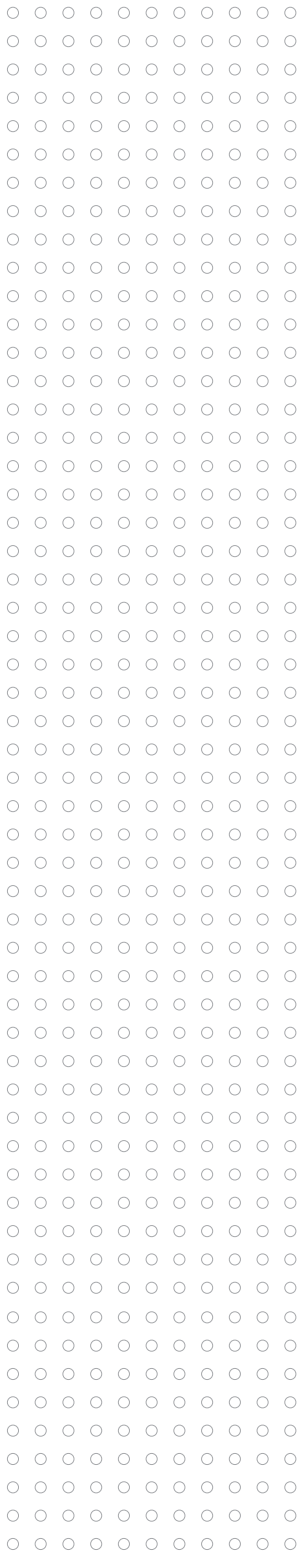
Of those, **56%** increased the number of paid time off days provided.



Nearly six in 10 say they increased PTO to be more competitive in recruiting and retention and to take better care of employees.



5 Steps Employers Can Take to Keep Pace with Trends



1. Align policy with goals. Often, organizations’ absence management policies don’t align with their HR goals, whether that’s increased retention or implementing diversity, equity and inclusion (DEI) programs. To ensure alignment, review leave of absence policies to determine if your policies are actually helping meet goals.



2. Benchmark other organizations. Other companies — competitors or otherwise — can indicate where your organization sits in terms of absence management policies. If possible, identify organizations with HR goals similar to yours.



3. Remove the confusion. Absence management can’t be part of a recruiting and retention strategy if employees don’t understand their options. Some absence management policies are difficult for employees to understand. Clarity can help turn absence programs into powerful retention tools to make workers feel valued as they deal with stressful life events.



4. Be mindful of precedent. Going above and beyond to assist individual employees during their leaves may be well intended, but that may require employers to extend similar considerations for all employees in order to stay in compliance with local, state and federal laws.



5. Leverage data and analytics. A holistic benefits strategy encompasses everything from PTO to health and wealth benefits. Data and analytics tools like HUB’s Workforce Persona Analysis can help you get the most out of your policies.

Strategic support that puts you in control.

Workforce leave and absence policies help not only to shape your business culture but are integral to operational efficiency. HUB can help you gain the insights you need to align all aspects of your benefits program.

To discuss how your programs stack up against this study's benchmarks or how effectively they support your overall benefits strategy, contact a HUB Workforce Absence Management consultant.

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