



Global workforce absence management: balancing technology, compliance and empathy

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For the past many months we've been away from our desks, out of our chairs, and watching, albeit tentatively, as the world returned to work — all while emerging new strains of the coronavirus create uncertainty and demand flexibility.

As global employers strive to ramp up — and even improve upon — pre-pandemic employment trends, they share a common goal: to have a full complement of physically and mentally healthy and productive workers on the job. And really, that goal goes much farther than anything pandemic-related; from a productivity standpoint, employers are always eager to get people back in their "seats" and back to work, regardless of where the work is getting done, or the reason for their absence. The fuel to power that mission is an effective workforce absence management plan.

Developing a strategy for global workforce absence management in today's ever-changing marketplace can be challenging; it will need to include a well-thought-out formula that combines technology, sensitivity to employees' needs, awareness of local regulations and cultures, and a commitment to always doing what is best for the worker, and therefore, the organization.

While each organization is unique, as are the dynamics of individual countries, an understanding of common challenges and goals and an in-depth exploration of successful programs will provide the insights needed to develop comprehensive, effective and supportive workforce absence management initiatives.

DIFFERENT APPROACHES, SAME GOALS

At its essence, workforce absence management is an integrated effort to track all occupational and non-occupational absences within an organization. Program goals include:

- Helping employers better manage employee absences
- Safeguarding the health and wellness of employees
- Ensuring efficient operations
- Reducing disruptions to the workplace
- Avoiding non-compliance and related penalties
- Supporting effective return to work initiatives

The most effective approaches include emphasizing worker safety, respect for valued employees, a focus on proven programs that will help return employees to their jobs quickly and safely, and increasingly, an emphasis on mental and behavioral health needs.

SHARED CHALLENGES

According to the United Nations, about 1.3 billion workers worldwide are employed at businesses, corporations or government entities (another 1.6 billion work in the informal global economy). While the world's employers and their needs are diverse, there are universal commonalities. A high number of



employers today are facing an increasingly competitive field when it comes to hiring and retaining talent. Many positions, like those in skilled manufacturing, technology and sales, remain unfilled. As a result, a growing number of businesses face an unprecedented shortage of workers.

And that's where solid workforce absence management factors in, in a big way. How people are treated when they are ill — specifically by their frontline managers — can be a factor in recruitment. A check of online global workplace reviews reveals frequent comments from employees with negative experiences when ill or on leave; you can be sure potential employees are checking out these sites as well. Companies with flexible leave policies and active support for life events are often chosen by sought-after employees.

Of course, leave programs vary significantly by country, industry and company. Some businesses offer rich leave policies; others, often because of government regulations, do not. According to 2016 data from UNICEF, Sweden, Norway, Iceland, Estonia and Portugal rank highest for family-friendly policies (e.g., duration of family leave with full pay) within the Organization for Economic Cooperation and Development (OECD) and European Union (E.U. countries). Conversely, Switzerland, Greece, Cyprus, the United Kingdom and Ireland are among the lowest-ranking countries.

"Estonia offers mothers the longest duration of leave at full pay at 85 weeks, followed by Hungary (72 weeks) and Bulgaria (65 weeks). The United States is the only country included in the analysis with no national paid leave policy for mothers or fathers." Report - *Are the World's Richest Countries Family Friendly?* UNICEF, 2019

As every country has distinct regulations and guidelines, there is no one-size-fits-all solution for global workforce absence management. The process is especially arduous in places where frontline managers must track absence data and personnel manually, in addition to their many other responsibilities. This can lead to poor communication with workers, a lack of follow-up to engage in return to work outreach, and fewer insights into short- and long-term staffing needs. It also puts organizations at risk for lapses in compliance.

EXPERIENCE OF EMPLOYERS IN U.S. CAN BENEFIT GLOBAL EMPLOYERS

Each of the 50 states has its own unique laws governing the workforce absence management process, plus rules from the federal government, unions and payers, not to mention separate laws on short- and long-term disability. The U.S. understands the complexity of workforce absence management and, as a result, has insights to share. Features of successful U.S. workforce absence management programs that have relevance on a global basis include:

▪ **Return to work accommodations**

- Transitional work placements and job modifications help accommodate employees who may not be able to return to their previous position after their leave ends by finding other roles where they can provide value.

▪ **Close collaboration with clinicians and care coordinators**

- Experienced providers and care managers look at both the needs of the organization and the physical and mental health of the employee to determine what open position at the company is most appropriate.



- **Proven technology with the flexibility and embedded insights to meet organizational needs**

- Optimal workforce absence management technology connects stakeholders and communicates critical information promptly (e.g., how long the employee has been out, when they will return to work). Technology must be configurable and adaptable by countries and the rules of the corporation. Technology can also help by automating tasks like scheduling, reporting and planning.

To help busy frontline managers track leaves, consider adopting technology that offers an interactive web-based portal. Managers can view their employees' claims to see who is off and confirm return to work at any time, making planning and budgeting simple and more efficient. Employees can use the portal to obtain notifications about key claim events, confirm return to work dates and get answers to other questions they may have.

- **Employee engagement and communication**

- Periodically engaging with employees on leave — even with a simple email or text — helps them to remain connected, encourages them on their road to wellness and ensures they are prepared to return to work.

- **Genuine empathy and caring for the employee's personal situation**

- While sending an email wishing a coworker well is important, it must also be authentic. Empathy can't be mandated, but it can be modeled and encouraged. Support frontline managers so they have the tools and guidance needed to show compassion and care to their colleagues on leave.

- **Strong training and education programs for managers and other key staff**

- Ongoing education can ensure department heads and managers understand their role, how to lessen strain and additional work on other staff, the importance of regulatory compliance, and how to seamlessly and efficiently manage the leave process.

- **Rigorous emphasis on compliance**

- For multinational corporations, the right technology can help support compliance efforts with automated system prompts and reminders if there are specific actions to take or reports to file.

MENTAL HEALTH PROGRAMS ARE VITAL TO WORKFORCE ABSENCE MANAGEMENT

Industry experts and public health leaders have been steadily more vocal in stating that strong workforce absence management begins with good employer-sponsored mental health programs. It's not simply a trend; it is crucial as employees worldwide struggle to manage demands of a global marketplace and the ongoing impact of a historic pandemic.

A recent study from the U.K. reported a 24% increase in depression since the start of the pandemic. In the report, the Center for Workplace Mental Health noted:

"Nearly half (48%-50%) of [costs related to anxiety and depression] are attributed to the workplace, including absenteeism (missed days from work) and presenteeism (reduced productivity while at work), whereas 45%-47% are due to direct medical costs (e.g., outpatient and inpatient medical services, pharmacy costs), which are shared by employers, employees, and society."

And the costs are significant. In the U.S. alone, the cost of major depression (MDD) within the past year rose to \$210.5 billion. All told, the total economic burden of MDD globally is now estimated to be \$1 trillion U.S. dollars. No matter where an organization is located, effective workforce absence management programs today must include a mental health component.



THE TIME TO FOCUS ON WORKFORCE ABSENCE MANAGEMENT IS NOW

The future of the global marketplace remains in constant flux. There are many challenges. It's a complex task, but it's one every organization must undertake; without a strong and healthy workforce, employers, countries and individuals won't succeed.

The talent war is global, as is the need to address the mental health of a workforce battered by a pandemic. To effectively manage the needs of today's workforce, there's a need for better programs, better technology, better focus on core problems and for true compassion and care for what employees on leave may face.

Workforce absence management technology checklist

Look for technology that offers the following features:

- Tracking of employee leave status, including estimated return to work dates
- Data coordination of basic employee information, address, contact info, job role
- Dashboard reporting for managers as well as detailed reporting when needed
- Up-to-date database on country-specific leave rules
- Streamlined absence reporting so that frontline managers don't have to take on that time-consuming responsibility
- Customization and configurability by country and business unit to ensure specific rules and requirements are met

RESOURCES

Nearly half of global workforce at risk as job losses increase due to COVID-19: UN labour agency. UN News. April 28, 2020. <https://news.un.org/en/story/2020/04/1062792>

Sweden, Norway, Iceland, Estonia and Portugal rank highest for family-friendly policies in OECD and EU countries. UNICEF press release. June 12, 2019. <https://www.unicef.org/press-releases/sweden-norway-iceland-and-estonia-rank-highest-family-friendly-policies-oecd-and-eu>

Are the World's Richest Countries Family Friendly? Family-friendly policies report. UNICEF. 2019. <https://www.unicef-irc.org/family-friendly>

Study shows pandemic increased global depression and anxiety levels. Diabetes.co.uk. April 6, 2021. <https://www.diabetes.co.uk/news/2021/apr/study-shows-pandemic-increased-global-depression-and-anxiety-levels.html>

Center for Workplace Mental Health. <https://www.workplacementalhealth.org/>

Investing in treatment for depression and anxiety leads to fourfold return, World Health Organization news release, April 13, 2016. <https://www.who.int/news/item/13-04-2016-investing-in-treatment-for-depression-and-anxiety-leads-to-fourfold-return>

CASE STUDY

Pilot program: How Sedgwick rolled out a global workforce absence management solution – starting with our own Ireland- based colleagues

OVERVIEW

In Ireland, absence has traditionally been managed by either in-house human resources departments or by insurers. Sedgwick recognized an opportunity to fine-tune workforce absence management here, modeling the solution we've long offered in the United States.

CHALLENGES

The Sedgwick brand is recognizable worldwide — though in Ireland, we're known mostly for our work in the loss adjusting vertical. So while we didn't have the challenges of introducing a new brand, we did have to figure out how to introduce a new concept, and reacquaint ourselves with a new swath of clients who may have viewed us in a particular light.

We needed organizations to recognize that outsourcing their absence management to Sedgwick's experts — nurses, physicians, consultants — means more employees returning to work, and doing so more quickly.

And we needed to make sure our propositions are right for each territory: the team, the coverage, the management. Localizing the solution meant understanding the nuances of a particular area's language and terminology, how legislation differs across territories (much as it does across states), which rules we have to comply with when managing absenteeism and more.

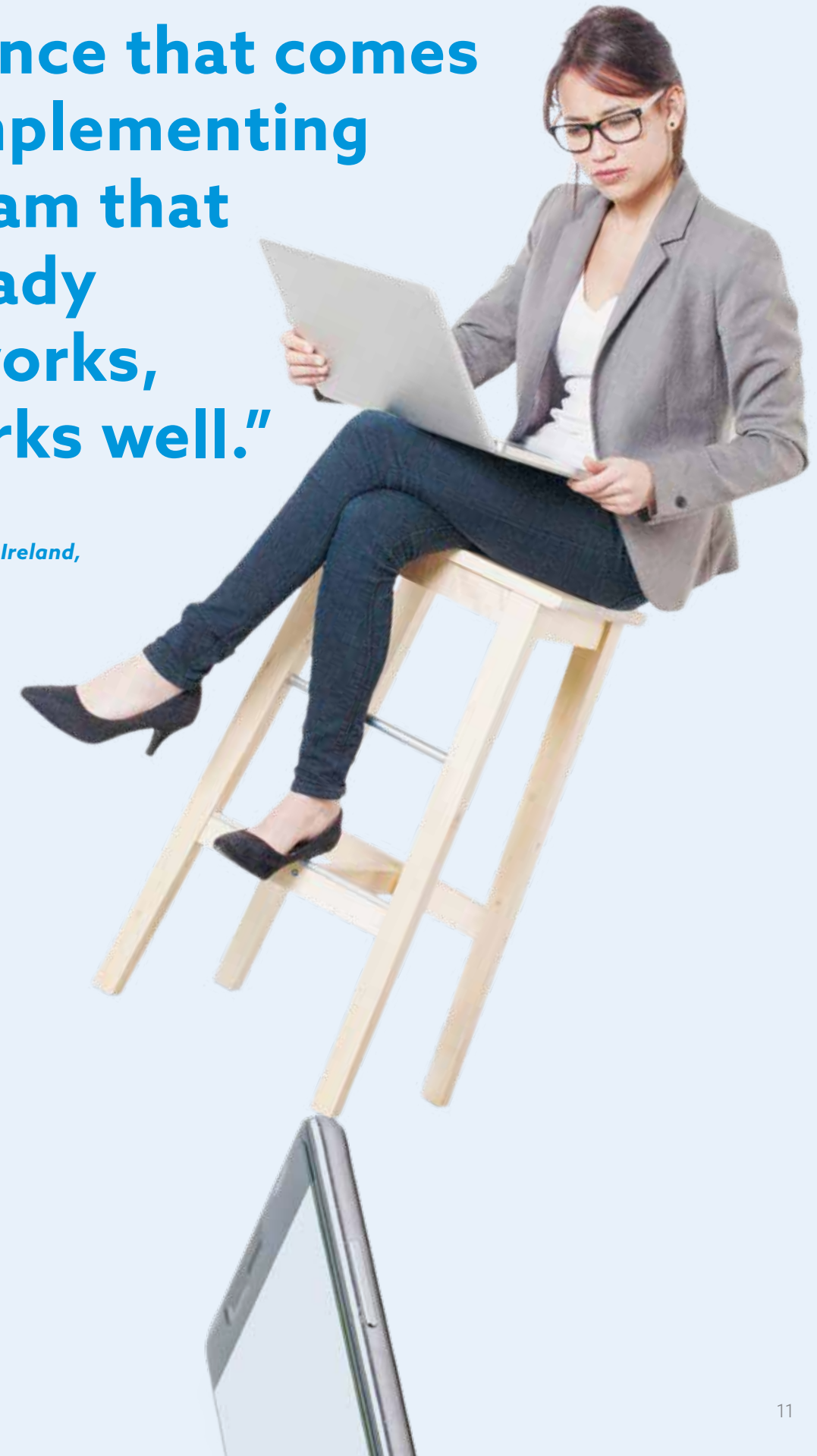
Approach

- **Follow the blueprint.** Because Sedgwick's workforce absence management solutions in the U.S. have been tried, tested and proven successful, we were lucky enough in Ireland to not be starting from scratch. The internal pilot would allow us to look at local policies and processes, and to apply the operational model that best fits the culture, style, market, etc. for each territory.
- **People first. Tech forward.** Access to Sedgwick's innovative technology means we have a system that allows us to efficiently manage claims, generate reports, provide analysis — as outsource providers, we have a tremendous amount of marketplace information to draw from.

But where technology gives us speed and efficiency, it's really here to support our people — the true caregivers. Our clients, in any line of business, expect a certain standard from Sedgwick. By supporting our expert team of people with state-of-the-art technology, we're giving our clients what they deserve, want and expect from Sedgwick. As Ruth explains, "We call it 'the blue hue' here in Ireland, and it means that everything we do is client- and

"There's a lot of confidence that comes from implementing a program that we already know works, and works well."

RUTH LEGGETT
*chief executive officer, Ireland,
Sedgwick Global*



customer-focused. We're in the business of resources; technology assists us, but it'll never lead the way like our people can."

By understanding how legal regulations support both employees and employers, we are well positioned to get the proposition right, and all the contributing factors that will ensure the product we're offering is the best one for both the employee and the employer.

WHAT'S WORKING

As we near the end of the pilot program, what we're seeing most is, quite simply, more active management of not just claims, but employees. Where before the environment often meant a case was "being managed" through monthly check-ins, we're instead seeing cases receiving day-to-day attention. This is directly leading a quicker return to office for employees.

More dedicated resources means that absence management is being given the time it deserves, rather than being something on a long list of tasks for an already stretched-thin frontline manager. And when the right resources are in place — experts who are trained specifically on how best to handle the complex reasons behind so many workforce absences — those managers can devote themselves to what they do best, whether that's managing a team, leading operations, etc. When you've got someone who is trained in absence specifically, you get both the empathy and the expertise so critical to providing the best care possible.

What we've done successfully with the pilot in Ireland is to more thoroughly understand what workforce absence management is, and to translate that into a product that will make sense for our clients here.

WHAT'S NEXT

There's no reason that what has worked so well in the U.S., and is working so well here in Ireland, won't succeed around the world. Every country has employees, every country has absence to deal with, and every absence comes with a cost. As there are here, there will be variances everywhere; Sedgwick's ability to manage those differences on a global scale means employers will have the best chance at getting employees back to work as quickly and safely as possible.