A Research Report by the Society for Human Resource Management (SHRM)

Total Financial Impact of Employee Absences Across the United States, China, Australia, Europe, India and Mexico

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Introduction

Purpose of Survey

The Total Financial Impact of Employee Absences Survey, produced in collaboration with and commissioned by Kronos Incorporated, was designed to measure both the direct and indirect costs of employee absences, including costs associated with payroll, replacement workers, overtime and productivity loss. The survey was administered in several countries, resulting in data for five countries and one region: United States, China, Australia, India, Mexico and the Europe region.

Table 1. Number of Respondents by Country and Europe

United States	733
China	132
Australia	120
Europe*	120
India	94
Mexico	81

n = 1,280.

* Estimates for the Europe region include responses from organizations in Belgium, France, Germany, the Netherlands, Spain and the United Kingdom.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

It is pertinent that processes used to track employee absences and their costs include both direct and indirect costs of absences, such as wages/salaries, the cost of replacement workers and overtime, and productivity loss (e.g., co-worker productivity loss when filling in for an absent employee). The more accurately employee absences are tracked and managed, the more effectively organizations can monitor, plan and budget for this expense. Although it may be difficult for organizations to track these costs, the impact to the bottom line of the business can be substantial, making it pertinent that organizations have a strategy to effectively track the costs associated with employee absence.

This study identified the various costs associated with employee absences, including direct and indirect costs to organizations for unplanned, planned and extended paid time off. Direct costs, including wages/salary earned during an employee absence, overtime costs and replacement worker costs, were calculated as a percentage of total payroll. Indirect costs due to lower productivity of replacement workers, and productivity loss of co-workers and supervisors, were also determined. Methods organizations use to track employee absences and their accuracy are also discussed.

Definition of Terms

For the purpose of this research, employee absences were defined as paid days off offered per full-time employee in 2013, including 1) vacation and personal time off, 2) sick time off, 3) paid time off (PTO) (U.S. only) and 4) other paid time off, such as bereavement, parental and civic needs. Costs associated with unpaid time off, including those associated with the Family and Medical Leave Act (FMLA), are not included in the calculations.

Key Findings

The *average rate of paid time off*, including 1) vacation and personal time off, 2) sick time off, 3) paid time off (PTO) (U.S. only) and 4) other paid time off, such as bereavement, parental and civic leave offered to employees, a key driver of the cost of employee absences, ranged from 6.7% in China to 11.7% in Europe.

The *direct costs (i.e., wage/salary)* of paid time off offered as a percentage of payroll in 2013 ranged from 6.3% in China to 12.3% in Europe. Although this value could not be calculated for India and Mexico due to a low response count for annual base salaries (n < 25), we can infer the values are roughly equivalent to the average rate of paid time off for the respective countries (10.9% and 7.3%, respectively).

Overtime, another driver of the direct costs of employee absences, was used to cover 20% to 47% of employee absences in 2013, with the lowest rate among responding organizations in China and the highest rate among responding organizations in the United States.

Replacement workers, including temporary workers, outside contractors or other additional workers (excluding existing employees), were used by 30% to 73% of responding organizations to provide coverage for at least some employee absences in 2013. Responding organizations in Mexico were the least likely to report using replacement workers to cover employee absences (30%), and the United States and Europe tended to be the most likely to report using replacement workers (69%-73%).

The total cost of paid time off as a percentage of payroll, when accounting for both direct and indirect costs, ranged from 20.9% to 22.1% in the United States, 32.8% to 34.0% in Australia and 36.3% to 38.3% in Europe.

Average productivity loss due to replacement workers, an indirect cost of employee absence, ranged from 19.9% in Australia to 31.1% in the United States. Perceived co-worker productivity loss ranged from 24.0% in Europe to 40.3% in Mexico, and perceived supervisor productivity loss ranged from 15.7% in the United States to 26.0% in Mexico.

The *annual expense for organizations to comply with administering FMLA leave* is another expense organizations in the U.S. (that are required to comply with the FMLA[1]) must take into consideration when determining the cost of employee absence. More than one-quarter (27%) of U.S. respondents indicated the annual cost of administering FMLA leave for the overall organization (including dedicated staff time, outsourcing expenses, legal support, internal audits, etc.) was between $10,000 and $19,999. Roughly one-fifth (21%) indicated the annual cost was between $20,000 and $49,999; 9% reported the annual cost is $100,000 or more.

Productivity Loss

Employee absences inevitably lead to productivity loss, whether due to replacement workers who are not familiar with the role they are filling, co-workers who are less productive on their "regular" work because they are filling in for an absent employee, and supervisors who must spend time dealing with employee absences (e.g., adjusting workflow, obtaining replacements). Indirect costs resulting from productivity loss tend to be more challenging to calculate due to the subjective nature involved in assessing the productivity of an employee. Nevertheless, productivity loss can be costly and should be taken into consideration when planning and budgeting for employee absence.

Unplanned absences were likely to lead to the greatest perceived productivity loss compared with *planned* and *extended* absences across all countries and Europe, except China. In addition, the United States and India tended to perceive higher productivity loss due to replacement

workers for all three types of absences compared with Australia, China, Europe and Mexico. Respondents in Mexico tended to perceive the highest co-worker and supervisor productivity loss during a "typical absence day"[2] compared with the other countries/region studied.

Unplanned absences led to the **greatest perceived productivity loss** compared to planned and extended absences across all countries and the Europe region, except China.

TABLE 2. Productivity Loss Due to Employee Absences

	U.S.	China	Australia	Europe	India	Mexico
Productivity loss due to replacement worker, by type of absence						
Unplanned absence	36.6%	26.0%	26.0%	31.6%	35.5%	31.4%
Planned absence	22.6%	17.8%	15.2%	15.2%	18.4%	14.3%
Extended absence	34.0%	32.8%	18.4%	21.4%	34.0%	25.6%
Average productivity loss	31.1%	25.5%	19.9%	22.7%	29.3%	23.8%
n	*277-284*	*64-65*	*75*	*70-73*	*63-64*	*60*
Co-worker productivity loss						
"Typical" absence	29.5%	27.3%	34.3%	24.0%	26.8%	40.3%
n	*438*	*122*	*83*	*95*	*84*	*72*
Supervisor productivity loss						
"Typical" absence	15.7%	17.7%	18.2%	17.0%	23.8%	26.0%
n	*420*	*111*	*84*	*87*	*82*	*65*

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence. Differences may not be statistically significant.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Respondents were asked several questions on the impact of employee absences, including their perceived impact on overall productivity and revenue. Across all countries and Europe, two-thirds to three-quarters of respondents indicated they perceived employee absences to have a "moderate" to "large" impact on productivity and revenue, except for China, where fewer respondents (about one-half) were likely to indicate a "moderate" to "large" impact.

Respondents were also asked to identify other effects of unplanned absences—other than productivity loss. "Adds to workload" and "disrupts work of others" were among the top three cited perceived effects of *unplanned* absences. However, for China, respondents tended to cite "penalizes or reflects badly on all in the group or team" or "reduces quality of work output" among their top three cited perceived effects of *unplanned* absences in addition to "adds to workload."

Table 3. Other Effects of Unplanned Absences

	U.S.	China	Australia	Europe	India	Mexico
Adds to workload	**69%**	**57%**	**75%**	**77%**	**64%**	**67%**
Increases stress	**61%**	31%	**54%**	**51%**	**47%**	48%
Disrupts work of others	**59%**	45%	**55%**	**62%**	**65%**	**78%**
Hurts morale	48%	32%	31%	36%	19%	28%
Reduces quality of work output	40%	**48%**	36%	32%	45%	47%
Adds mandatory overtime	29%	27%	38%	30%	35%	**49%**
Requires additional training	20%	27%	22%	16%	24%	22%
Penalizes or reflects badly on all in the group/team	19%	**52%**	17%	28%	26%	25%
n	*512*	*132*	*110*	*118*	*94*	*81*

Note: Percentages do not total to 100% due to multiple response options. Bolded percentages represent the respective country's/region's top three cited perceived effects of unplanned absences. Differences may not be statistically significant.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Attendance Policies and Tracking Employee Absences

The vast majority of organizations across all countries and Europe tracked the number of employee absences, with the United States appearing to be slightly less likely to track employee absences than the other countries/region studied. Similarly, although the majority of responding organizations across all countries and Europe indicated their organization had formal, written attendance policies in place, the United States tended to report a lower percentage of organizations with formal, written attendance policies in place.

About three-fifths of responding organizations indicated their employees requested time off by submitting a written request using a form or by e-mail across all countries and Europe, except for India, where less than one-half indicated the same. About one-third of responding organizations indicated they used automated third-party software to track employee time and attendance, except in Australia and Mexico, where use appeared to be slightly higher (about one-half); one-quarter to two-fifths of responding organizations indicated they used an integrated system as a component or module of an HR information system (HRIS), with use of this technology appearing to be slightly higher in the United States and India than in the other countries/region studied.

See page 47 for a summary of what these findings mean for organizations.

About three-fifths of responding organizations indicated their employees requested time off by submitting a written request using a form or by e-mail across all countries and the Europe region, except for India, where less than one-half indicated the same.

TABLE 4. Attendance Policies and Tracking Employee Absences

Attendance Policies						
	U.S.	China	Australia	Europe	India	Mexico
Formal, written attendance policies in place	58%-71%	80%-95%	70%-84%	70%-82%	68%-83%	68%-78%
Individual departments have their own informal policies/rules	10%-23%	3%-12%	6%-15%	6%-11%	0%-8%	8%-13%
No policy	12%-32%	3%-8%	10%-14%	8%-21%	13%-25%	10%-25%
n	*150-216*	*104-110*	*86-106*	*92-99*	*66-84*	*63-72*
Person Responsible for Enforcing Attendance Policies						
	U.S.	China	Australia	Europe	India	Mexico
Direct supervisor	57%	25%	69%	44%	23%	22%
A department manager (if not the same as direct supervisor)	35%	22%	17%	23%	12%	23%
HR staff	7%	49%	9%	26%	60%	50%
Other	0%	2%	3%	4%	5%	5%
Organization does not enforce attendance	1%	2%	2%	2%	0%	0%
n	*225*	*127*	*108*	*115*	*93*	*78*
How Employees Request Time Off						
	U.S.	China	Australia	Europe	India	Mexico
Written request using a form or by e-mail	66%	62%	61%	58%	45%	63%
Submit electronic request using time-keeping system	24%	28%	29%	28%	45%	14%
Verbal request	9%	5%	5%	11%	5%	23%
Other	1%	6%	6%	3%	4%	0%
n	*225*	*127*	*108*	*115*	*93*	*78*
Tracking the Number of Employee Absences						
	U.S.	China	Australia	Europe	India	Mexico
Percentage of organizations that track employee absences	83%	99%	95%	96%	98%	95%
n	*692*	*119*	*86*	*104*	*84*	*69*
System/Process Used to Track Employee Absences						
	U.S.	China	Australia	Europe	India	Mexico
Integrated system as a component or module of an HR information system*	35%	23%	29%	30%	41%	26%
Automated third-party software with terminals or web entry	29%	32%	48%	38%	36%	51%
Home-grown system	20%	18%	6%	12%	10%	10%
Manual spreadsheets	8%	19%	7%	17%	7%	4%
Manual paper timesheets or punch cards	8%	8%	10%	3%	6%	8%
n	*240*	*119*	*94*	*106*	*87*	*72*

* i.e., a workforce management solution

Note: Percentages may not total 100% due to rounding. Differences may not be statistically significant.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Cost of Absence

Direct Costs of Paid Time Off

Wages/salaries

To determine the average rate of paid time off among responding organizations, the survey assessed the following for one calendar year: total number of paid days off offered to full-time employees[3] and the total number of workdays.[4] This information, along with data on annual base salaries, was used to determine the direct cost of total paid time off as a percentage of payroll and the direct cost of paid sick time as a percentage of payroll.

Overtime

When employees are absent, co-workers and supervisors may be required to work overtime to cover for employee absences. In the United States, in accordance with the Fair Labor Standards Act (FLSA), nonexempt employees are entitled to overtime pay equivalent to time and a half for any hours worked in excess of 40 in one workweek.[5] In India, the required overtime rate is 200% of the ordinary hourly wage.[6] Similarly, other countries and Europe reported higher rates of pay for employees working overtime. Given the additional expense of overtime, this is an important factor to consider when strategizing on how to cover employee absences.

Replacement costs

Replacement costs refer to costs associated with using temporary workers, outside contractors or other additional workers (excluding existing employees) to provide coverage for employee absences. A previous SHRM study on contingent workers was used to determine the ratio of the use of replacement workers based on the type of (absent) employee.[7] This study found that the highest percentage of contract or temporary workers was used to cover absences of employees eligible for overtime (75%). The percentage of absences covered by replacement workers was based on the percentage of absences covered by overtime and the percentage of employees represented who were eligible for overtime.

Total direct costs of paid time off

The total direct costs of paid time off as a percentage of payroll were calculated by summing three costs associated with employee absence (wages/salaries, cost of overtime and cost of replacement workers) and dividing this value by the total payroll for full-time employees in the organization:

$$\frac{\text{(Cost of payroll* + Cost of overtime + Cost of replacement workers)}}{\text{Total payroll for full-time employees in the organization}}$$

*Base salaries/wages.

Indirect Costs Of Paid Time Off

Employee absences are linked to lowered organizational productivity, an indirect cost that must be accounted for to calculate an accurate total cost of absences. The impact of employee absences on productivity and revenue was measured using several survey items, including productivity loss due to replacement by type of absence, co-worker and supervisor productivity loss during a "typical" absence, an overall question on the impact of absences on organizational productivity and revenue, and the number of hours individuals in supervisory positions spent dealing with absences. Responding organizations were also asked to identify other effects of unplanned absences on their organization (e.g., decreased morale) (see Table 3).

Indirect costs of absences are typically attributed to three types of productivity loss: possible lower productivity of a replacement worker (e.g., a temporary worker covering for an absent employee may not be as familiar with technology used and will therefore be less productive), co-worker productivity loss (e.g., a manufacturing employer may experience a domino effect as the entire line is slowed when a co-worker is less productive due to added responsibilities during another employee's absence), and supervisor productivity loss (e.g., supervisors are key to maintaining safety, quality and productivity of their reports; when they are in a back office obtaining replacements or adjusting workflow, their overall productivity suffers). Three types of absences were considered to calculate indirect costs due to productivity loss: 1) unplanned incidental absences of up to five business days (sick, bereavement, parental or civic time off), 2) planned absences of up to five business days (vacation or personal time off), and 3) extended absences of more than five business days.

United States

United States: Direct costs of paid time off as a percentage of payroll

Wages/salary costs. The average total number of workdays reported by organizations was 289.[8] The average rate of paid time off offered by organizations, including 1) vacation and personal time off, 2) sick time off, 3) paid time off (PTO) and 4) other paid time off, such as bereavement, parental and civic leave, as a percentage of total workdays across all of the organizations surveyed was 8.1%,[9] whereas the average rate of paid sick time off was 3.5%.[10,11] The direct cost (i.e., wage/salary) of all employee paid time off offered in 2013 as a percentage of payroll was 8.1%,[12] whereas the direct cost of paid sick time off offered as a percentage of payroll was 3.2%.[13]

In the United States, the direct cost (i.e., wages/salaries) of paid time off offered as a percentage of payroll was 8.1%, the cost of overtime was 5.7% as a percentage of payroll, and the cost of replacement workers was 1.6%.

Overtime costs. About four-fifths (82%[14]) of responding organizations indicated they had employees work overtime as a way to provide coverage for at least some employee absences. In 2013, overtime was used to cover 47% of employee absences,[15] with the average overtime rate as a percentage of the ordinary hourly wage reported being 149%.[16] Using the total number of absences covered by employees in overtime status, the average overtime pay rate and the total payroll, the total cost of overtime due to absences as a percentage of payroll was 5.7%.[17,18]

Replacement worker costs. About two-thirds (69%[19]) of responding organizations indicated their organization used replacement workers to provide coverage for at least some employee absences. Given the finding that employee absences were covered by overtime for 47% of employee absences within the responding organizations and that 70% of the employees in the responding organizations were eligible for overtime (i.e., nonexempt) (see Table 26 in the Respondent Demographics section), the assumption was made that approximately 20% of absences were covered by replacement workers in 2013.[20] Using the total number of absences covered by replacement workers, the average hourly rate for replacement workers ($21[21]) and the total payroll, the total cost of replacement workers as a percentage of payroll was 1.6%.[22] About two-fifths (39%) of responding organizations indicated they typically brought in temporary workers, outside contractors or other additional workers (excluding existing employees) for employee absences of at least two weeks; about one-fifth indicated they typically brought in replacement workers for absences that were at least one month (17%) or at least two months (19%).[23]

Total direct costs. When accounting for the direct costs of wages/salaries, overtime and replacement workers, the total direct cost of employee absences among responding organizations was 15.4% as a percentage of payroll (see Table 5).

Table 5. Direct Costs of Absence as a Percentage of Payroll

All paid time off (n = 277)	8.1%
Overtime costs (n = 277)	5.7%
Replacement workers (n = 148)	1.6%
All direct costs	15.4%

United States: Indirect costs of paid time off as a percentage of payroll

Productivity loss due to replacement workers by type of absence. When a replacement worker was used to cover an employee absence, he or she was, on average, 31.1%[24] less productive than the employee being replaced (between 22.6% and 36.6%[25] less productive depending on the type of employee absence) (see Table 6).[26]

Table 6. Types of Productivity Loss Measured

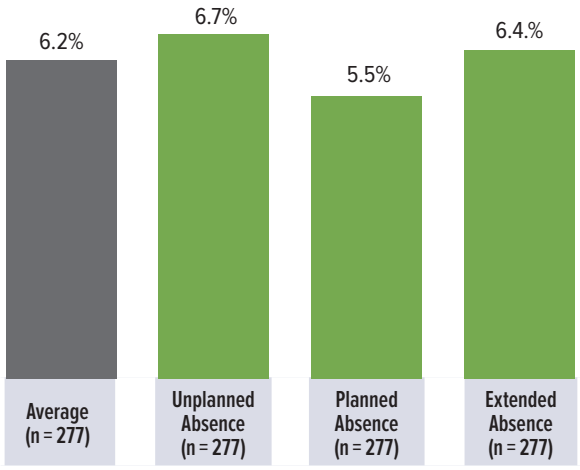
Productivity loss due to replacement worker	
Unplanned absence (n = 284)	36.6%
Planned absence (n = 284)	22.6%
Extended absence (n = 279)	34.0%
Average productivity loss (n = 277)	31.1%
Co-worker productivity loss (n = 438)	
29.5%	
Supervisor productivity loss (n = 420)	
15.7%	

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Co-worker and supervisory productivity loss due to a "typical" absence. On average, co-workers were perceived to be 29.5% less productive when providing coverage for a "typical" employee absence, and supervisors 15.7% less productive (see Table 6).[27]

Total cost of productivity loss as a percentage of payroll. On average, the total cost of productivity loss as a percentage of payroll was 6.2%,[28] depending on the type of employee absence (see Figure 1).

Figure 1. Total Cost of Productivity Loss as a Percentage of Payroll (United States)



Note: Total cost of productivity loss as a percentage of payroll (indirect costs of absences) was calculated using productivity loss due to replacement worker by the type of absence, co-worker productivity loss, supervisor productivity loss, overall average rate of paid time off and payroll.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

United States: Total costs as a percentage of payroll

When considering both the direct and indirect costs of paid time off, the total cost as a percentage of payroll was between 20.9% and 22.1%.

China

China: Direct costs of paid time off as a percentage of payroll

Wages/salary costs. The average total number of workdays reported by organizations was 257.[29] The average rate of paid time off offered by organizations, including 1) vacation and personal time off, 2) sick time off and 3) other paid time off, such as bereavement, parental and civic leave, as a percentage of total workdays across all of the organizations surveyed was 6.7%,[30] whereas the average rate of paid sick time off was 2.7%.[31,32] The direct cost (i.e., wage/salary) of all employee paid time off offered in 2013 as a percentage of payroll was 6.3%,[33] whereas the direct cost of paid sick time off offered as a percentage of payroll was 2.2%.[34]

In China, the direct cost (i.e., wages/salaries) of paid time off offered as a percentage of payroll was 6.3%; the cost of overtime was 2.0% as a percentage of payroll.

Overtime costs. About four-fifths (83%[35]) of responding organizations indicated they had employees work overtime as a way to provide coverage for at least some employee absences. In 2013, overtime was used to cover 20% of employee absences,[36] with the average overtime rate as a percentage of the ordinary hourly wage reported being 157%.[37] Using the total number of absences covered by employees in overtime status, the average overtime pay rate and the total payroll, the total cost of overtime due to absences as a percentage of payroll was 2.0%.[38,39]

Replacement worker costs. Almost one-half (46%[40]) of responding organizations indicated their organization used replacement workers to provide coverage for at least some employee absences. About one-third (35%) of responding organizations indicated they typically brought in temporary workers, outside contractors or other additional workers (excluding existing employees) for employee absences of at least two months; one-fifth (20%) indicated they typically brought in replacement workers for absences expected to last at least one month.[41]

Given the finding that employee absences were covered by overtime for 20% of absences within the responding organizations and that 90% of the employees in the responding organizations were eligible for overtime (see Table 26 in the Respondent Demographics section), presumably some absences were covered by replacement workers in 2013, which cost, on average, 17 RMB/CNY[42] per hour. Due to a low response count (n < 25), replacement costs as a percentage of payroll was not reportable (NR).

Total direct costs. When accounting for the direct costs of wages/salaries and overtime, the total direct cost of employee absences among responding organizations was 8.3% as a percentage of payroll (see Table 7).

Table 7. Direct Costs of Absence as a Percentage of Payroll

All paid time off (n = 52)	6.3%
Overtime costs (n = 52)	2.0%
Replacement workers (n < 25)	NR
Direct costs*	8.3%

*Includes payroll and overtimes costs; the cost of replacement workers was not reportable (NR) due to a low response count.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

China: Indirect costs of paid time off as a percentage of payroll

Productivity loss due to replacement workers by type of absence. When a replacement worker was used to cover an employee absence, he or she was, on average, 25.5%[43] less productive than the employee being replaced (between 17.8% and 32.8%[44] less productive depending on the type of employee absence) (see Table 8).[45]

Table 8. Types of Productivity Loss Measured

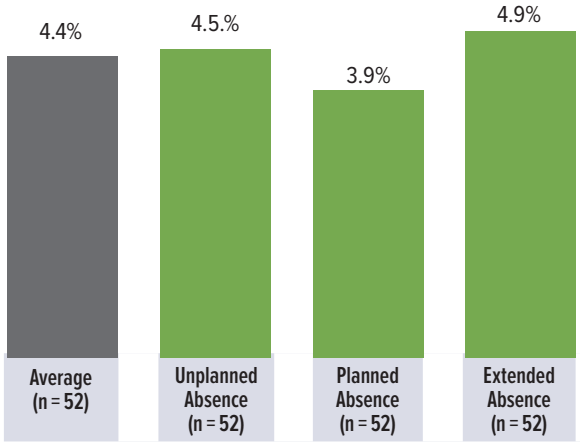
Productivity loss due to replacement worker	
Unplanned absence (n = 65)	26.0%
Planned absence (n = 65)	17.8%
Extended absence (n = 64)	32.8%
Average productivity loss (n = 64)	25.5%
Co-worker productivity loss (n = 122)	
27.3%	
Supervisor productivity loss (n = 111)	
17.7%	

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Co-worker and supervisory productivity loss due to a "typical" absence. On average, co-workers were perceived to be 27.3% less productive when providing coverage for a "typical" employee absence,[46] and supervisors 17.7% less productive (see Table 8).[47]

Total cost of productivity loss as a percentage of payroll. On average, the total cost of productivity loss as a percentage of payroll was 4.4%,[47] depending on the type of employee absence (see Figure 2).

Figure 2. Total Cost of Productivity Loss as a Percentage of Payroll (China)



Note: Total cost of productivity loss as a percentage of payroll (indirect costs of absences) was calculated using productivity loss due to replacement worker by the type of absence, co-worker productivity loss, supervisor productivity loss, overall average rate of paid time off and payroll.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

China: Total costs as a percentage of payroll

When considering both the direct and indirect costs of paid time off, the total cost as a percentage of payroll was between 12.2% and 13.2%.[48]

Australia

Australia: Direct costs of paid time off as a percentage of payroll

Wages/salary costs. The average total number of workdays reported by organizations was 282.[49] The average rate of paid time off offered by organizations, including 1) vacation and personal time off, 2) sick time off and 3) other paid time off, such as bereavement, parental and civic leave, as a percentage of total workdays across all the organizations surveyed was 10.8%,[50] whereas the average rate of paid sick time off was 4.4%.[51,52] The direct cost (i.e., wage/salary) of all employee paid time off offered in 2013 as a percentage of payroll was 10.8%,[53] whereas the direct cost of paid sick time off offered as a percentage of payroll was 3.7%.[54]

In Australia, the direct cost (i.e., wages/salaries) of paid time off offered as a percentage of payroll was 10.8%, the cost of overtime was 6.8% as a percentage of payroll, and the cost of replacement workers was 7.9%.

Overtime costs. About three-quarters (77%[55]) of responding organizations indicated they had employees work overtime as a way to provide coverage for at least some employee absences. In 2013, overtime was used to cover 40% of employee absences,[56] with the average overtime rate as a percentage of the ordinary hourly wage reported being 160%.[57] Using the total number of absences covered by employees in overtime status, the average overtime pay rate and the total payroll, the total cost of overtime due to absences as a percentage of payroll was 6.8%.[58,59]

Replacement worker costs. About three-fifths (62%[60]) of responding organizations indicated their organization used replacement workers to provide coverage for at least some employee absences. Given the finding that employee absences were covered by overtime for 40% of employee absences within the responding organizations and given that 70% of the employees in the responding organizations were eligible for overtime (see Table 26 in the Respondent Demographics section), the assumption was made that approximately 30% of absences were covered by replacement workers in 2013.[61] Using the total number of absences covered by replacement workers, the average hourly rate for replacement workers (45 AUD[62]) and the total payroll, the total cost of replacement workers as a percentage of payroll was 7.9%.[63] About one-third (36%) of responding organizations indicated they typically brought in temporary workers, outside contractors or other additional workers (excluding existing employees) for employee absences of one to three days; one-fifth (20%) indicated they typically brought in replacement workers for absences expected to last four to six days.[64]

Total direct costs. When accounting for the direct costs of wages/salaries, overtime and replacement workers, the total direct cost of employee absences among responding organizations was 25.5% as a percentage of payroll (see Table 9).

Table 9. Direct Costs of Absence as a Percentage of Payroll

All paid time off (n = 44)	10.8%
Overtime costs (n = 44)	6.8%
Replacement workers (n = 27)	7.9%
All direct costs	25.5%

Australia: Indirect costs of paid time off as a percentage of payroll

Productivity loss due to replacement workers by type of absence. When a replacement worker was used to cover an employee absence, he or she was, on average, 19.9%[65] less productive than the employee being replaced (between 15.2% and 26.0%[66] less productive depending on the type of employee absence) (see Table 10).[67]

Table 10. Types of Productivity Loss Measured

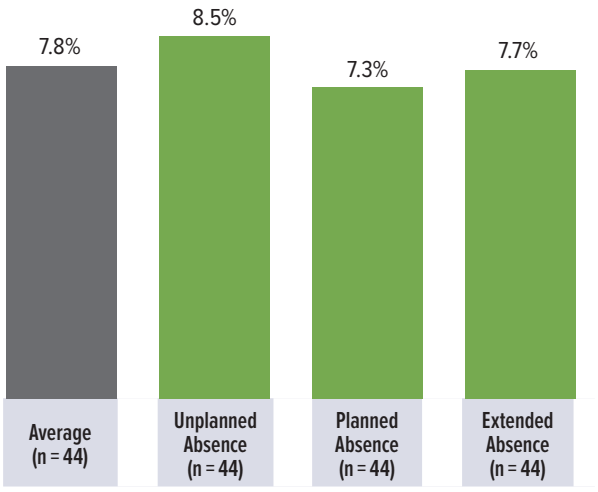
Productivity loss due to replacement worker	
Unplanned absence (n = 75)	26.0%
Planned absence (n = 75)	15.2%
Extended absence (n = 75)	18.4%
Average productivity loss (n = 75)	19.9%
Co-worker productivity loss (n = 83)	
34.3%	
Supervisor productivity loss (n = 84)	
18.2%	

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Co-worker and supervisory productivity loss due to a "typical" absence. On average, co-workers were perceived to be 34.3% less productive when providing coverage for a "typical" employee absence,[68] and supervisors 18.2% less productive (see Table 10).[69]

Total cost of productivity loss as a percentage of payroll. On average, the total cost of productivity loss as a percentage of payroll was 7.8%,[69] depending on the type of employee absence (see Figure 3).

Figure 3. Total Cost of Productivity Loss as a Percentage of Payroll (Australia)



Note: Total cost of productivity loss as a percentage of payroll (indirect costs of absences) was calculated using productivity loss due to replacement worker by the type of absence, co-worker productivity loss, supervisor productivity loss, overall average rate of paid time off and payroll.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Australia: Total costs as a percentage of payroll

When considering both the direct and indirect costs of paid time off, the total cost as a percentage of payroll was between 32.8% and 34.0%.

Europe

Europe: Direct costs of paid time off as a percentage of payroll

Wages/salary costs. The average total number of workdays reported by organizations was 269.[70] The average rate of paid time off offered by organizations, including 1) vacation and personal time off, 2) sick time off and 3) other paid time off, such as bereavement, parental and civic leave, as a percentage of total workdays across all the organizations surveyed was 11.7%,[71] whereas the average rate of paid sick time off was 2.6%.[72,73] The direct cost (i.e., wage/salary) of all employee paid time off offered in 2013 as a percentage of payroll was 12.3%,[74] whereas the direct cost of paid sick time off offered as a percentage of payroll was 2.6%.[75]

In Europe, the direct cost (i.e., wages/salaries) of paid time off offered as a percentage of payroll was 12.3%, the cost of overtime was 6.3% as a percentage of payroll, and the cost of replacement workers was 10.8%.

Overtime costs. About three-quarters (73%[76]) of responding organizations indicated they had employees work overtime as a way to provide coverage for at least some employee absences. In 2013, overtime was used to cover 37% of employee absences,[77] with the average overtime rate as a percentage of the ordinary hourly wage reported being 140%.[78] Using the total number of absences covered by employees in overtime status, the average overtime pay rate and the total payroll, the total cost of overtime due to absences as a percentage of payroll was 6.3%.[79,80]

Replacement worker costs. About three-quarters (73%[81]) of responding organizations indicated their organization used replacement workers to provide coverage for at least some employee absences. Given the finding that employee absences were covered by overtime for 37% of employee absences within the responding organizations and that 89% of the employees in the responding organizations were eligible for overtime (see Table 26 in the Respondent Demographics section), the assumption was made that approximately 50% of absences were covered by replacement workers in 2013.[82] Using the total number of absences covered by replacement workers, the average hourly rate for replacement workers (21€[83]) and the total payroll, the total cost of replacement workers as a percentage of payroll was 10.8%.[84] About one-fifth of responding organizations indicated they typically brought in temporary workers, outside contractors or other additional workers (excluding existing employees) for employee absences of at least one or two months (21% and 19%, respectively); few (9%-16%) indicated they typically brought in replacement workers for absences expected to last less than one month.[85]

Total direct costs. When accounting for the direct costs of wages/salaries, overtime and replacement workers, the total direct cost of employee absences among responding organizations was 29.4% as a percentage of payroll (see Table 11).

Table 11. Direct Costs of Absence as a Percentage of Payroll

All paid time off (n = 39)	12.3%
Overtime costs (n = 39)	6.3%
Replacement workers (n = 30)	10.8%
All direct costs	29.4%

Europe: Indirect costs of paid time off as a percentage of payroll

Productivity loss due to replacement workers by type of absence. When a replacement worker was used to cover an employee absence, he or she was, on average, 22.7%[86] less productive than the employee being replaced (between 15.2% and 31.6%[87] less productive depending on the type of employee absence) (see Table 12).[88]

Table 12. Types of Productivity Loss Measured

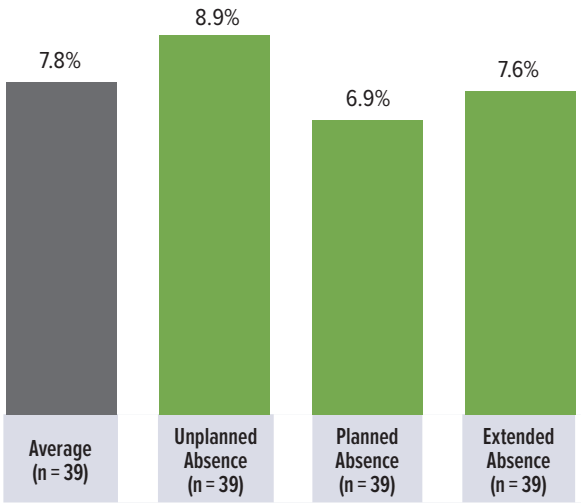
Productivity loss due to replacement worker	
Unplanned absence (n = 70)	31.6%
Planned absence (n = 71)	15.2%
Extended absence (n = 73)	21.4%
Average productivity loss (n = 70)	22.7%
Co-worker productivity loss (n = 95)	
24.0%	
Supervisor productivity loss (n = 87)	
17.0%	

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Co-worker and supervisory productivity loss due to a "typical" absence. On average, co-workers were perceived to be 24.0% less productive when providing coverage for a "typical" employee absence,[89] and supervisors 17.0% less productive (see Table 12).[90]

Total cost of productivity loss as a percentage of payroll. On average, the total cost of productivity loss as a percentage of payroll was 7.8%,[90] depending on the type of employee absence (see Figure 4).

Figure 4. Total Cost of Productivity Loss as a Percentage of Payroll (Europe)



Note: Total cost of productivity loss as a percentage of payroll (indirect costs of absences) was calculated using productivity loss due to replacement worker by the type of absence, co-worker productivity loss, supervisor productivity loss, overall average rate of paid time off and payroll.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Europe: Total costs as a percentage of payroll

When considering both the direct and indirect costs of paid time off, the total cost as a percentage of payroll was between 36.3% and 38.3%.

India

India: Direct costs of paid time off as a percentage of payroll

Wages/salary costs. The average total number of workdays reported by organizations was 281.[91] The average rate of paid time off offered by organizations, including 1) vacation and personal time off, 2) sick time off and 3) other paid time off, such as bereavement, parental and civic leave, as a percentage of total workdays across all the organizations surveyed was 10.9%,[92] whereas the average rate of paid sick time off was 3.2%.[93,94]

The direct cost (i.e., wage/salary) of all employee paid time off offered in 2013 as a percentage of payroll is roughly equivalent to the average rate of paid time off. Although this value cannot be calculated due to a low response count for annual base salaries (n < 25), we can infer that the value is approximately 10.9%; this number is important to many organizations to plan for and control the costs associated with paid time off.

Overtime costs. About one-half (51%[95]) of responding organizations indicated they had employees work overtime as a way to provide coverage for at least some employee absences. In 2013, overtime was used to cover 35% of employee absences.[96] Given the required overtime rate of 200% in India,[97] this is an important expense to consider when strategizing on how to cover employee absences.

Replacement worker costs. About three-fifths (58%[98]) of responding organizations indicated their organization used replacement workers to provide coverage for at least some employee absences. Given the finding that employee absences were covered by overtime for 35% of employee absences within the responding organizations and that 44% of the employees in the responding organizations were eligible for overtime (see Table 26 in the Respondent Demographics section), the assumption was made that approximately 10% of absences were covered by replacement workers in 2013, costing, on average, 33 Indian rupees per hour.

About one-fifth of responding organizations indicated they typically brought in temporary workers, outside contractors or other additional workers (excluding existing employees) for employee absences of one to three days (22%), four to six days (22%) or absences expected to last at least two months (20%).[99]

Total direct costs. The total direct costs of paid time off typically include costs associated with payroll (i.e., base wages/salary), overtime and replacement workers. Due to low response counts (n < 25) to the survey items on average annual base salary or pay by employee type, the total direct cost of employee absences among responding organizations as a percentage of payroll was not reportable (NR).

India: Indirect costs of paid time off as a percentage of payroll

Productivity loss due to replacement workers by type of absence. When a replacement worker was used to cover an employee absence, he or she was, on average, 29.3%[100] less productive than the employee being replaced (between 18.4% and 35.5%[101] less productive depending on the type of employee absence) (see Table 13).[102]

Table 13. Types of Productivity Loss Measured

Productivity loss due to replacement worker	
Unplanned absence (n = 64)	35.5%
Planned absence (n = 64)	18.4%
Extended absence (n = 63)	34.0%
Average productivity loss (n = 63)	29.3%
Co-worker productivity loss (n = 84)	
26.8%	
Supervisor productivity loss (n = 82)	
23.8%	

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Co-worker and supervisory productivity loss due to a "typical" absence. On average, co-workers were perceived to be 26.8% less productive when providing coverage for a "typical" employee absence,[103] and supervisors 23.8% less productive (see Table 13).[104]

Total cost of productivity loss as a percentage of payroll. Due to low response counts (n < 25) to the survey items on average annual base salary or pay by employee type, the total cost of productivity loss as a percentage of payroll was not reportable (NR).

India: Total costs as a percentage of payroll

Due to low response counts (n < 25) to the survey items on average annual base salary or pay by employee type, total cost of employee absences as a percentage of payroll was not reportable (NR).

Mexico

Mexico: Direct costs of paid time off as a percentage of payroll

Wages/salary costs. The average total number of workdays reported by organizations was 289.[104] The average rate of paid time off offered by organizations, including 1) vacation and personal time off, 2) sick time off and 3) other paid time off, such as bereavement, parental and civic leave, as a percentage of total workdays across all the organizations surveyed was 7.3%,[105] whereas the average rate of paid sick time off was 1.8%.[106, 107]

The direct cost (i.e., wage/salary) of all employee paid time off offered in 2013 as a percentage of payroll is roughly equivalent to the average rate of paid time off. Although this value cannot be calculated due to a low response count for annual base salaries (n < 25), we can infer that the value is approximately 7.3%; this number is important to many organizations to plan for and control the costs associated with paid time off.

Overtime costs. Just under two-thirds (64%[108]) of responding organizations indicated they had employees work overtime as a way to provide coverage for at least some employee absences. In 2013, overtime was used to cover 38% of employee absences.[109] Given the average overtime rate of 144%[110] reported by responding organizations, this is an important expense to consider when strategizing on how to cover employee absences.

Replacement worker costs. About one-third (30%[111]) of responding organizations indicated their organization used replacement workers to provide coverage for at least some employee absences. Given the finding that employee absences were covered by overtime for 38% of employee absences within the responding organizations and given that 68% of the employees in the responding organizations were eligible for overtime (see Table 26 in the Respondent Demographics section), approximately 30% of employee absences were likely covered by replacement workers. However, due to a low response count (n < 25) to the survey items on average hourly rate of replacement workers and average annual base salary or pay by employee type, replacement costs as a percentage of payroll were not reportable (NR).

Total direct costs. The total direct costs of paid time off typically include costs associated with payroll (i.e., base wages/salary), overtime and replacement workers. Due to low response counts (n < 25) to the survey items on average hourly rate of replacement workers and average annual base salary or pay by employee type, the total direct cost of employee absences among responding organizations as a percentage of payroll was not reportable (NR).

Mexico: Indirect costs of paid time off as a percentage of payroll

Productivity loss due to replacement workers by type of absence. When a replacement worker was used to cover an employee absence, he or she was, on average, 23.8%[112] less productive than the employee being replaced (between 14.3% and 31.4%[113] less productive depending on type of employee absence) (see Table 14).[114]

Table 14. Types of Productivity Loss Measured

Productivity loss due to replacement worker	
Unplanned absence (n = 60)	31.4%
Planned absence (n = 60)	14.3%
Extended absence (n = 60)	25.6%
Average productivity loss (n = 60)	23.8%
Co-worker productivity loss (n = 72)	
40.3%	
Supervisor productivity loss (n = 65)	
26.0%	

Note: Productivity loss due to replacement worker was calculated by type of absence: an unplanned absence, a planned absence or an extended absence.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Co-worker and supervisory productivity loss due to a "typical" absence. On average, co-workers were perceived to be 40.3% less productive when providing coverage for a "typical" employee absence,[115] and supervisors 26.0% less productive (see Table 14).[116]

Total cost of productivity loss as a percentage of payroll. Due to low response counts (n < 25) to the survey items on average annual base salary or pay by employee type, the total cost of productivity loss as a percentage of payroll was not reportable (NR). However, it is pertinent that productivity loss also be considered when determining the total costs associated with employee absences.

Mexico: Total costs as a percentage of payroll

Due to low response counts (n < 25) to the survey items on average annual base salary or pay by employee type, total cost of employee absences as a percentage of payroll was not reportable (NR).

Additional Effects of Employee Absence on Organizations

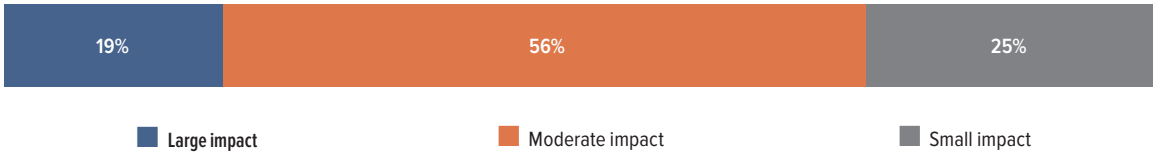
United States

Respondents were also asked to identify other effects of employee absences on their organization. Three-quarters of respondents (75%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue (see Figure 5).[116] In addition to the impact on productivity and revenue, participants were asked to identify other effects of *unplanned* absences (see Table 3). More than two-thirds (69%) indicated unplanned absences added to the workload; about three-fifths said these types of absences increased stress (61%) and disrupted the work of others (59%), and almost one-half (48%) reported unplanned absences hurt morale. In addition, employees with supervisory responsibility spent an average of 4.2 hours per week[117] dealing with absences, including obtaining replacements, adjusting workflow or providing training, which is equivalent to 210 hours, or 5.3 weeks, per year per supervisory employee for organizations that are open 50 weeks per year.

In the United States, three-quarters of respondents (75%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue.

Costs associated with employee benefits should also be considered to effectively manage and budget for employee absences. The average annual cost of employer-sponsored benefits was 26%[118] as a percentage of pay, or $6,843[119] per employee. Many employees were also offered paid holidays, with full-time employees receiving nine paid holidays[120] on average among responding organizations, and part-time employees receiving five paid holidays[121] on average.

Figure 5. Perceived Impact of Employee Absences on Productivity and Revenue (United States)



n = 470.
Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

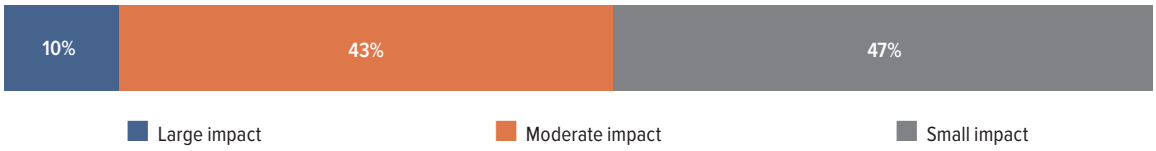
China

More than one-half of respondents (53%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue (see Figure 6).[122] In addition to the impact on productivity and revenue, participants were asked to identify other effects of *unplanned* absences (see Table 3). More than one-half indicated unplanned absences added to the workload (57%) and penalized or reflected badly on the group/team (52%); just under one-half said this type of absence reduced the quality of work output (48%) and disrupted the work of others (45%). In addition, employees with supervisory responsibility spent an average of 2.6 hours per week[123] dealing with absences, including obtaining replacements, adjusting workflow or providing training, which is equivalent to 130 hours, or 3.3 weeks, per year per supervisory employee for organizations that are open 50 weeks per year.[124]

In China, more than one-half of respondents (53%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue.

The average annual cost of employer-sponsored benefits was 25%[125] as a percentage of pay, or 27,331 RMB/CNY [126] per employee. Many employees were also offered paid holidays, with full-time employees receiving 11 paid holidays[127] on average among responding organizations, and part-time employees receiving five paid holidays[128] on average.

Figure 6. Perceived Impact of Employee Absences on Productivity and Revenue (China)



n = 124.
Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

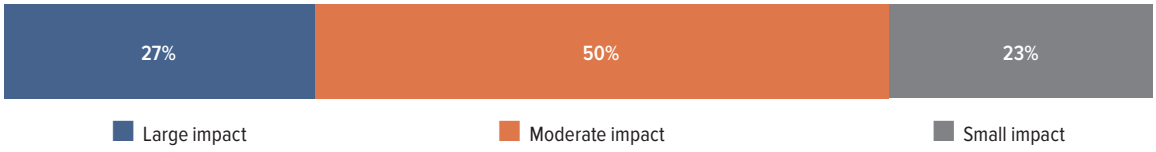
Australia

About three-quarters of respondents (77%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue (see Figure 7).[129] In addition to the impact on productivity and revenue, participants were asked to identify other effects of *unplanned* absences (see Table 3). Three-quarters (75%) indicated unplanned absences added to the workload; about one-half said these types of absences increased stress (54%) and disrupted the work of others (55%). In addition, employees with supervisory responsibility spent an average of 3.5 hours per week[130] dealing with absences, including obtaining replacements, adjusting workflow or providing training, which is equivalent to 175 hours, or 4.4 weeks, per year per supervisory employee for organizations that are open 50 weeks per year.

In Australia, about three-quarters of respondents (77%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue.

The average annual cost of employer-sponsored benefits was 13%[131] as a percentage of pay.[132] Many employees were also offered paid holidays, with full-time employees receiving 11 paid holidays[133] on average among responding organizations, and part-time employees receiving eight paid holidays[134] on average.

Figure 7. Perceived Impact of Employee Absences on Productivity and Revenue (Australia)



n = 98.
Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

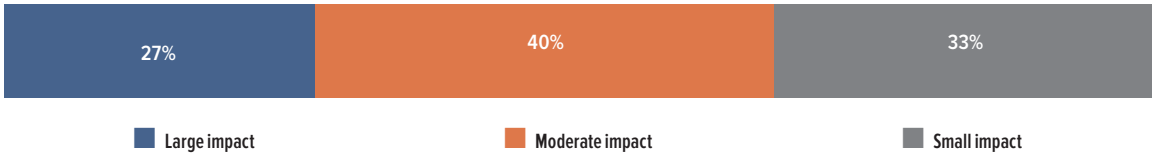
Europe

Two-thirds of respondents (67%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue (see Figure 8).[135] In addition to the impact on productivity and revenue, participants were asked to identify other effects of *unplanned* absences (see Table 3). Three-quarters (77%) indicated unplanned absences added to the workload, 62% said this type of absence disrupted the work of others and about one-half indicated it increased stress (51%). In addition, employees with supervisory responsibility spent an average of 3.3 hours per week[136] dealing with absences, including obtaining replacements, adjusting workflow or providing training, which is equivalent to 165 hours, or 4.1 weeks, per year per supervisory employee for organizations that are open 50 weeks per year.

In Europe, two-thirds of respondents (67%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue.

The average annual cost of employer-sponsored benefits was 15%[137] as a percentage of pay.[138] Many employees were also offered paid holidays, with full-time employees receiving 17 paid holidays[139] on average among responding organizations, and part-time employees receiving 12 paid holidays[140] on average.

Figure 8. Perceived Impact of Employee Absences on Productivity and Revenue (Europe)



n = 112.

Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

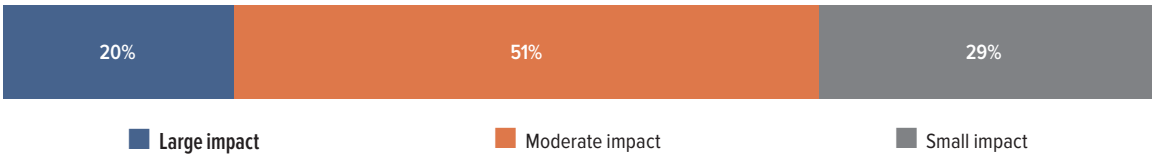
India

More than two-thirds of respondents (71%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue (see Figure 9).[141] In addition to the impact on productivity and revenue, participants were asked to identify other effects of *unplanned* absences (see Table 3). About two-thirds indicated unplanned absences disrupted the work of others (65%) and added to the workload (64%); about one-half reported they increased stress (47%) and reduced the quality of work output (45%). In addition, employees with supervisory responsibility spent an average of 3.5 hours per week[142] dealing with absences, including obtaining replacements, adjusting workflow or providing training, which is equivalent to 175 hours, or 4.4 weeks, per year per supervisory employee for organizations that are open 50 weeks per year.

In India, more than two-thirds of respondents (71%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue.

The average annual cost of employer-sponsored benefits was 18%[143] as a percentage of pay.[144] Many employees were also offered paid holidays, with full-time employees receiving 14 paid holidays[145] on average among responding organizations, and part-time employees receiving nine paid holidays[146] on average.

Figure 9. Perceived Impact of Employee Absences on Productivity and Revenue (India)



n = 91.

Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

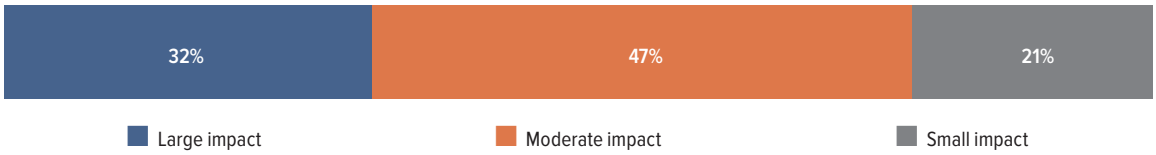
Mexico

About four-fifths of respondents (79%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue (see Figure 10).[147] In addition to the impact on productivity and revenue, participants were asked to identify other effects of *unplanned* absences (see Table 3). Three-quarters (78%) indicated unplanned absences disrupted the work of others, two-thirds (67%) reported they added to the workload, and about one-half said this type of absence added mandatory overtime (49%), increased stress (48%) and reduced the quality of work output (47%). In addition, employees with supervisory responsibility spent an average of 3.9 hours per week[148] dealing with absences, including obtaining replacements, adjusting workflow or providing training, which is equivalent to 195 hours, or 4.9 weeks, per year per supervisory employee for organizations that are open 50 weeks per year.

In Mexico, about four-fifths of respondents (79%) perceived employee absences to have a "moderate" to "large" impact on productivity and revenue.

The average annual cost of employer-sponsored benefits was 31%[149] as a percentage of pay.[150] Many employees were also offered paid holidays, with full-time employees receiving nine paid holidays[151] on average among responding organizations, and part-time employees receiving five paid holidays[152] on average.

Figure 10. Perceived Impact of Employee Absences on Productivity and Revenue (Mexico)



n = 76.

Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Absence Management Policies and Practices

United States

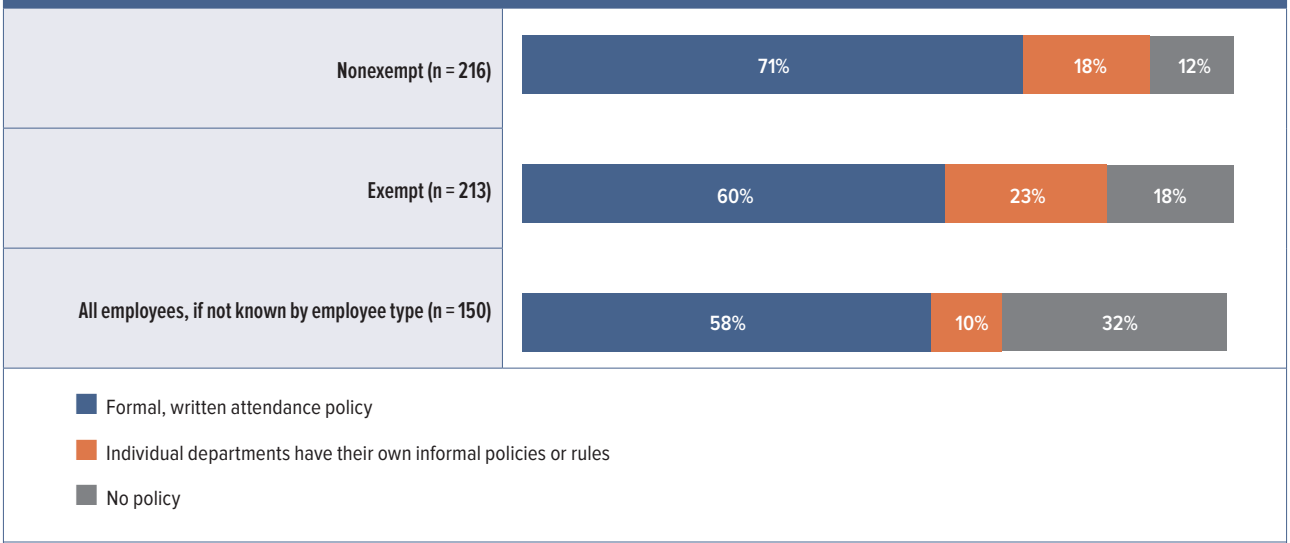
United States: Formal, written attendance policy

About two-thirds of U.S. organizations reported they had formal, written attendance policies in place depending on employee type (see Figure 11). However, 12% indicated they did not have a formal, written policy for nonexempt employees, and another 18% reported they did not have such a policy for exempt employees; among respondents who were unable to differentiate between employees by exemption status, 32% reported they did not have a formal, written attendance policy. A formal, written attendance policy both serves as a guideline for supervisors and helps ensure consistent practices across an organization.

United States: Responsibility for enforcement of attendance policies

More than one-half of responding organizations (57%) indicated the employee's direct supervisor was responsible for enforcing attendance policies; about one-third (35%) reported a department manager (if not the same as the employee's direct supervisor) was responsible.[153] Few respondents (7%) indicated human resource staff was responsible for enforcing attendance policies, and just 1% indicated their organization did not enforce attendance.

Figure 11. Attendance Policies by Employee Classification



Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

United States: Processes for requesting time off

How employees request time off is also important in ensuring that absences are tracked accurately. For example, requesting time off using a paper form or via an e-mail may be more error prone (the supervisor forgets to enter the information into an electronic system), whereas using a time-keeping system that integrates with a centralized system could lead to better tracking. Two-thirds (66%) of respondents indicated employees in their organization requested time off by submitting a written request using a form or by e-mail; one-quarter (24%) of respondents reported these requests were submitted electronically by using a time-keeping system, 9% said employees requested time off verbally, and 1% reported time off was requested some other way (see Figure 12).[154]

United States: Pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events

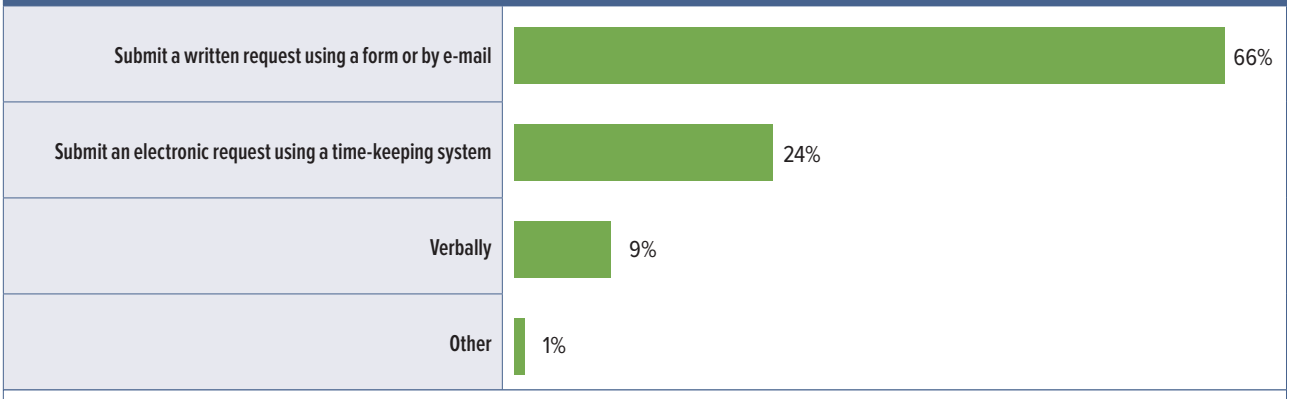
When respondents were asked whether they noticed a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events, 72% indicated they noticed such a pattern.[155] Given that unplanned absences typically cost organizations more in indirect costs than planned absences do, it is pertinent that organizations accurately track unplanned absences both to monitor costs and to counsel their employees on attendance policies when necessary.

United States: How absences are tracked

Tracking the number of employee absences. Over four-fifths (83%)[156] of responding organizations indicated they tracked the number of employee absences.

Processes/software used. One-third (35%) indicated they used an integrated system as a component or module of an HRIS to track employee time and attendance (see Table 15); this type of system enables time and attendance to be linked with pertinent HR information to track costs associated with absences, such as rate of pay and total payroll. More than one-quarter (29%) of respondents indicated they used automated third-party software with terminals or web entry, which typically allows an organization to track vacation and other types of absences, but is not integrated to track the dollar cost associated with each absence. Enforcing attendance policies is complex, and the use of an integrated system may make tracking the costs associated with employee absences more seamless.

Figure 12. Processes Used to Request Time Off (United States)



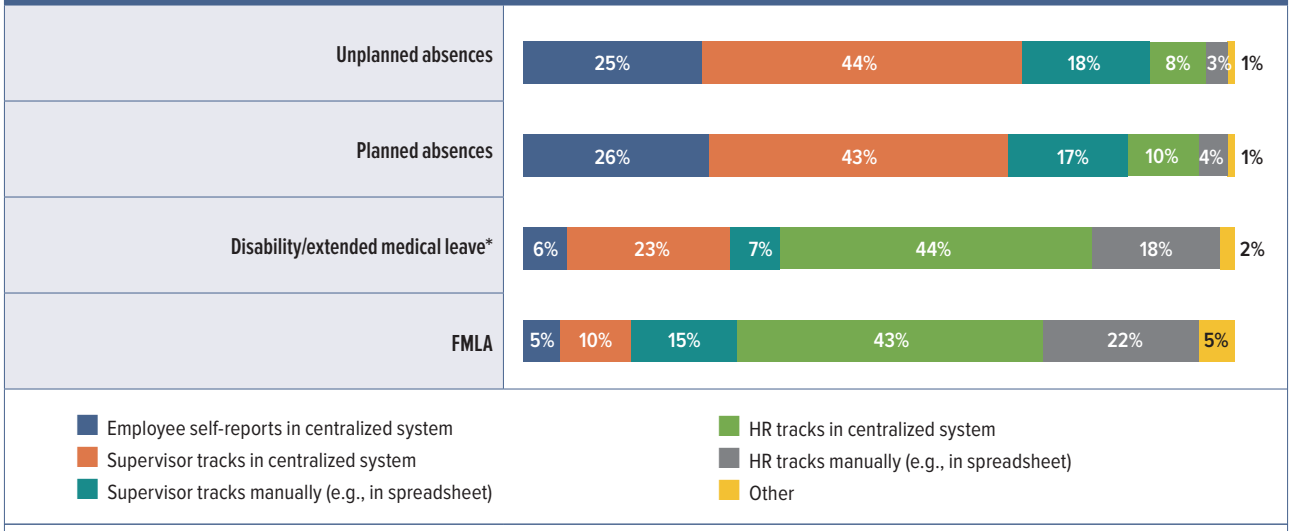
n = 225.
Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 15. How Employee Time and Attendance Are Tracked	
Integrated system as a component or module of an HR information system (HRIS)*	35%
Automated third-party software with terminals or web entry	29%
Home-grown system	20%
Manual spreadsheets	8%
Manual paper timesheets or punch cards	8%

n = 240.
* i.e., a workforce management solution
Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Person responsible for tracking absences and system used. Respondents who indicated their organization had a formal system for tracking employee absences were asked how they tracked absences based on absence type. For unplanned and planned absences, participants were most likely to report that supervisors tracked these types of absences in a centralized system (44% and 43%, respectively) (see Figure 13); less than one-quarter (23%) responded that a centralized system was used by supervisors to track disability/extended leave, and one-tenth (10%) indicated the same for FMLA leave. Both disability/extended medical leave and FMLA leave were most commonly tracked by HR in a centralized system (44% and 43%, respectively); however, disability/extended leave and FMLA leave were tracked by HR manually in about one-fifth (18% and 22%, respectively) of organizations.

Figure 13. How Absences Are Tracked, by Absence Type



*Excludes workers' compensation.
n = 234-237.
Note: Only respondents whose organizations have a system to track employee time and attendance were asked this question. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Accuracy of tracking financial liabilities for paid time off. One-quarter (24%) of respondents indicated they thought their organization tracked financial liabilities for paid leave (e.g., vacation and sick accruals) "very accurately;" over one-half (56%) indicated they thought their organization tracked this type of financial liability "reasonably accurately."[157]

In the United States, one-quarter of respondents (24%) indicated they thought their organization tracked financial liabilities for paid leave "very accurately;" over one-half (56%) indicated they thought their organization tracked this financial liability "reasonably accurately."

Among responding organizations that reported time and attendance were tracked using a) an integrated system as a component or module of an HRIS or b) an automated third-party software, approximately 30% indicated they tracked financial liabilities for paid leave "very accurately" (see Table 16). Among respondents who reported using a) manual spreadsheets or b) manual paper timesheets or punch cards, less than one-fifth indicated their organization tracked these financial liabilities "very accurately" (18% and 19%, respectively); just 9% of those who reported using a home-grown system indicated their organization tracked these financial liabilities "very accurately."

United States: Accuracy of tracking unplanned absences

In terms of unplanned absences, respondents indicated they were consistently recorded into the time-keeping system 77%[158] of the time for employees eligible for overtime, 64%[159] of the time for employees *not* eligible for overtime and 72%[160] of the time for all employees (if not known by exemption status).[161]

Table 16. Accuracy of Tracking Time and Attendance, by Technology/Process Used

	Very Accurately	Reasonably Accurately	Not Very Accurately
Integrated system as a component or module of an HR information system (HRIS)*	30%	55%	16%
Automated third-party software with terminals or web entry	29%	47%	24%
Manual paper timesheets or punch cards	19%	69%	13%
Manual spreadsheets	18%	35%	47%
Home-grown system	9%	71%	20%

n = 214.

* i.e., a workforce management solution

Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Row percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

China

China: Formal, written attendance policy

The majority of organizations reported they had formal, written attendance policies in place depending on employee type (see Figure 14). Only 3% indicated they did not have a formal, written policy for employees eligible for overtime; just 8% reported they did not have such a policy for employees *not* eligible for overtime.

China: Responsibility for enforcement of attendance policies

About one-half (49%) of responding organizations indicated human resource staff was responsible for enforcing attendance policies; about one-quarter reported the employee's direct supervisor (25%) or a department manager (if not the same as the employee's direct supervisor) (22%) was responsible.[162] Very few (2%) indicated their organization did not enforce attendance.

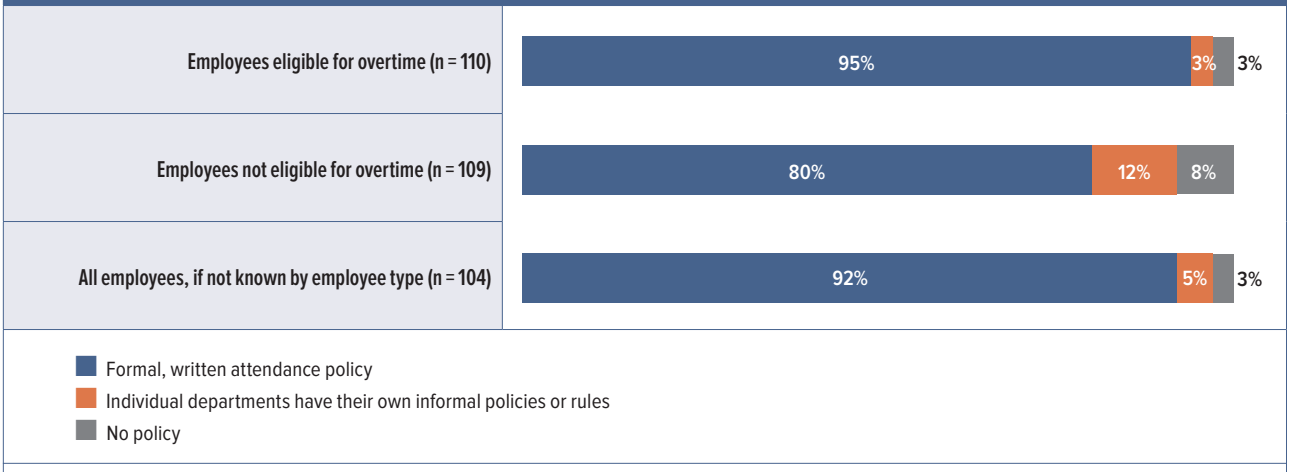
China: Processes for requesting time off

Just over three-fifths (62%) of respondents indicated employees in their organization requested time off by submitting a written request using a form or by e-mail; more than one-quarter (28%) said employees submitted a request using an electronic time-keeping system, 5% reported time off was requested verbally, and 6% indicated their employees requested time off some other way (see Figure 15).[163]

China: Pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events

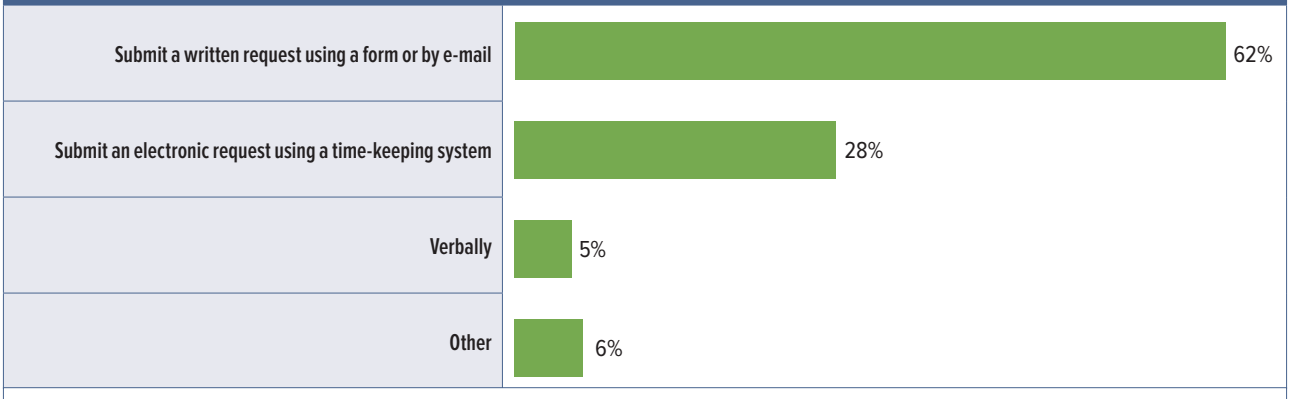
When respondents were asked whether they noticed a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events, over one-half (58%) indicated they noticed such a pattern.[164]

Figure 14. Attendance Policies by Employee Classification



Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Figure 15: Processes Used to Request Time Off (China)



n = 127.
Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

China: How absences are tracked

Tracking the number of employee absences. The vast majority (99%)[165] of responding organizations indicated they tracked the number of employee absences.

Processes/software used. About one-third (32%) indicated they used automated third-party software with terminals or web entry to track employee time and attendance. About one-quarter (23%) indicated they used an integrated system as a component or module of an HRIS (see Table 17).

Table 17. How Employee Time and Attendance Are Tracked

Automated third-party software with terminals or web entry	32%
Integrated system as a component or module of an HR information system (HRIS)*	23%
Manual spreadsheets	19%
Home-grown system	18%
Manual paper timesheets or punch cards	8%

n = 119.

* i.e., a workforce management solution

Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Person responsible for tracking absences and system used. Respondents who indicated their organization had a formal system for tracking employee absences were asked how they tracked absences based on absence type. For unplanned, planned and disability/extended leave, participants were most likely to report that HR tracked these types of absences in a centralized system (31%, 32% and 38%, respectively) (see Figure 16).

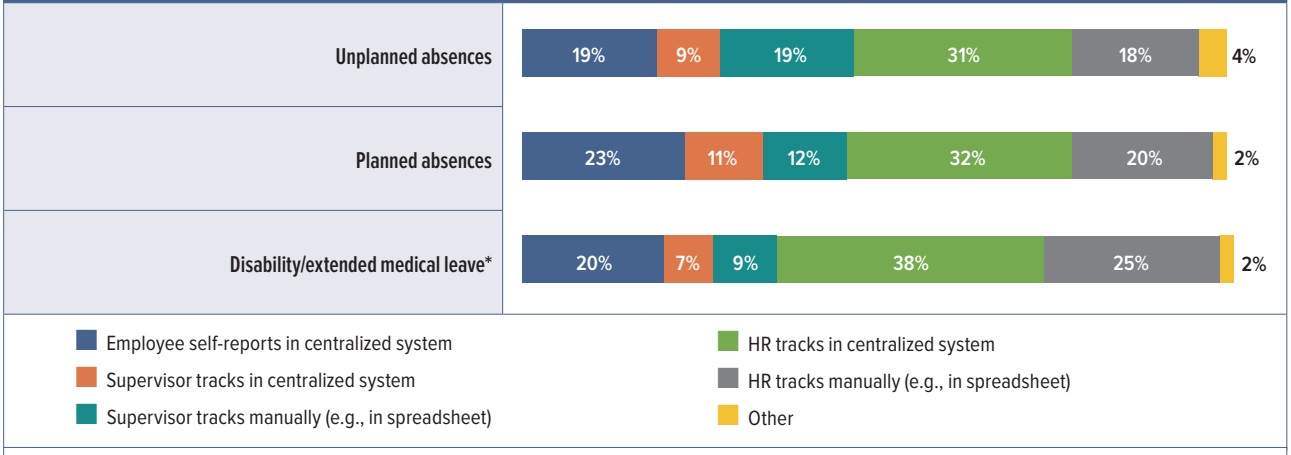
Accuracy of tracking financial liabilities for paid time off. About three-fifths (61%) of respondents indicated they thought their organization tracked financial liabilities for paid leave (e.g., vacation and sick accruals) "reasonably accurately." Just 12% indicated they thought their organization tracked this type of financial liability "very accurately," and over one-quarter (27%) indicated they thought this was done "not very accurately."[166]

In China, 12% of respondents indicated they thought their organization tracked financial liabilities for paid leave "very accurately;" about three-fifths (61%) indicated they thought their organization tracked this financial liability "reasonably accurately."

China: Accuracy of tracking unplanned absences

In terms of unplanned absences, respondents indicated they were consistently recorded into the time-keeping system 77%[167] of the time for employees eligible for overtime, 69%[168] of the time for employees *not* eligible for overtime and 75%[169] of the time for all employees (if not known by overtime eligibility).[170]

Figure 16. How Absences Are Tracked, by Absence Type



*Excludes workers' compensation.

n = 116-118.

Note: Only respondents whose organizations have a system to track employee time and attendance were asked this question. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Australia

Australia: Formal, written attendance policy

Most organizations (70%-84%) reported they had formal, written attendance policies in place depending on employee type (see Figure 17). However, 10% indicated they did not have a formal, written policy for employees eligible for overtime, and another 14% reported they did not have such a policy for employees *not* eligible for overtime; among respondents who were unable to differentiate between employees by overtime eligibility, 13% reported they did not have a formal, written attendance policy.

Australia: Responsibility for enforcement of attendance policies

More than two-thirds (69%) of responding organizations indicated the employee's direct supervisor was responsible for enforcing attendance policies; 17% reported a department manager (if not the same as the employee's direct supervisor) was responsible.[171] Few respondents indicated human resource staff (9%) or some other entity (3%) was responsible for enforcing attendance policies; just 2% indicated their organization did not enforce attendance.

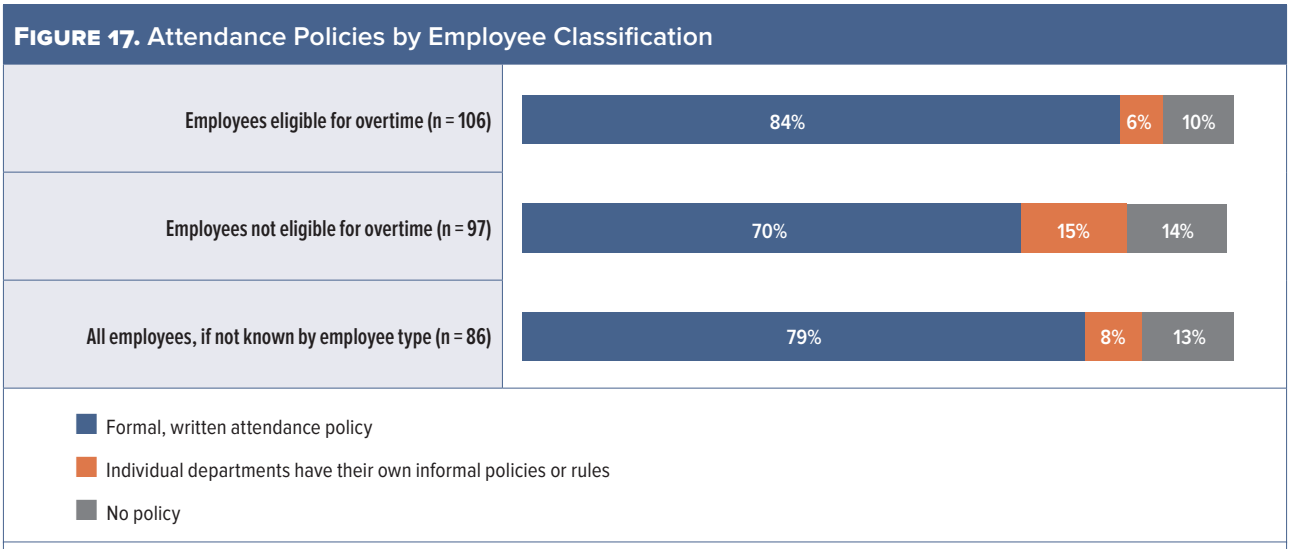
Australia: Processes for requesting time off

Three-fifths (61%) of respondents indicated employees in their organization requested time off by submitting a written request using a form or by e-mail; more than one-quarter (29%) indicated these requests were submitted electronically through a time-keeping system, 5% reported time off was requested verbally, and 6% said their employees requested time off some other way (see Figure 18).[172]

Australia: Pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events

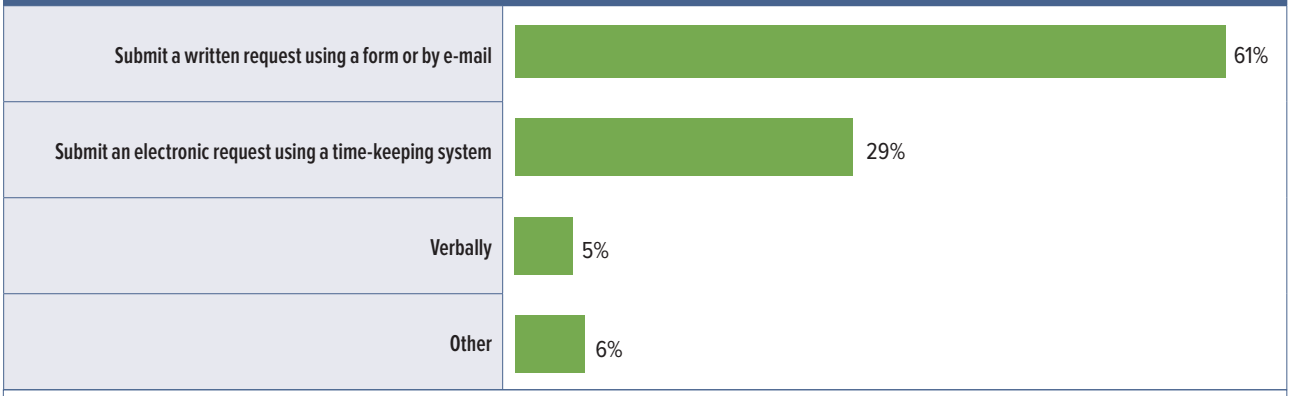
When respondents were asked whether they noticed a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events, 64% indicated they noticed such a pattern.[173]

Figure 17. Attendance Policies by Employee Classification



Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Figure 18. Processes Used to Request Time Off (Australia)



n = 108.
Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Australia: How absences are tracked

Tracking the number of employee absences. The vast majority (95%)[174] of responding organizations indicated they tracked the number of employee absences.

Processes/software used. About one-half (48%) indicated they used automated third-party software with terminals or web entry to track employee time and attendance. Over one-quarter (29%) indicated they used an integrated system as a component or module of an HRIS (see Table 18).

Table 18. How Employee Time and Attendance Are Tracked

Automated third-party software with terminals or web entry	48%
Integrated system as a component or module of an HR information system (HRIS)*	29%
Manual paper timesheets or punch cards	10%
Manual spreadsheets	7%
Home-grown system	6%

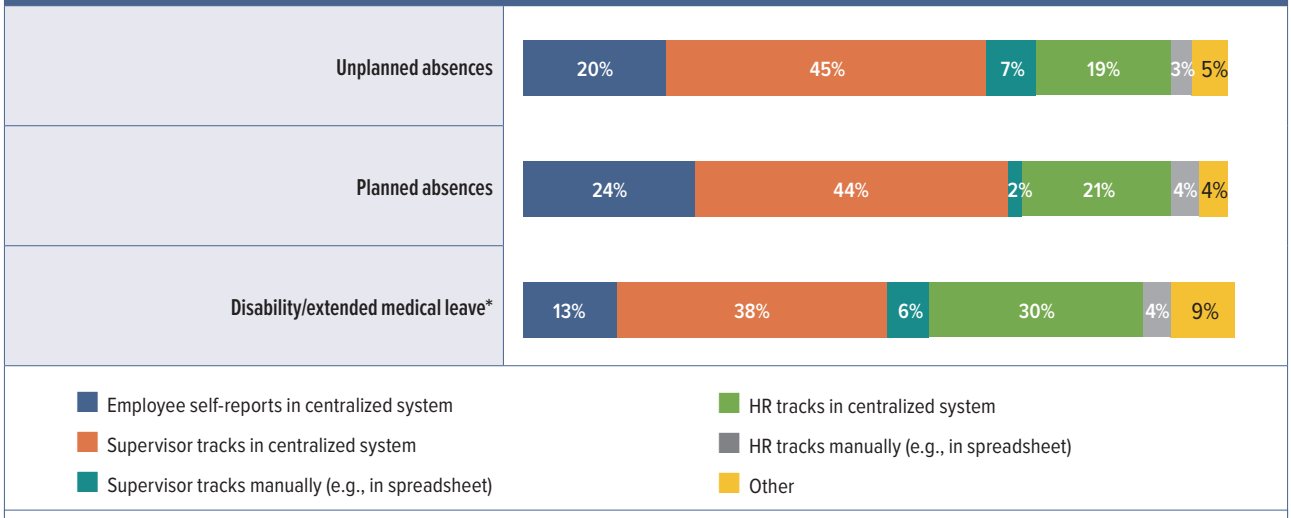
n = 94.
* i.e., a workforce management solution
Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Person responsible for tracking absences and system used. Respondents who indicated their organization had a formal system for tracking employee absences were asked how they tracked absences based on absence type. Regardless of the type of absence, participants were most likely to report that supervisors tracked absences in a centralized system (unplanned—45%, planned—44%, disability/extended medical leave—38%) (see Figure 19); about one-third (30%) of respondents indicated HR tracked disability/extended leave in a centralized system.

Accuracy of tracking financial liabilities for paid time off. Over two-fifths (43%) of respondents indicated they thought their organization tracked financial liabilities for paid leave (e.g., vacation and sick accruals) "very accurately;" about one-half (51%) indicated they thought their organization tracked this type of financial liability "reasonably accurately."[175]

In Australia, over two-fifths of respondents (43%) indicated they thought their organization tracked financial liabilities for paid leave "very accurately;" about one-half (51%) indicated they thought their organization tracked this financial liability "reasonably accurately."

Figure 19. How Absences Are Tracked, by Absence Type



*Excludes workers' compensation.
n = 94.
Note: Only respondents whose organizations have a system to track employee time and attendance were asked this question. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Australia: Accuracy of tracking unplanned absences

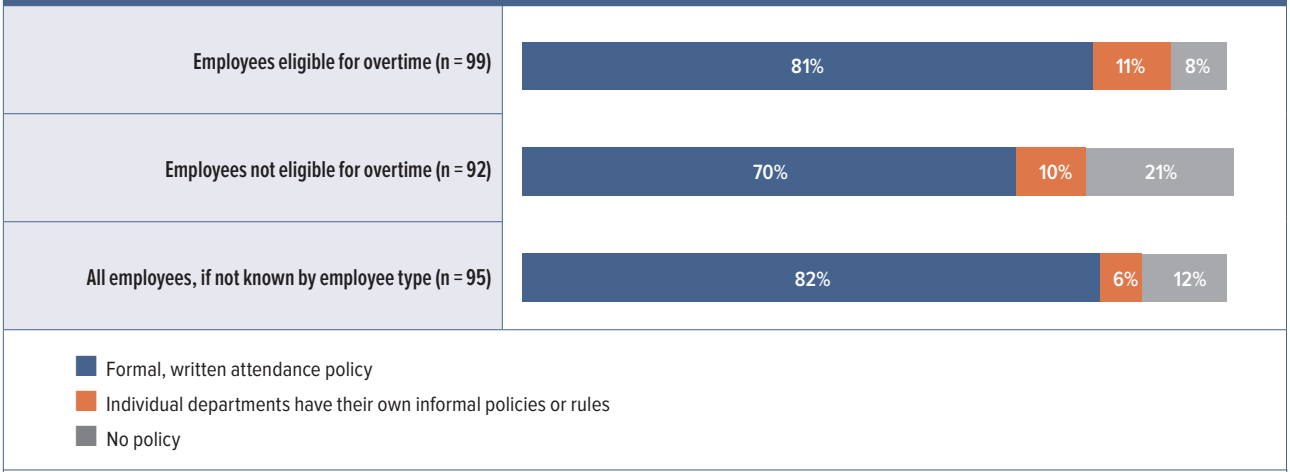
In terms of unplanned absences, respondents indicated they were consistently recorded into the time-keeping system 77%[176] of the time for employees eligible for overtime, 64%[177] of the time for employees *not* eligible for overtime and 72%[178] of the time for all employees (if not known by overtime eligibility).[179]

Europe

Europe: Formal, written attendance policy

More than two-thirds of organizations (70%-82%) reported they had formal, written attendance polices in place depending on employee type (see Figure 20). However, one-fifth (21%) indicated they did not have a formal, written policy for employees *not* eligible for overtime; 8% indicated the same for employees eligible for overtime.

Figure 20. Attendance Policies by Employee Classification



Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

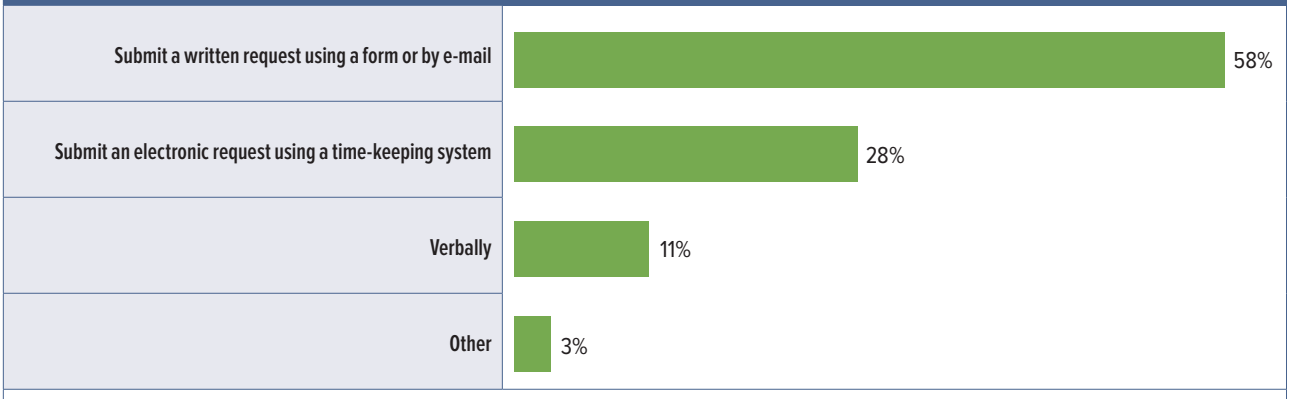
Europe: Responsibility for enforcement of attendance policies

More than two-fifths (44%) of responding organizations indicated the employee's direct supervisor was responsible for enforcing attendance policies; about one-quarter reported human resource staff (26%) or a department manager (if not the same as the employee's direct supervisor) (23%) was responsible.[180] Few respondents indicated some other entity (4%) was responsible for enforcing attendance policies; just 2% indicated their organization did not enforce attendance.

Europe: Processes for requesting time off

About three-fifths (58%) of respondents indicated employees in their organization requested time off by submitting a written request using a form or by e-mail; more than one-quarter (28%) reported that employees submitted an electronic request using a time-keeping system, 11% said employees requested time off verbally, and 3% reported time off was requested some other way (see Figure 21).[181]

Figure 21. Processes Used to Request Time Off (Europe)



n = 115.
Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Europe: Pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events

When respondents were asked whether they noticed a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events, less than one-half (40%) indicated they noticed such a pattern.[182]

Europe: How absences are tracked

Tracking the number of employee absences. The vast majority (96%)[183] of responding organizations indicated they tracked the number of employee absences.

Processes/software used. About one-third (30%) indicated they used an integrated system as a component or module of an HRIS (see Table 19). About two-fifths (38%) of respondents indicated their organization used automated third-party software with terminals or web entry.

Table 19. How Employee Time and Attendance Are Tracked

Automated third-party software with terminals or web entry	38%
Integrated system as a component or module of an HR information system (HRIS)*	30%
Manual spreadsheets	17%
Home-grown system	12%
Manual paper timesheets or punch cards	3%

n = 106.

* i.e., a workforce management solution

Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Person responsible for tracking absences and system used. Respondents who indicated their organization had a formal system for tracking employee absences were asked how they tracked absences based on absence type. For unplanned and planned absences, participants were most likely to report that supervisors tracked these types of absences in a centralized system (35% and 39%, respectively) (see Figure 22). More than two-fifths (43%) of respondents indicated HR tracked disability/extended leave in a centralized system; 31% indicated supervisors tracked this type of leave in a centralized system.

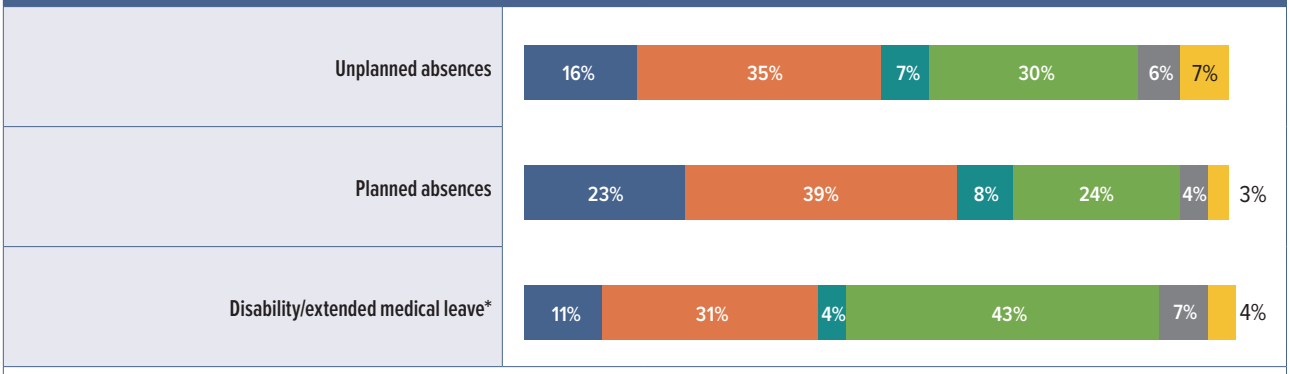
Accuracy of tracking financial liabilities for paid time off. About two-fifths (39%) of respondents indicated they thought their organization tracked financial liabilities for paid leave (e.g., vacation and sick accruals) "very accurately;" another two-fifths (42%) indicated they thought their organization tracked this type of financial liability "reasonably accurately."[184]

In Europe, about two-fifths of respondents (39%) indicated they thought their organization tracked financial liabilities for paid leave "very accurately;" about two-fifths (42%) indicated they thought their organization tracked this financial liability "reasonably accurately."

Europe: Accuracy of tracking unplanned absences

In terms of unplanned absences, respondents indicated they were consistently recorded into the time-keeping system 87%[185] of the time for employees eligible for overtime, 80%[186] of the time for employees *not* eligible for overtime and 83%[187] of the time for all employees (if not known by overtime eligibility).[188]

Figure 22. How Absences Are Tracked, by Absence Type



*Excludes workers' compensation.

n = 106-108.

Note: Only respondents whose organizations have a system to track employee time and attendance were asked this question. Percentages may not total 100% due to rounding.

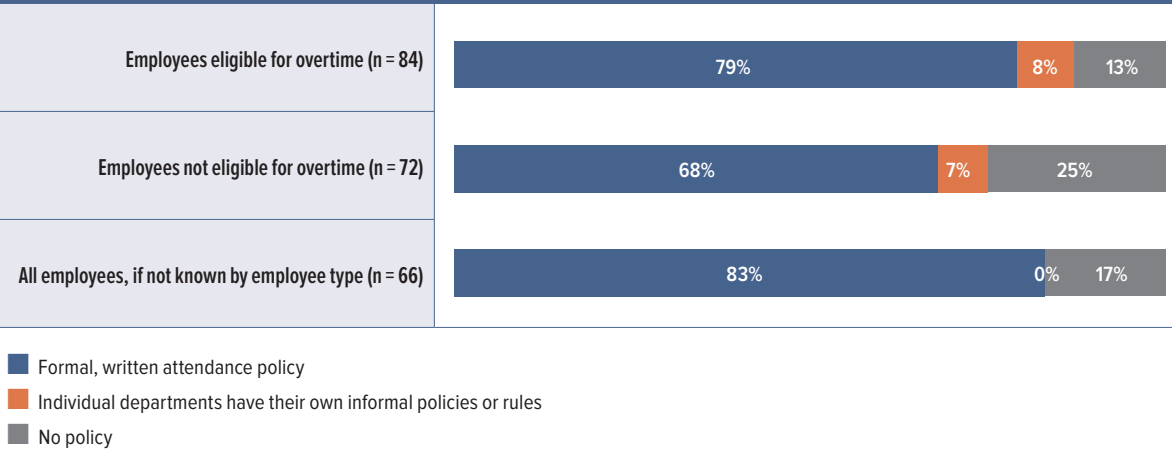
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

India

India: Formal, written attendance policy

At least two-thirds of organizations (68%-83%) reported they had formal, written attendance policies in place depending on employee type (see Figure 23). However, 25% indicated they did not have a formal, written policy for employees *not* eligible for overtime, and 13% reported they did not have such a policy for employees eligible for overtime. Among respondents who were unable to differentiate between employees by overtime eligibility, 17% reported they did not have a formal, written attendance policy.

Figure 23. Attendance Policies by Employee Classification



Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

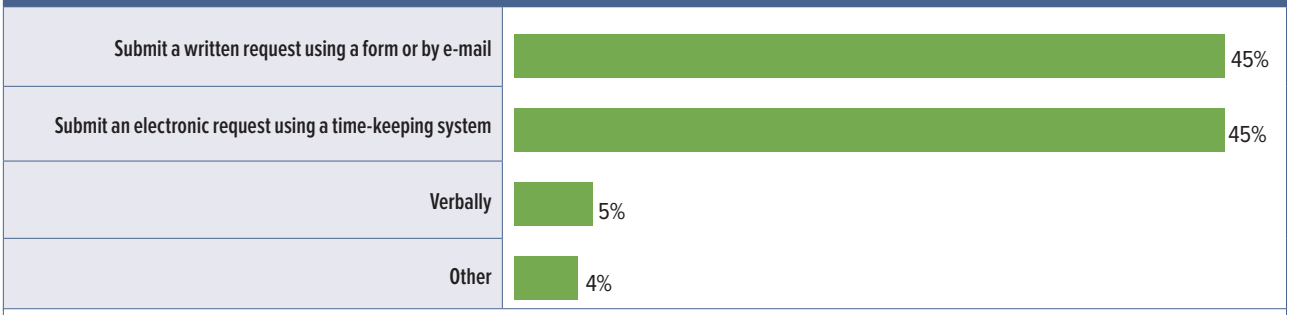
India: Responsibility for enforcement of attendance policies

Three-fifths (60%) of responding organizations indicated human resource staff was responsible for enforcing attendance policies; about one-quarter (23%) reported the employee's direct supervisor was responsible.[189] Few respondents indicated a department manager (if not the same as the employee's direct supervisor) (12%) or some other entity (5%) was responsible for enforcing attendance policies; none of the respondents reported that their organization did not enforce attendance.

India: Processes for requesting time off

Almost one-half (45%) of respondents indicated employees in their organization requested time off by submitting a written request using a form or by e-mail; the same percentage (45%) reported these requests were submitted using an electronic time-keeping system. Just 5% indicated employees requested time off verbally, and 4% reported it was done some other way (see Figure 24).[190]

Figure 24. Processes Used to Request Time Off (India)



n = 93.
Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

India: Pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events

When respondents were asked whether they noticed a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events, three-fifths (60%) indicated they noticed such a pattern.[191]

India: How absences are tracked

Tracking the number of employee absences. The vast majority (98%)[192] of responding organizations indicated they tracked the number of employee absences.

Processes/software used. More than one-third (36%) indicated they used automated third-party software with terminals or web entry to track employee time and attendance. About two-fifths (41%) indicated they used an integrated system as a component or module of an HRIS (see Table 20).

Table 20. How Employee Time and Attendance Are Tracked

Integrated system as a component or module of an HR information system (HRIS)*	41%
Automated third-party software with terminals or web entry	36%
Home-grown system	10%
Manual spreadsheets	7%
Manual paper timesheets or punch cards	6%

n = 87.
* i.e., a workforce management solution
Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Percentages may not total 100% due to rounding.

Person responsible for tracking absences and system used. Respondents who indicated their organization had a formal system for tracking employee absences were asked how they tracked absences based on absence type. Regardless of the type of absence, participants were most likely to report that HR tracked absences in a centralized system (unplanned—37%, planned—33%, disability/extended medical leave—36%) (see Figure 25).

Accuracy of tracking financial liabilities for paid time off. One-half (50%) of respondents indicated they thought their organization tracked financial liabilities for paid leave (e.g., vacation and sick accruals) "very accurately;" over one-third (38%) indicated they thought their organization tracked this type of financial liability "reasonably accurately."[193]

In India, one-half of respondents (50%) indicated they thought their organization tracked financial liabilities for paid leave "very accurately;" over one-third (38%) indicated they thought their organization tracked this financial liability "reasonably accurately."

India: Accuracy of tracking unplanned absences

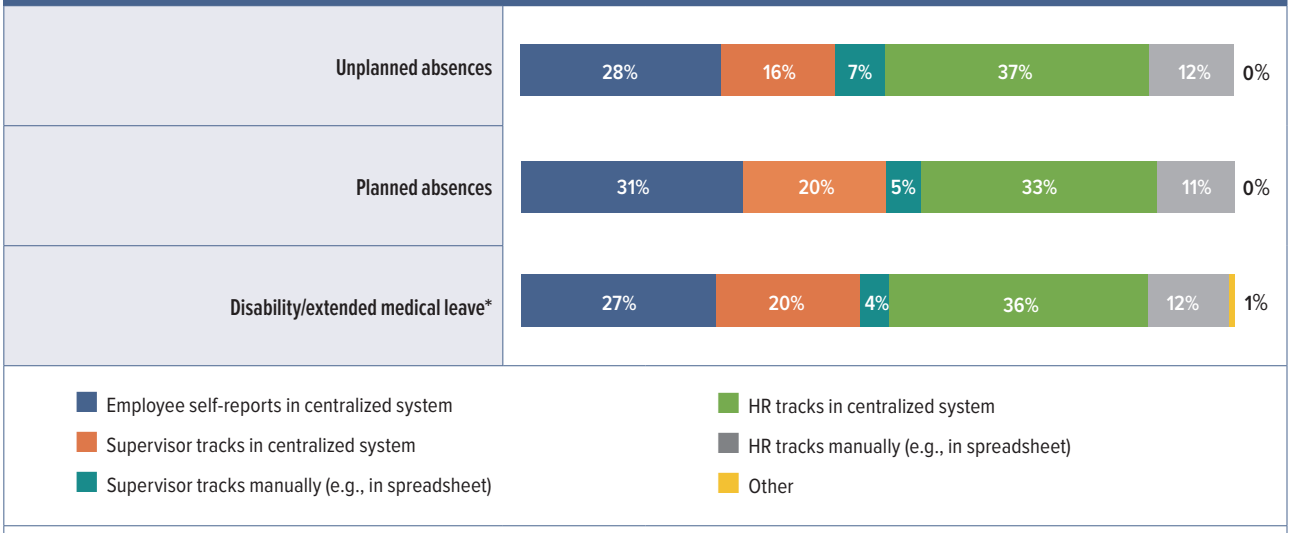
In terms of unplanned absences, respondents indicated they were consistently recorded into the time-keeping system 73%[194] of the time for employees eligible for overtime, 71%[195] of the time for employees *not* eligible for overtime and 80%[196] of the time for all employees (if not known by overtime eligibility).[197]

Mexico

Mexico: Formal, written attendance policy

At least two-thirds of organizations (68%-78%) reported they had formal, written attendance policies in place depending on employee type (see Figure 26). However, 25% indicated they did not have a formal, written policy for employees *not* eligible for overtime, and another 10% reported they did not have such a policy for employees eligible for overtime. Among respondents who were unable to differentiate between employees by overtime eligibility, 19% reported they did not have a formal, written attendance policy.

Figure 25. How Absences Are Tracked, by Absence Type



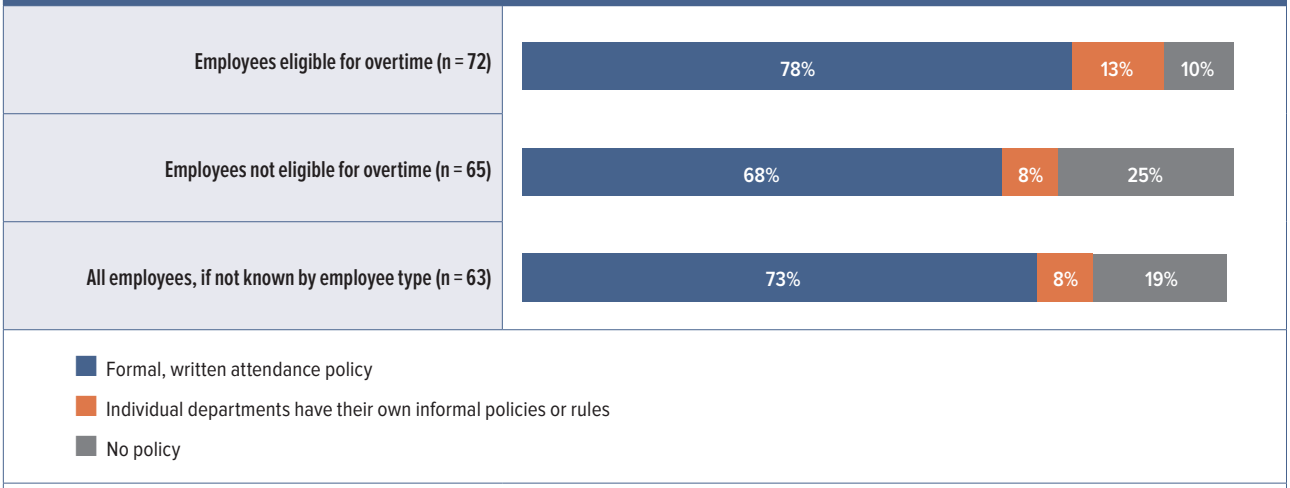
*Excludes workers' compensation.

n = 83-86.

Note: Only respondents whose organizations have a system to track employee time and attendance were asked this question. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Figure 26. Attendance Policies by Employee Classification



Note: Respondents who indicated "Don't know" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

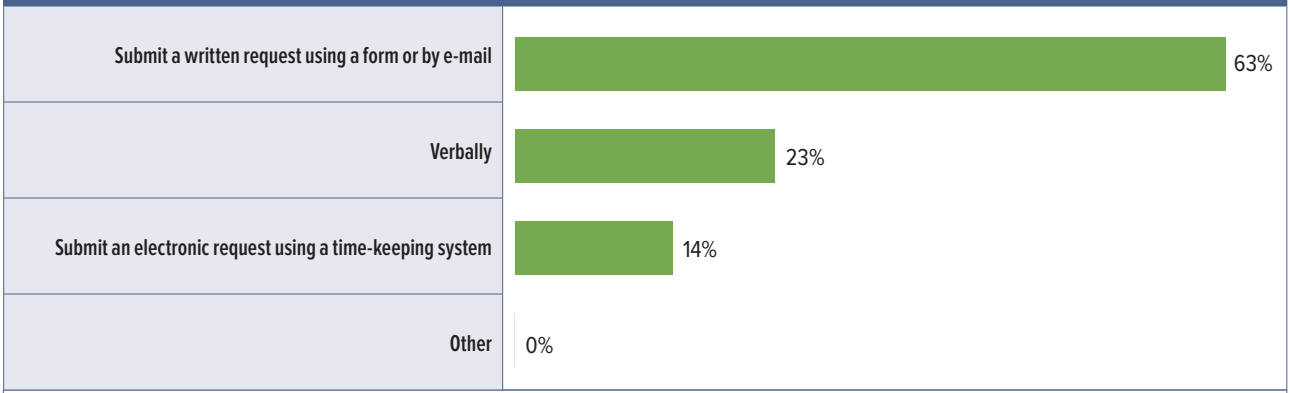
Mexico: Responsibility for enforcement of attendance policies

One-half (50%) of responding organizations indicated human resource staff was responsible for enforcing attendance policies; about one-fifth reported the employee's direct supervisor (22%) or a department manager (if not the same as the employee's direct supervisor) was responsible (23%).[198] Few respondents indicated some other entity (5%) was responsible for enforcing attendance policies; none of the respondents reported that their organization did not enforce attendance.

Mexico: Processes for requesting time off

Just over three-fifths (63%) of respondents indicated employees in their organization requested time off by submitting a written request using a form or by e-mail; almost one-quarter (23%) reported these requests were made verbally, and 14% said employees used an electronic time-keeping system to request time off (see Figure 27).[199]

Figure 27. Processes Used to Request Time Off (Mexico)



n = 78.
Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Mexico: Pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events

When respondents were asked whether they noticed a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events, two-thirds (67%) indicated they noticed such a pattern.[200]

Mexico: How absences are tracked

Tracking the number of employee absences. The vast majority (95%)[201] of responding organizations indicated they tracked the number of employee absences.

Processes/software used. About one-half (51%) indicated they used automated third-party software with terminals or web entry to track employee time and attendance. About one-quarter (26%) indicated they used an integrated system as a component or module of an HRIS (see Table 21).

Table 21. How Employee Time and Attendance Are Tracked

Automated third-party software with terminals or web entry	51%
Integrated system as a component or module of an HR information system (HRIS)*	26%
Home-grown system	10%
Manual paper timesheets or punch cards	8%
Manual spreadsheets	4%

* i.e., a workforce management solution

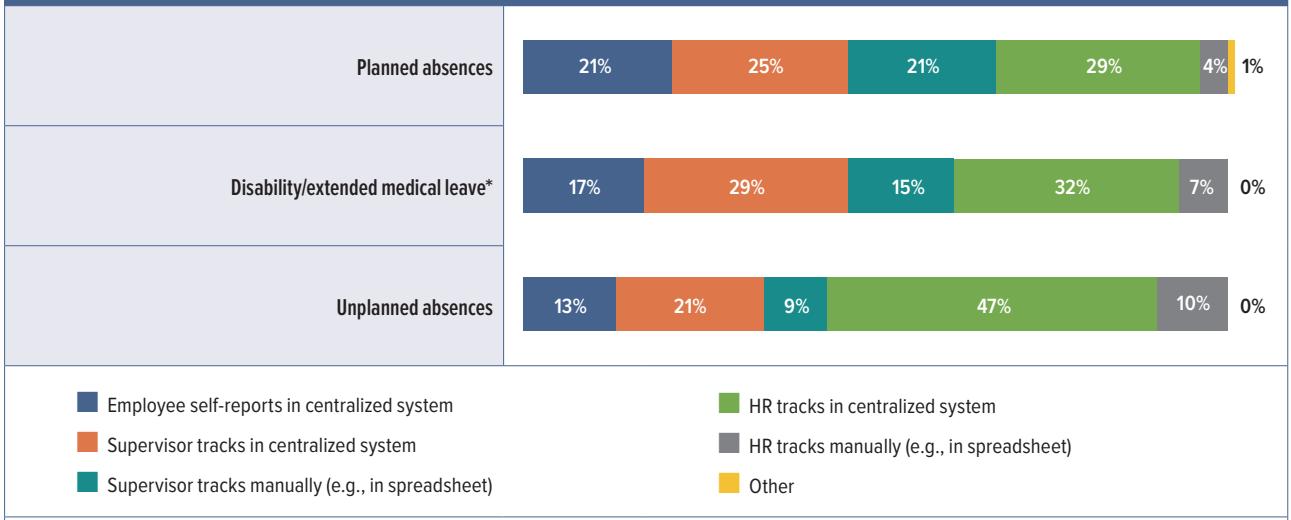
n = 72.

Note: Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Person responsible for tracking absences and system used. Respondents who indicated their organization had a formal system for tracking employee absences were asked how they tracked absences based on absence type. Regardless of the type of absence, participants were most likely to report that HR tracked absences in a centralized system (unplanned—29%, planned—32%, disability/extended medical leave—47%) (see Figure 28).

Figure 28. How Absences Are Tracked, by Absence Type



*Excludes workers' compensation.

n = 70-73.

Note: Only respondents whose organizations have a system to track employee time and attendance were asked this question. Percentages may not total 100% due to rounding.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Accuracy of tracking financial liabilities for paid time off. More than one-half of respondents (57%) indicated they thought their organization tracked financial liabilities for paid leave (e.g., vacation and sick accruals) "reasonably accurately." About one-fifth (22%) indicated they thought their organization tracked this type of financial liability "very accurately;" about the same proportion (21%) indicated their organization tracked this type of financial liability "not very accurately."[202]

In Mexico, about one-fifth of respondents (22%) indicated they thought their organization tracked financial liabilities for paid leave "very accurately;" more than one-half (57%) indicated they thought their organization tracked this financial liability "reasonably accurately."

Mexico: Accuracy of tracking unplanned absences

In terms of unplanned absences, respondents indicated these absences were consistently recorded into the time-keeping system 82%[203] of the time for employees eligible for overtime, 61%[204] of the time for employees *not* eligible for overtime and 70%[205] of the time for all employees (if not known by overtime eligibility).[206]

Family and Medical Leave Act in the United States

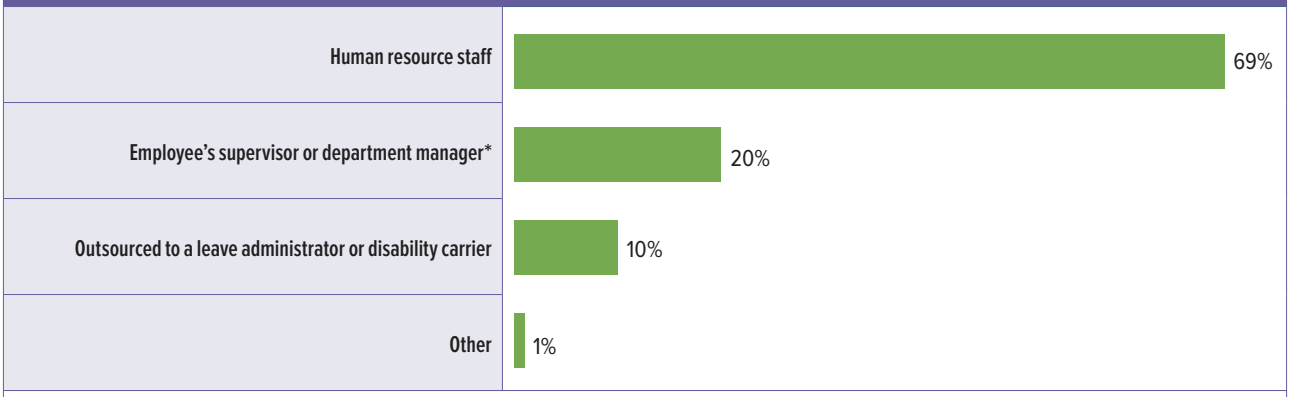
In the United States, in organizations with 50 or more employees within a 75-mile radius, the FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons, with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.[207]

Person/group responsible for administering FMLA. More than two-thirds (69%) of respondents indicated that HR staff administered FMLA leave (see Figure 29); one-fifth (20%) indicated that the employee's supervisor or department manager took on this role. Given the importance, both financially and legally, of accurately tracking FMLA leave, it is pertinent that organizations have someone formally designated to administer FMLA leave.

Percentage of total FMLA leave used for intermittent leave. Some employees take FMLA leave on an intermittent basis, adding to the challenge of accurate tracking; approximately 16% of responding organizations indicated half or more of FMLA leave was taken on an intermittent basis.[208]

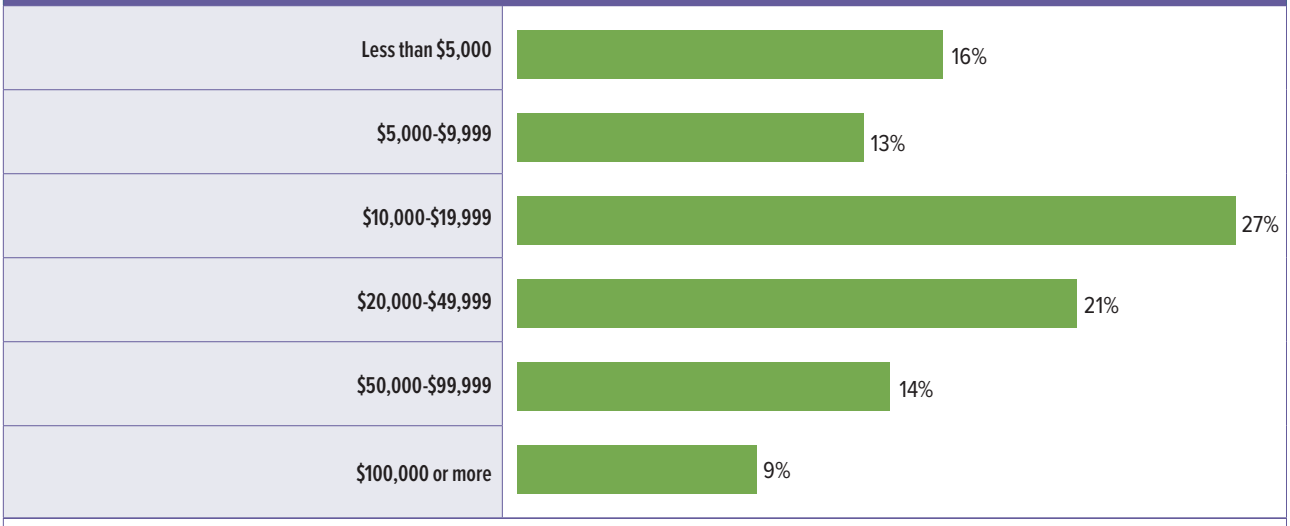
Approximate annual expense for organization to comply with administering FMLA leave. Data on the overall annual expenses associated with administering FMLA leave for the organization (including dedicated staff time, outsourcing expenses, legal support, internal audits, etc.) were also collected (see Figure 30). More than one-quarter (27%) of respondents indicated the annual cost was between $10,000 and $19,999. Roughly one-fifth (21%) indicated the annual cost was between $20,000 and $49,999; 9% reported the annual cost was $100,000 or more. One-third (34%) of respondents reported they "don't know" the approximate annual expense of administering FMLA leave.[209] Automation of tracking the costs associated with administering FMLA leave could increase awareness of and reduce the costs (e.g., leave administrators may be able to reduce the time they spend on tracking costs, thus creating a cost savings).

Figure 29. Person/Entity Primarily Responsible for Administering FMLA Leave



*No formal designated administrator.
n = 486.
Note: Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Figure 30. Approximate Annual Expense of Administering FMLA Leave*



*Including dedicated staff time, outsourcing expenses, legal support, internal audits, etc.

n = 309.

Note: Respondents who indicated their organization is not required to comply with FMLA were not asked this question. Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Of all respondents, one-third (34%) reported they **"don't know"** the approximate **annual expense of administering FMLA leave**.

Approximate cost per employee for typical extended FMLA leave. Respondents were asked to provide the approximate per-employee cost of their organization's share of benefits continued during a typical extended FMLA leave. More than one-third (35%) indicated the approximate cost per employee was between $2,000 and $4,999; about the same ratio (36%) indicated the approximate cost per employee was between $500 and $1,999.[210] One-third (36%) of respondents reported they "don't know" how much it costs to pay for employee benefits during a typical extended FMLA-related absence.[211,212] These findings may be an indication of another opportunity for cost savings that can be achieved by accurately tracking these data.

What Do These Findings Mean for Organizations?

Managing the cost of employee absences is an often forgotten responsibility of business leaders everywhere, but it has real bottom-line impact. Because the use of replacement workers and overtime are the main ways organizations deal with absences, a lack of clarity around the costs and drivers of absences may lead to an overreliance on contingent workers to cover employee absences. And understanding the drivers of absenteeism can also influence strategies for improving productivity. Though the average rate of paid time off ranged from 6.7% in China to 11.7% in Europe, productivity loss as a result of absence was a common theme across all countries.

Tracking Absences and Their Impact on Productivity

The perceived impact of absence on productivity and costs—shown by these survey findings— makes a strong case for understanding how and why absences occur in an organization. A business leader's first responsibility is thus to ensure that the organization has practices in place that accurately track and measure the cost of absences. By quantifying the full impact of absenteeism, organizations can better understand the value of strategies and solutions that can reduce the costs and lost time from employee absences. Processes that track the cost of absenteeism must include not only the direct costs of absences, such as salaries and replacement worker costs, but also the indirect costs involved, such as productivity loss and reduced employee morale. Indeed, the impact on employee morale is probably one of the most underappreciated costs of employee absences.

A 2013 Towers Watson and National Business Group on Health survey of almost 900 employers in North America, Latin America, Europe and Asia, titled *Staying@Work*, found that nearly eight out of 10 (78%) companies identified stress as a top workforce health risk issue—higher than employee obesity rates, smoking and poor nutrition. These data show stress as a key threat to employee engagement. However, the survey found that employers and employees actually had vastly different opinions on the causes of workplace stress. Whereas employers believed that a lack of work/life balance (excessive workloads or long hours) was the top cause of employee stress, employees actually cited inadequate staffing (lack of support, uneven workload or performance in group) as their top source of stress.[213] Absenteeism is sometimes a key driver of inadequate staffing and thus may result in rising employee stress levels. Poor management of employee absences can lead to a vicious cycle of rising stress levels that negatively affect employee health and morale and lead to even more missed days of work.

Without accurate tracking of absences and their effects, organizations may not know the real cost of absenteeism. For many organizations, one of the key costs of employee absences is the use of replacement workers and overtime in place of employees who are not at work. Addressing the issues that tend to increase the rates of absence rather than relying on temporary help and overtime to make up the shortfall can therefore be a real boost to productivity and the bottom line.

Investigating the underlying causes of absences can be complex, and finding solutions can sometimes involve programs and practices that do not appear at first glance to be directly related to the problem. For example, some organizations may be able to reduce absences by implementing wellness programs that help employees deal with health issues and stress. Recent research from the Organization for Economic Co-operation and Development (OECD) compiled by *The Economist* finds that longer working hours can actually be detrimental to productivity.[214] Many organizations find that more flexible work practices have an important positive impact on reducing absences as well as on improving productivity.

Attendance/Absence Policies

This survey found that although the majority of organizations have formal attendance policies in place, some do not. Organizations without a formal attendance policy are generally encouraged by HR and legal experts to develop one—for a number of reasons. First and foremost, having a formal attendance policy in place both serves as a guideline for supervisors and helps ensure consistent practices across an organization. By using a system to

track the use of paid time off and accruals, supervisors and HR can track and budget for paid time off more accurately. In addition, without a formal attendance policy in place, there is the potential for legal liability to organizations. The risk is that varying practices among different managers and employees could give rise to perceptions of favoritism that could potentially leave employers vulnerable to costly legal action or damaged employee morale.

The range of laws that relate to employee absences demonstrates just how complex managing this issue can be for organizations and their HR departments, thus making the use of a system to track both paid and unpaid time off beneficial.

By using a system to track the use of paid time off and accruals, supervisors and HR can track and budget for paid time off more accurately.

Given the total costs associated with employee absences, it is pertinent that organizations are able to accurately track current and future absences, particularly in industries such as health care and manufacturing, as well as retail and other service sectors, where the reliance on replacement workers or employee overtime to fill the gaps is common. In addition, monitoring employee absences enables business leaders to account for indirect costs (e.g., productivity loss) and helps organizations detect employees who have excessive unplanned absences so that they can be counselled to ensure they are taking only the paid days off to which they are entitled. Tracking employee absences also enables paid accrual days to be accounted for in the overall budget.

Conclusions

This study identified the various costs associated with employee absences, including direct costs, such as wages/salaries, overtime and replacement workers, and indirect costs, including productivity loss due to replacement workers and co-worker and supervisor productivity loss.

Understanding patterns of employee absences helps organizations develop strategies and solutions to curb absenteeism, which may ultimately lead to financial gains for the organization. The more accurately employee absences are tracked and managed, the more effectively organizations can monitor, plan and budget for this expense.

Ranging from 6.3% in China to 12.3% in Europe, the direct cost of wages/salaries for paid time off offered as a percentage of payroll was the most significant expense associated with employee absences. Overtime, used to cover 20% to 47% of employee absences among responding organizations in 2013, costs organizations in the United States 5.7% as a percentage of payroll, 2.0% in China, 6.8% in Australia and 6.3% in Europe. Similarly, replacement workers, including temporary workers, outside contractors or other additional workers (excluding existing employees), cost organizations in the United States 1.6% as a percentage of payroll, 7.9% in Australia and 10.8% in Europe. The better organizations are able to understand and track employee absence, the more effective business leaders and HR can be in making decisions to cover for employee absences and lower their costs.

Employee absences inevitably lead to productivity loss in many forms—replacement workers who may be less, or not at all, familiar with the role they are filling would be less productive than the absent employee for whom they are covering, co-workers are likely to be less productive on their "regular" work when filling in for an absent employee, and supervisor productivity decreases when supervisors must spend time addressing employee absences (e.g., adjusting workflow, obtaining replacements). Although indirect costs resulting from productivity loss tend to be more challenging to calculate due to the subjective nature involved in assessing employee productivity, productivity loss can be costly. Average perceived productivity loss due to replacement workers ranged from 19.9% in Australia to 31.1% in the United States; perceived co-worker productivity loss ranged from 24.0% in Europe to 40.3% in Mexico, and perceived supervisor productivity loss from 15.7% in the United States to 26.0% in Mexico.

The costs of employee absences aside, it is important to note the value of paid time off for employees. Paid time off not only boosts employee morale and provides workers with an opportunity to rest, making them more productive in the long run, but it also drives valuable employees to join and stay with organizations that offer it, especially those employees who value the importance of time off.

In summary, it is pertinent that organizations have a clearly defined strategy to monitor and manage absence, with proper training, to help control costs associated with absences, and to also be aware of the multitude of benefits associated with paid time off that also affect organizational outcomes and, ultimately, the bottom line.

Methodology

Methodology

The Total Financial Impact of Employee Absences Survey, conducted by the Society for Human Resource Management (SHRM) in collaboration with and commissioned by Kronos Incorporated, collected responses from 1,280 SHRM members, Kronos customers and Kronos prospects in the United States, China, Australia, Europe, India and Mexico.

The survey was fielded from April 10 through May 30, 2014. An e-mail including a link to the online survey was sent to all sample members. During the data collection period, in addition to the invitation to participate, several e-mail reminders were sent.

Respondent Demographics

Table 22. Function

	United States	China	Australia	Europe	India	Mexico
Compensation	27%	14%	8%	27%	41%	33%
Employee benefits	39%	23%	9%	29%	48%	42%
Executive	28%	31%	14%	24%	17%	28%
Finance/accounting/payroll	15%	14%	33%	23%	24%	27%
Human resources	63%	73%	29%	64%	66%	64%
Operations	14%	17%	32%	25%	21%	23%
Staffing/employment/recruitment	30%	24%	15%	34%	37%	42%
Other	9%	8%	20%	12%	26%	14%
n	*733*	*132*	*120*	*119*	*94*	*81*

Note: Percentages do not total 100% due to multiple response options.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 23. Position

	United States	China	Australia	Europe	India	Mexico
Vice president, chief of human resources or above	22%	10%	4%	11%	24%	6%
Director or assistant/associate director	56%	19%	8%	20%	13%	30%
Manager or generalist	14%	47%	38%	39%	53%	50%
Supervisor	1%	11%	9%	4%	3%	5%
Specialist	2%	4%	12%	7%	1%	1%
Analyst	1%	1%	4%	0%	1%	1%
Administrator or coordinator	2%	8%	18%	12%	1%	5%
Other	3%	1%	6%	7%	4%	1%
n	*727*	*129*	*119*	*117*	*93*	*80*

Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 24. Level of Organization for Which Employee Data Were Provided

	United States	China	Australia	Europe	India	Mexico
Organizationwide for all locations	34%	20%	40%	33%	35%	55%
Multiple locations in country	26%	26%	22%	18%	25%	15%
Single facility/location	29%	42%	27%	40%	33%	24%
Business unit/division	11%	12%	12%	9%	8%	7%
n	*653*	*126*	*116*	*116*	*92*	*75*

Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 25. Industry*, **

	United States
Transportation and warehousing, construction, utilities, mining, quarrying, and gas/oil extraction	5%
Wholesale and retail trade, and accommodation and food services	10%
Professional, scientific, technical and information services	6%
Finance and insurance, and real estate/rental and leasing	6%
Agriculture, forestry, fishing and hunting	13%
Manufacturing	12%
Educational services	11%
Health care and social assistance	15%
Government agencies	8%
Other	13%
n	*673*

Note: Percentages may not total 100% due to rounding.
*Industry that best describes the entity for which data were provided, which may differ from that of the overall parent company.
**Results by country and Europe were not reportable (NR) due to low response counts by industry (n < 25).
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 26. Percentage of Employees, by Type of Employee*

	United States	China	Australia	Europe	India	Mexico
Employees eligible for overtime pay	70%	90%	70%	89%	44%	68%
Nonmanagement/individual contributor employees**	15%	7%	18%	3%	23%	20%
Management/supervisory employees**	13%	2%	10%	7%	18%	9%
Executive employees**	1%	2%	2%	< 1%	16%	3%
n	*447*	*52-69*	*35-54*	*58*	*28-41*	*42*

*Data reported based on respondents/organizations that provided employee counts by type of employee. Percentages may not total 100% due to rounding. Only employees eligible for paid time off were included in the analysis.
**Employees not eligible for overtime.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Appendix: Results by Country/Europe Region

Table 1. In 2013, how many total workdays did your organization have?

	United States	China	Australia	Europe	India	Mexico
Average number of workdays	289	257	282	269	281	289
n	*504*	*102*	*84*	*93*	*75*	*58*

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 2. What is the approximate average annual base salary or pay—excluding bonuses, overtime, commissions, benefits, and other fringes—for a full-time employee in each of the following categories?

	Average Annual Base Salary for Full-Time Employees*			
Type of Employee	**United States**	**China**	**Australia**	**Europe**
Employees eligible for overtime	$36,756	51,012 RMB/CNY	57,157 AUD	€30,646
Nonmanagement/individual contributor employees who are NOT eligible for overtime pay	$59,216	55,763 RMB/CNY	64,072 AUD	NR
Management/supervisory employees who are NOT eligible for overtime pay	$76,818	68,879 RMB/CNY	102,379 AUD	€42,476
Executive employees who are NOT eligible for overtime pay	$150,020	208,966 RMB/CNY	194,395 AUD	NR
All employees (*if not known by overtime status*)	$66,904	71,808 RMB/CNY	NR	NR
n	*82-289*	*33-41*	*25-34*	*28-30*

Note: NR = not reportable (n < 25).

* Average base salaries for India and Mexico not reportable (NR) due to low response counts (n < 25).

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 3. What is the approximate annual average expense per employee for all employer-sponsored benefits—such as health and retirement benefits—and statutory payroll contributions, bonuses, training, uniforms, etc., either as a percentage of base pay or in annual cost per employee?

	Average Annual Cost of Employer-Sponsored Benefits					
	United States	China	Australia	Europe	India	Mexico
As a percent of pay	26%	25%	13%	15%	18%	31%
As cost per employee	$6,843	27,331 RMB/CNY	NR	NR	NR	NR
n	*74-281*	*34-63*	*40*	*38*	*40*	*38*

Note: NR = Not reportable (n < 25).
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 4. In 2013, how many paid holidays did your organization provide to full-time and part-time employees?

	Average Number of Paid Holidays per Employee in 2013					
	United States	China	Australia	Europe	India	Mexico
Full-time employees	9	11	11	17	14	9
Part-time employees	5	5	8	12	9	5
n	*567-612*	*86-110*	*76-83*	*88-98*	*69-79*	*47-61*

Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 5. In 2013, did your organization track the number of employee absences?

	United States	China	Australia	Europe	India	Mexico
Yes, and I can provide the number of absence days	20%	76%	44%	49%	49%	49%
Yes, but I am NOT able to provide the number of absence days	63%	24%	51%	47%	49%	46%
No	17%	1%	5%	4%	2%	4%
n	*692*	*119*	*86*	*104*	*84*	*69*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 6. In 2013, on average, how many paid leave days did your organization offer per full-time employee?

	Average Annual Paid Leave Days					
	United States	China	Australia	Europe	India	Mexico
Vacation and personal leave	15	11	19	28	20	12
Sick leave	9	6	9	7	9	5
Other paid leave, such as bereavement, parental and civic	4	5	3	2	8	4
Paid time off (PTO) (U.S. only)	20	NA	NA	NA	NA	NA
n	*126-370*	*52-61*	*50-65*	*49-84*	*34-60*	*37-50*

Note: NA = not applicable; U.S. only
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 7. Does your organization ever use temporary workers, outside contractors or other additional workers (excluding existing employees) to provide coverage for employee absence?

	United States	China	Australia	Europe	India	Mexico
Yes	69%	46%	62%	73%	58%	30%
No	31%	54%	38%	27%	42%	70%
n	*506*	*122*	*105*	*112*	*91*	*74*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 8. Typically, for what length of absence does your organization bring in temporary workers, outside contractors or other additional workers (excluding existing employees) to provide coverage for an employee's absence?

	United States	China	Australia	Europe	India	Mexico
1-3 days	10%	9%	36%	16%	22%	NR
4-6 days	5%	9%	20%	9%	22%	NR
7-9 days	4%	11%	10%	11%	14%	NR
At least 2 weeks	39%	16%	10%	15%	10%	NR
At least 3 weeks	6%	0%	0%	9%	2%	NR
At least 1 month	17%	20%	8%	21%	8%	NR
At least 2 months	19%	35%	16%	19%	20%	NR
n	*309*	*55*	*50*	*75*	*49*	*n < 25*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis. NR = not reportable (n < 25).
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 9. What is the average hourly rate for temporary laborers, outside contractors or other additional workers (excluding existing employees) that you use to provide coverage for employee absences?

	United States	China	Australia	Europe	India	Mexico
Rate per hour	$21	17 RMB/CNY	45 AUD	€21	33 INRs	NR
n	*202*	*42*	*50*	*71*	*27*	*n < 25*

Note: NR = not reportable (n < 25).
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 10. Does your organization ever have employees work overtime as a way to provide coverage for employee absences?

	United States	China	Australia	Europe	India	Mexico
Yes	82%	83%	77%	73%	51%	64%
No	18%	17%	23%	27%	49%	36%
n	*485*	*122*	*105*	*108*	*88*	*76*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 11. In 2013, how often did your organization use overtime to cover for employee absences?

	United States	China	Australia	Europe	India	Mexico
Almost always (90%-100% of the time)	16%	1%	10%	9%	16%	2%
Often (about 75% of the time)	15%	5%	17%	16%	9%	25%
About half the time (about 50% of the time)	31%	9%	17%	13%	19%	21%
Sometimes (about 25% of the time)	17%	35%	30%	36%	19%	27%
Once in a while (5%-10% of the time)	21%	50%	25%	26%	28%	25%
Never	0%	0%	0%	0%	9%	0%
n	*368*	*100*	*69*	*76*	*43*	*48*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 12. In 2013, what was the overtime rate as a percentage of the ordinary hourly wage?

	United States	China	Australia	Europe	India	Mexico
Percentage	149%	157%	160%	140%	NR	144%
n	*251*	*67*	*50*	*49*	*n < 25*	*29*

Note: NR = not reportable (n < 25).
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 13. On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?

Employee Providing Coverage	About 90%-100% of Their Time	About 75% of Their Time	About Half (50%) of Their Time	About 25% of Their Time	About 5%-10% of Their Time	None of Their Time
Co-workers or existing staff						
United States (n = 438)	5%	10%	18%	36%	27%	3%
China (n = 122)	3%	6%	22%	42%	20%	7%
Australia (n = 83)	10%	11%	18%	34%	24%	4%
Europe (n = 95)	6%	6%	16%	26%	37%	8%
India (n = 84)	5%	7%	19%	36%	26%	7%
Mexico (n = 72)	18%	6%	21%	33%	19%	3%
Employee's supervisor						
United States (n = 420)	1%	2%	11%	25%	52%	10%
China (n = 111)	1%	2%	14%	32%	41%	11%
Australia (n = 84)	2%	5%	14%	24%	39%	15%
Europe (n = 87)	2%	3%	9%	29%	44%	13%
India (n = 82)	4%	10%	11%	37%	29%	10%
Mexico (n = 65)	3%	5%	28%	28%	32%	5%

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 14. Approximately how many hours per week do those with supervisory responsibility spend dealing with absences, including obtaining replacements, adjusting workflow or providing training?

	United States	China	Australia	Europe	India	Mexico
Hours per week	4.2	2.6	3.5	3.3	3.5	3.9
n	*345*	*118*	*93*	*99*	*74*	*65*

Table 15. In general, how much does employee absence impact the productivity and revenue of your organization?

	United States	China	Australia	Europe	India	Mexico
Large impact	19%	10%	27%	27%	20%	32%
Moderate impact	56%	43%	50%	40%	51%	47%
Small impact	25%	47%	23%	33%	29%	21%
n	*470*	*124*	*98*	*112*	*91*	*76*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 16. Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for whom they are covering?

Type of Absence	More Productive	Equally as Productive	About 80%-90% as Productive	About 60%-70% as Productive	About 50% as Productive	Less than 50% as Productive
Planned absence up to 5 business days (vacation or personal leave)						
United States (n = 284)	2%	29%	26%	21%	15%	7%
China (n = 65)	3%	22%	48%	17%	8%	3%
Australia (n = 75)	3%	36%	33%	16%	9%	3%
Europe (n = 71)	0%	46%	24%	18%	4%	7%
India (n = 64)	2%	31%	30%	27%	8%	3%
Mexico (n = 60)	7%	30%	35%	22%	3%	3%
Unplanned incidental absence up to 5 business days (sick, bereavement, parental or civic leave)						
United States (n = 284)	2%	10%	16%	31%	26%	14%
China (n = 65)	3%	17%	32%	25%	15%	8%
Australia (n = 75)	1%	19%	31%	29%	13%	7%
Europe (n = 70)	0%	17%	24%	31%	13%	14%
India (n = 64)	0%	8%	34%	19%	25%	14%
Mexico (n = 60)	0%	8%	30%	40%	15%	7%
Extended absence that is more than 5 business days						
United States (n = 279)	1%	15%	19%	29%	25%	11%
China (n = 64)	3%	9%	25%	31%	20%	11%
Australia (n = 75)	0%	31%	37%	20%	8%	4%
Europe (n = 73)	0%	32%	27%	27%	5%	8%
India (n = 63)	2%	13%	25%	25%	19%	16%
Mexico (n = 60)	3%	13%	35%	30%	12%	7%

Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 17. In general, to what extent does an employee's unplanned absence affect the workflow of co-workers?

	United States	China	Australia	Europe	India	Mexico
Reduces co-worker productivity by more than 75%	3%	1%	7%	2%	3%	7%
Reduces co-worker productivity by about 25%-75%	48%	28%	34%	19%	40%	40%
Reduces co-worker productivity by less than 25%	43%	56%	41%	61%	47%	48%
None	7%	16%	18%	18%	10%	5%
n	*407*	*115*	*85*	*100*	*86*	*73*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 18. What other impacts do unplanned absences have on the organization? Please select all that apply.

	United States	China	Australia	Europe	India	Mexico
Hurts morale	48%	32%	31%	36%	19%	28%
Adds to workload	69%	57%	75%	77%	64%	67%
Requires additional training	20%	27%	22%	16%	24%	22%
Reduces quality of work output	40%	48%	36%	32%	45%	47%
Increases stress	61%	31%	54%	51%	47%	48%
Adds mandatory overtime	29%	27%	38%	30%	35%	49%
Penalizes or reflects badly on all in the group or team	19%	52%	17%	28%	26%	25%
Disrupts work of others	59%	45%	55%	62%	65%	78%
None	1%	3%	3%	2%	4%	1%
Other	3%	2%	5%	4%	6%	0%
n	*512*	*132*	*110*	*118*	*94*	*81*

Note: Percentages do not total 100% due to multiple response options.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 19. Do you have formal, written attendance policies for the following employee groups?

Type of Employee	Yes	No, but Individual Departments Have Their Own Informal Policies or Rules	No
Employees eligible for overtime			
United States (n = 216)	71%	18%	12%
China (n = 110)	95%	3%	3%
Australia (n = 106)	84%	6%	10%
Europe (n = 99)	81%	11%	8%
India (n = 84)	79%	8%	13%
Mexico (n = 72)	78%	13%	10%
Employees NOT eligible for overtime			
United States (n = 213)	60%	23%	18%
China (n = 109)	80%	12%	8%
Australia (n = 97)	70%	15%	14%
Europe (n = 92)	70%	10%	21%
India (n = 72)	68%	7%	25%
Mexico (n = 65)	68%	8%	25%
All employees (if not known by overtime status)			
United States (n = 150)	58%	10%	32%
China (n = 104)	92%	5%	3%
Australia (n = 86)	79%	8%	13%
Europe (n = 95)	82%	6%	12%
India (n = 66)	83%	0%	17%
Mexico (n = 63)	73%	8%	19%

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 20. Who is primarily responsible for enforcing attendance policies?

	United States	China	Australia	Europe	India	Mexico
Employee's direct supervisor	57%	25%	69%	44%	23%	22%
Department manager (if not same as direct supervisor)	35%	22%	17%	23%	12%	23%
Human resources staff	7%	49%	9%	26%	60%	50%
Other	0%	2%	3%	4%	5%	5%
Not applicable, our organization does not enforce attendance	1%	2%	2%	2%	0%	0%
n	*225*	*127*	*108*	*115*	*93*	*78*

Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 21. How do employees typically request time off work for planned absences?

	United States	China	Australia	Europe	India	Mexico
Verbal request	9%	5%	5%	11%	5%	23%
Written request using a form or by e-mail	66%	62%	61%	58%	45%	63%
Submit an electronic request using a time-keeping system	24%	28%	29%	28%	45%	14%
Other	1%	6%	6%	3%	4%	0%
n	*225*	*127*	*108*	*115*	*93*	*78*

Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 22. Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?

Type of absent employee	Almost Always (90%-100% of the Time)	Often (About 75% of the Time)	About Half the Time (About 50% of the Time)	Sometimes (About 25% of the Time)	Once in a While (5%-10% of the Time)	Never	Not Applicable
Employees eligible for overtime							
United States (n = 188)	64%	10%	7%	5%	7%	4%	4%
China (n = 107)	65%	4%	3%	7%	9%	3%	8%
Australia (n = 95)	77%	9%	5%	1%	3%	1%	3%
Europe (n = 91)	81%	7%	4%	1%	1%	3%	2%
India (n = 72)	64%	8%	3%	10%	4%	10%	1%
Mexico (n = 65)	75%	9%	3%	2%	3%	6%	2%
Employees NOT eligible for overtime							
United States (n = 186)	47%	14%	6%	8%	9%	11%	5%
China (n = 107)	55%	7%	6%	6%	12%	7%	7%
Australia (n = 94)	62%	16%	4%	2%	4%	3%	9%
Europe (n = 86)	71%	6%	7%	2%	3%	6%	5%
India (n = 73)	62%	10%	7%	1%	4%	14%	3%
Mexico (n = 65)	46%	17%	6%	5%	8%	15%	3%
All employees (if not known by overtime status)							
United States (n = 110)	52%	13%	6%	7%	8%	5%	9%
China (n = 97)	62%	7%	1%	7%	10%	4%	8%
Australia (n = 84)	68%	14%	5%	1%	2%	4%	6%
Europe (n = 95)	78%	5%	5%	0%	2%	6%	3%
India (n = 64)	69%	14%	3%	3%	2%	8%	2%
Mexico (n = 60)	58%	12%	10%	2%	3%	13%	2%

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 23. Do you see a pattern of higher rates of unplanned absences on Mondays or Fridays, before public holidays, or before sporting or national events?

	United States	China	Australia	Europe	India	Mexico
Yes	72%	58%	64%	40%	60%	67%
No	28%	42%	36%	60%	40%	33%
n	*182*	*118*	*86*	*100*	*87*	*69*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 24. Who is primarily responsible for administering family medical leave? (U.S. only)	
Employee's supervisor or department manager (no formal designated administrator)	20%
Human resources staff	69%
Outsourced to a leave administrator or disability carrier	10%
Other	1%
n	*486*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" or "Not applicable, our organization is not required to comply" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 25. If you know or are able to estimate it, what is the approximate annual expense for your organization to comply with administering FMLA leave (including dedicated staff time, outsourcing expenses, legal support, internal audits, etc.)? (U.S. only)	
Less than $5,000	11%
$5,000 - $9,999	9%
$10,000 - $19,999	18%
$20,000 - $49,999	14%
$50,000 - $99,999	9%
$100,000 or more	6%
Don't know	34%
n	*467*

Note: Percentages may not total 100% due to rounding.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 26. What percentage of total FMLA leave time is for intermittent leave? (U.S. only)	
0% - 9%	35%
10% - 24%	20%
25% - 49%	30%
50% - 74%	13%
75% - 100%	3%
n	*401*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 27. For a typical extended FMLA leave, what is the approximate cost per employee of your organization's share of benefits continued during the leave, for example, for health plan coverage? (For U.S. only)	
$0	4%
$1 - $199	4%
$200 - $499	9%
$500 - $999	18%
$1,000 - $1,999	18%
$2,000 - $4,999	35%
$5,000 - $9,999	7%
$10,000 or more	4%
n	*300*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 28. How does your organization currently track employee time and attendance?

	United States	China	Australia	Europe	India	Mexico
Automated third-party software with terminals or web entry	29%	32%	48%	38%	36%	51%
Integrated system as a component or module of a human resource information system (HRIS) or enterprise resource planning (ERP) system	35%	23%	29%	30%	41%	26%
Home-grown system	20%	18%	6%	12%	10%	10%
Manual spreadsheets	8%	19%	7%	17%	7%	4%
Manual paper timesheets or punch cards	8%	8%	10%	3%	6%	8%
n	*240*	*119*	*94*	*106*	*87*	*72*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Not applicable, we do not have such a system" or "Other" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 29. How are absences tracked in your organization?

Type of Absence	Employee Self-Reports in Centralized System	Supervisor Tracks in Centralized System	Supervisor Tracks Manually, such as in a Spreadsheet	HR Tracks in Centralized System	HR Tracks Manually, such as in a Spreadsheet	Other
Incidental unplanned absences						
United States (n = 237)	25%	44%	18%	8%	3%	1%
China (n = 118)	19%	9%	19%	31%	18%	4%
Australia (n = 94)	20%	45%	7%	19%	3%	5%
Europe (n = 107)	16%	35%	7%	30%	6%	7%
India (n = 86)	28%	16%	7%	37%	12%	0%
Mexico (n = 73)	21%	25%	21%	29%	4%	1%
Planned absences						
United States (n = 234)	26%	43%	17%	10%	4%	1%
China (n = 118)	23%	11%	12%	32%	20%	2%
Australia (n = 94)	24%	44%	2%	21%	4%	4%
Europe (n = 106)	23%	39%	8%	24%	4%	3%
India (n = 84)	31%	20%	5%	33%	11%	0%
Mexico (n = 72)	17%	29%	15%	32%	7%	0%
Disability or extended medical leave (excluding workers' compensation)						
United States (n = 236)	6%	23%	7%	44%	18%	2%
China (n = 116)	20%	7%	9%	38%	25%	2%
Australia (n = 94)	13%	38%	6%	30%	4%	9%
Europe (n = 108)	11%	31%	4%	43%	7%	4%
India (n = 83)	27%	20%	4%	36%	12%	1%
Mexico (n = 70)	13%	21%	9%	47%	10%	0%
Family and Medical Leave Act (FMLA) (U.S. only)						
United States (n = 235)	5%	10%	15%	43%	22%	5%

Note: Only respondents who indicated how their organization currently tracks employee time and attendance were asked this question. Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Table 30. How accurately do you think your organization tracks financial liabilities for paid leave, for example, vacation or sick leave accruals?

	United States	China	Australia	Europe	India	Mexico
Very accurately	24%	12%	43%	39%	50%	22%
Reasonably accurately	56%	61%	51%	42%	38%	57%
Not very accurately	21%	27%	7%	19%	12%	21%
n	*225*	*100*	*91*	*98*	*82*	*63*

Note: Percentages may not total 100% due to rounding. Respondents who indicated "Don't know" were not included in the analysis.
Source: Total Financial Impact of Employee Absences (SHRM/Kronos, 2014)

Endnotes

[1] Organizations in the U.S. with 50 or more employees within a 75-mile radius are required to comply with the Family and Medical Leave Act (FMLA), which entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons, with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. (U.S. Department of Labor. (n.d.). Leave benefits: Family & medical leave. Retrieved from http://www.dol.gov/dol/topic/benefits-leave/fmla.htm)

[2] Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

[3] Holidays were not included in the number of paid days off.

[4] Workdays include the number of days the organization is open for business; for example, if an organization is open five days per week and is closed on 10 of those days to observe federal holidays, the calculation would be: (52 * 5) - 10 = 250.

[5] U.S. Department of Labor. (n.d.) Wages: Overtime pay. Retrieved from http://www.dol.gov/dol/topic/wages/overtimepay.htm

[6] According to the Factories Act (Section 59), a worker who works on overtime will be entitled to wages at the rate of twice his or her ordinary rate of wages. Also, according to the Minimum Wages Rules 1950 (Rule 25), overtime is to be given at double the ordinary rate of wages.

[7] Society for Human Resource Management. (2011, May 13). Staff levels and the use of contingent and part-time workers SHRM poll. Retrieved from http://www.shrm.org/research/surveyfindings/articles/pages/stafflevelsandcontingentpart-timeworkersshrmpoll.aspx#sthash.xswbzyT8.dpuf

[8] n = 504.

[9] n = 411.

[10] n = 250.

[11] Based on the number of paid sick days offered per full-time employee, on average, in 2013. Paid sick days reported as part of paid time off (PTO) days offered were not included in this analysis.

[12] n = 277.

[13] n = 171.

[14] n = 485. Respondents who indicated "Don't know" were not included in the analysis.

[15] The total number of absences covered by overtime was calculated to determine the costs associated with the use of overtime. Based on frequency of use of overtime, the direct costs of overtime were calculated. A numerical value was assigned to each response option to determine the weighted average of the Likert scale used to measure the frequency of use of overtime (3.12, n = 368), which converts to 47%.

[16] n = 251

[17] n = 277.

[18] Overtime costs were calculated using the total number of absences covered by employees in overtime status, average rate of paid time off, total number of workdays, total number of employees and an average overtime use rate of 47%. The calculation for

overtime assumes the overtime employee worked a full extra workday in a co-worker's absence.

$$\frac{\text{(Total number of absences covered by employee in overtime status} * \text{Overtime rate)}}{\text{Total payroll}}$$

[19] n = 506. Respondents who indicated "Don't know" were not included in the analysis.

[20] Replacement costs were calculated using the total number of absences covered by replacement workers, average rate of paid time off, total number of workdays, total number of employees and an average replacement use rate of 20%. Using the total number of absences covered by replacement workers, the average hourly wage of replacement workers and total payroll, the total cost of replacement workers as a percentage of payroll was 2%.

[21] n = 202.

[22] n = 148.

[23] n = 309. Respondents who indicated "Don't know" were not included in the analysis.

[24] n = 277.

[25] n = 279-284.

[26] Question as asked in the survey: "Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for whom they are covering?" Only respondents who reported a "large" or "moderate" impact of employee absences on their organizations' productivity and revenue were asked this question. Percentages may not total 100% due to rounding.

[27] Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

[28] n = 277.

[29] n = 102.

[30] n = 76.

[31] n = 48.

[32] Based on the number of paid sick days offered per full-time employee, on average, in 2013.

[33] n = 52.

[34] n = 33.

[35] n = 122. Respondents who indicated "Don't know" were not included in the analysis.

[36] The total number of absences covered by overtime was calculated to determine the costs associated with the use of overtime. Based on frequency of use of overtime, the direct costs of overtime were calculated. A numerical value was assigned to each response option to determine the weighted average of the Likert scale used to measure the frequency of use of overtime (4.28, n = 100), which converts to 20.1%.

[37] n = 67.

[38] n = 52.

[39] Overtime costs were calculated using the total number of absences covered by employees in overtime status, average rate of paid time off, total number of workdays, total number of employees and an average overtime use rate of 20.1%. The calculation for overtime assumes the overtime employee worked a full extra workday in a co-worker's absence.

$$\frac{\text{(Total number of absences covered by employee in overtime status} * \text{Overtime rate)}}{\text{Total payroll}}$$

[40] n = 122. Respondents who indicated "Don't know" were not included in the analysis.

[41] n = 55.

[42] n = 42.

[43] n = 64.

[44] n = 64-65.

[45] Question as asked in the survey: "Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for whom they are covering?" Only respondents who reported a "large" or "moderate" impact of employee absences on their organizations' productivity and revenue were asked this question. Percentages may not total 100% due to rounding.

[46] Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

[47] n = 52.

[48] Total costs of paid time off as a percentage of payroll does not include the cost of replacement workers, which was not reportable (NR) due to a low response count.

[49] n = 84.

[50] n = 60.

[51] n = 52.

[52] Based on the number of paid sick days offered per full-time employee, on average, in 2013.

[53] n = 44.

[54] n = 38.

55 n = 105. Respondents who indicated "Don't know" were not included in the analysis.

56 The total number of absences covered by overtime was calculated to determine the costs associated with the use of overtime. Based on frequency of use of overtime, the direct costs of overtime were calculated. A numerical value was assigned to each response option to determine the weighted average of the Likert scale used to measure the frequency of use of overtime (3.42, n = 69), which converts to 39.5%.

57 n = 50.

58 n = 44.

59 Overtime costs were calculated using the total number of absences covered by employees in overtime status, average rate of paid time off, total number of workdays, total number of employees and an average overtime use rate of 40%. The calculation for overtime assumes the overtime employee worked a full extra workday in a co-worker's absence.

$$\frac{\text{(Total number of absences covered by employee in overtime status * Overtime rate)}}{\text{Total payroll}}$$

60 n = 105. Respondents who indicated "Don't know" were not included in the analysis.

61 Replacement costs were calculated using the total number of absences covered by replacement workers, average rate of paid time off, total number of workdays, total number of employees and an average replacement use rate of 30%. Using the total number of absences covered by replacement workers, the average hourly wage of replacement workers and total payroll, the total cost of replacement workers as a percentage of payroll was 7.9%.

62 n = 50.

63 n = 27.

64 n = 50.

65 n = 75.

66 n = 75.

67 Question as asked in the survey: "Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for whom they are covering?" Only respondents who reported a "large" or "moderate" impact of employee absences on their organizations' productivity and revenue were asked this question. Percentages may not total 100% due to rounding.

68 Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

69 n = 44.

70 n = 93.

71 n = 70.

72 n = 37.

73 Based on the number of paid sick days offered per full-time employee, on average, in 2013.

74 n = 39.

75 n = 25.

76 n = 108. Respondents who indicated "Don't know" were not included in the analysis.

77 The total number of absences covered by overtime was calculated to determine the costs associated with the use of overtime. Based on frequency of use of overtime, the direct costs of overtime were calculated. A numerical value was assigned to each response option to determine the weighted average of the Likert scale used to measure the frequency of use of overtime (3.54, n = 76), which converts to 36.5%.

78 n = 49.

79 n = 39.

80 Overtime costs were calculated using the total number of absences covered by employees in overtime status, average rate of paid time off, total number of workdays, total number of employees and an average overtime use rate of 37%. The calculation for overtime assumes the overtime employee worked a full extra workday in a co-worker's absence.

$$\frac{\text{(Total number of absences covered by employee in overtime status * Overtime rate)}}{\text{Total payroll}}$$

81 n = 112. Respondents who indicated "Don't know" were not included in the analysis.

82 Replacement costs were calculated using the total number of absences covered by replacement workers, average rate of paid time off, total number of workdays, total number of employees and an average replacement use rate of 50%. Using the total number of absences covered by replacement workers, the average hourly wage of replacement workers and total payroll, the total cost of replacement workers as a percentage of payroll was 10.8%.

83 n = 71.

84 n = 30.

85 n = 75.

86 n = 70.

87 n = 70-73.

88 Question as asked in the survey: "Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for

whom they are covering?" Only respondents who reported a "large" or "moderate" impact of employee absences on their organizations' productivity and revenue were asked this question. Percentages may not total 100% due to rounding.

[89] Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

[90] n = 39.

[91] n = 75.

[92] n = 58.

[93] n = 41.

[94] Based on the number of paid sick days offered per full-time employee, on average, in 2013.

[95] n = 88. Respondents who indicated "Don't know" were not included in the analysis.

[96] The total number of absences covered by overtime was calculated to determine the costs associated with the use of overtime. Based on frequency of use of overtime, the direct costs of overtime were calculated. A numerical value was assigned to each response option to determine the weighted average of the Likert scale used to measure the frequency of use of overtime (3.60, n = 43), which converts to 35%.

[97] According to the Factories Act (Section 59), a worker who works on overtime will be entitled to wages at the rate of twice his or her ordinary rate of wages. Also, according to the Minimum Wages Rules 1950 (Rule 25), overtime is to be given at double the ordinary rate of wages.

[98] n = 91. Respondents who indicated "Don't know" were not included in the analysis.

[99] n = 49.

[100] n = 63.

[101] n = 63-64.

[102] Question as asked in the survey: "Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for whom they are covering?" Only respondents who reported a "large" or "moderate" impact of employee absences on their organizations' productivity and revenue were asked this question. Percentages may not total 100% due to rounding.

[103] Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

[104] n = 58.

[105] n = 45.

[106] n = 31.

[107] Based on the number of paid sick days offered per full-time employee, on average, in 2013.

[108] n = 76. Respondents who indicated "Don't know" were not included in the analysis.

[109] The total number of absences covered by overtime was calculated to determine the costs associated with the use of overtime. Based on frequency of use of overtime, the direct costs of overtime were calculated. A numerical value was assigned to each response option to determine the weighted average of the Likert scale used to measure the frequency of use of overtime (3.48, n = 48), which converts to 38%.

[110] n = 29.

[111] n = 74. Respondents who indicated "Don't know" were not included in the analysis.

[112] n = 60.

[113] n = 60.

[114] Question as asked in the survey: "Typically, when an employee absence is covered by another worker, how productive are they compared to the normal productivity of the employee for whom they are covering?" Only respondents who reported a "large" or "moderate" impact of employee absences on their organizations' productivity and revenue were asked this question. Percentages may not total 100% due to rounding.

[115] Question as asked in the survey: "On a typical absence day, approximately how much time is used by co-workers and/or supervisors to provide coverage for employee absence?"

[116] n = 470. Respondents who indicated "Don't know" were not included in the analysis.

[117] n = 345. Only respondents who indicated employees with supervisory responsibility spend zero to 10 hours on absence-related tasks were included in the calculation.

[118] n = 281.

[119] n = 74.

[120] n = 612.

[121] n = 567.

[122] n = 124. Respondents who indicated "Don't know" were not included in the analysis.

[123] n = 118. Only respondents who indicated employees with supervisory responsibility spend zero to 10 hours on absence-related tasks were included in the calculation.

[124] Calculation assumes a 40-hour workweek.

[125] n = 63.

[126] n = 34.

[127] n = 110.

[128] n = 86.

[129] n = 98. Respondents who indicated "Don't know" were not included in the analysis.

[130] n = 93. Only respondents who indicated employees with supervisory responsibility spend zero to 10 hours on absence-related tasks were included in the calculation.

[131] n = 40.

[132] The average annual cost of employer-sponsored benefits was not reportable (NR) due to a low response count (n < 25).

[133] n = 83.

[134] n = 76.

[135] n = 112. Respondents who indicated "Don't know" were not included in the analysis.

[136] n = 99. Only respondents who indicated employees with supervisory responsibility spend zero to 10 hours on absence-related tasks were included in the calculation.

[137] n = 38.

[138] The average annual cost of employer-sponsored benefits was not reportable (NR) due to a low response count (n < 25).

[139] n = 98.

[140] n = 88.

[141] n = 91. Respondents who indicated "Don't know" were not included in the analysis.

[142] n = 74. Only respondents who indicated employees with supervisory responsibility spend zero to 10 hours on absence-related tasks were included in the calculation.

[143] n = 40.

[144] The average annual cost of employer-sponsored benefits was not reportable (NR) due to a low response count (n < 25).

[145] n = 79.

[146] n = 69.

[147] n = 76. Respondents who indicated "Don't know" were not included in the analysis.

[148] n = 65. Only respondents who indicated employees with supervisory responsibility spend zero to 10 hours on absence-related tasks were included in the calculation.

[149] n = 38.

[150] The average annual cost of employer-sponsored benefits was not reportable (NR) due to a low response count (n < 25).

[151] n = 61.

[152] n = 47.

[153] n = 225.

[154] n = 225.

[155] n = 182.

[156] n = 692. Respondents who indicated "Don't know" were not included in the analysis.

[157] n = 225. Respondents who indicated "Don't know" were not included in the analysis.

[158] n = 180. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[159] n = 176. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[160] n = 100. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[161] Question as asked in the survey: "Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?"

[162] n = 127.

[163] n = 127.

[164] n = 118. Respondents who indicated "Don't know" were not included in the analysis.

[165] n = 119. Respondents who indicated "Don't know" were not included in the analysis.

[166] n = 100. Respondents who indicated "Don't know" were not included in the analysis.

[167] n = 98. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[168] n = 99. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[169] n = 89. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[170] Question as asked in the survey: "Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?"

[171] n = 108.

[172] n = 108.

[173] n = 86.

[174] n = 86. Respondents who indicated "Don't know" were not included in the analysis.

[175] n = 91. Respondents who indicated "Don't know" were not included in the analysis.

[176] n = 180. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[177] n = 176. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[178] n = 100. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[179] Question as asked in the survey: "Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?"

[180] n = 115.

[181] n = 115.

[182] n = 100.

[183] n = 104. Respondents who indicated "Don't know" were not included in the analysis.

[184] n = 98. Respondents who indicated "Don't know" were not included in the analysis.

[185] n = 89. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[186] n = 82. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[187] n = 92. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[188] Question as asked in the survey: "Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?"

[189] n = 93.

[190] n = 93.

[191] n = 87.

[192] n = 84. Respondents who indicated "Don't know" were not included in the analysis.

[193] n = 82. Respondents who indicated "Don't know" were not included in the analysis.

[194] n = 71. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[195] n = 71. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[196] n = 63. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[197] Question as asked in the survey: "Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?"

[198] n = 78.

[199] n = 78.

[200] n = 69.

[201] n = 69. Respondents who indicated "Don't know" were not included in the analysis.

[202] n = 63. Respondents who indicated "Don't know" were not included in the analysis.

[203] n = 64. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[204] n = 63. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[205] n = 59. Respondents who indicated "Don't know" or "Not applicable" were not included in the analysis.

[206] Question as asked in the survey: "Are unplanned absences consistently recorded into the time-keeping system for the following employee groups?"

[207] U.S. Department of Labor. (n.d.). Leave benefits: Family & medical leave. Retrieved from http://www.dol.gov/dol/topic/benefits-leave/fmla.htm

[208] n = 401. Respondents who indicated "Don't know" were not included in the analysis.

[209] Note that this percentage is based on all respondents; results of the analysis discussed previously on annual expenses associated with administering the FMLA do not include respondents who indicated "Don't know."

[210] n = 300. Respondents who indicated "Don't know" were not included in the analysis.

[211] Note that this percentage is based on all respondents; results of the analysis discussed previously on per employee expenses associated with administering FMLA do not include respondents who indicated "Don't know."

[212] n = 469.

[213] Towers Watson. (2014). *The business value of a healthy workforce: 2013/2014 Staying@Work survey report*. Retrieved from www.towerswatson.com/en-US/Insights/IC-Types/Survey-Research-Results/2013/12/stayingatwork-survey-report-2013-2014-us

[214] C. W. & A. J. K. D. (September 24, 2013). Get a life. *The Economist* blog. Retrieved from http://www.economist.com/blogs/freeexchange/2013/09/working-hours

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