# HOW COMPETITION FOR TALENT IS DRIVING CHANGES IN ABSENCE MANAGEMENT

Absence management practices are evolving for several reasons, but perhaps none more important than the competition for talent. HUB International's 2023 Workforce Absence Management Survey highlights the forces prompting changes to organizations' absence management policies during the past two years, including the battle to recruit and retain employees.

MAKING ABSENCE MANAGEMENT A COMPETITIVE TOOL

Percentage of employers who say **they need to make leave policies "more competitive"** for recruiting and retention:

- 40% — 2021[1]
- 48% — 2023
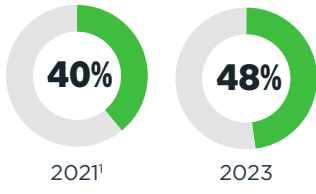
Respondents who have **expanded certain types of leave to be more competitive:**

- 70% — Paid Parental Leave
- 59% — Paid Time Off
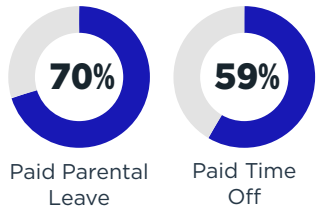
REMOTE/HYBRID WORK BECOMES A FULL-TIME GIG

53% Of respondents *allow hybrid work arrangements and some remote work*

73% Of organizations that allow telecommuting say *employees are as effective as those in the office*

50% Of organizations that require employees to work on site, *half mandate employees return five days a week*
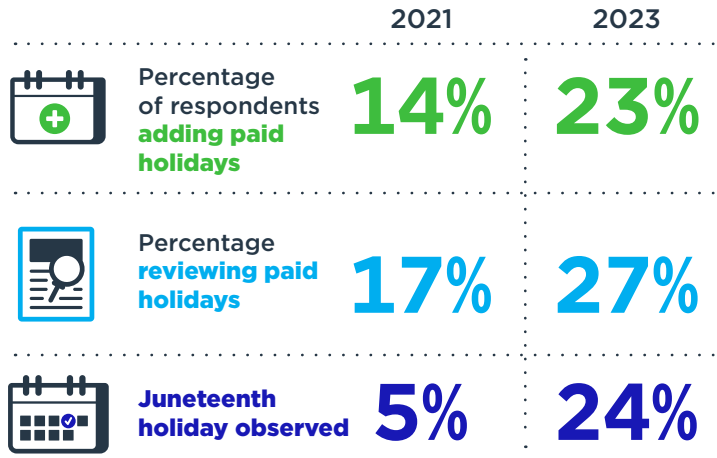
PAID PARENTAL LEAVE EXPANDS

More than one-third of respondents increased their paid parental leave, while 64% made no changes.

Why did those employers increase leave?

- **72%** — To take better care of employees
- **52%** — To be more competitive in retaining employees
- **40%** — Because employees are asking for paid parental leave

MORE ORGANIZATIONS ADD PAID HOLIDAYS

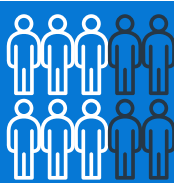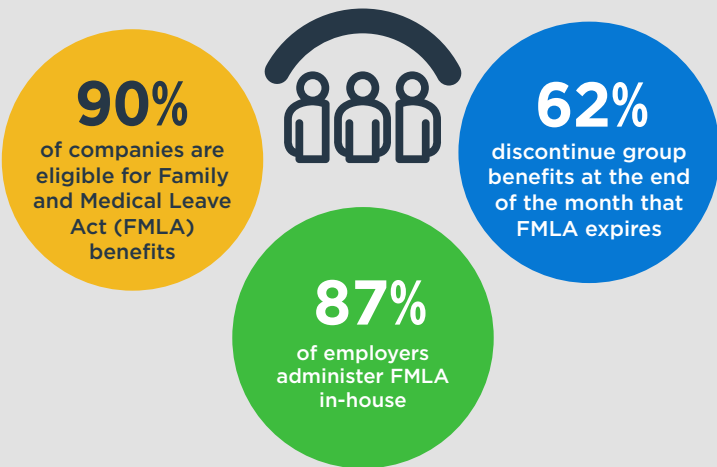|	2021	2023
Percentage of respondents **adding paid holidays**	14%	23%
Percentage **reviewing paid holidays**	17%	27%
Juneteenth holiday observed	5%	24%

MORE PAID TIME OFF AS WELL

23% of organizations changed paid time off (PTO) programs and, of those, **56% increased PTO provided.**

Nearly six in 10 increased PTO to be more competitive in recruiting and retention.

FMLA REMAINS A CONSTANT ACROSS ORGANIZATIONS

90% of companies are eligible for Family and Medical Leave Act (FMLA) benefits

62% discontinue group benefits at the end of the month that FMLA expires

87% of employers administer FMLA in-house

5 KEY STEPS TO IMPROVE ABSENCE MANAGEMENT

A focus on compliance and competitive positioning will provide employers a sustainable business advantage. Here are key steps to do so:

1. **Ensure absence management policies align with HR goals.** Review leave of absence policies to determine if those policies are driving success.

2. **Benchmark absence programs to relevant organizational matches** with similar recruiting and retention goals.

3. **Check the readability of your absence management policies.** Ensure clarity to turn absence programs into powerful retention tools.

4. **Precedent matters**; exceptions can unintentionally force policy changes.

5. **A holistic benefits strategy encompasses everything from PTO to health and wealth benefits.** Data and analytics can help you get the most out of your programs.

[1] From HUB International's 2021 Workforce Absence Management Survey.

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