

Absence Management:

Evolving an Outsourced Absence Management Program

A wireless communication firm with 30,000 U.S.-based employees made the decision to outsource its leave-of-absence and self-funded short- and long-term disability programs. Later, following an acquisition of equal size that doubled the employee base to 60,000, the company consolidated these programs with a different outsourcing provider. The combined, primarily union, workforce was composed predominantly of call center, retail, and customer service professionals.

The initial outsourcing phase was considered a success after key strategic elements were put in place, including well-documented policies and plan descriptions; strong project management and vendor oversight; the development of operational statistics and outcome reporting packages; and a robust internal attendance control team that seamlessly partnered with the outsourcing provider. When the programs were fully operational, however, the company became aware that certain areas required additional attention.

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An insightful solution

The team was called on to improve the company’s already-outsourced absence management program when operational statistics and outcome reporting metrics indicated the following improvements were needed:

- Additional training and tools for managers, supervisors, and attendance control staff
- Tighter administrative control of intermittent leaves and absenteeism
- A formal, standardized employment separation process when termination is related to exhaustion of job-protected leave or attendance discipline

Working with company executives, the team developed a strategy to deliver stronger attendance and absence control through a series of advanced strategies. Because an administration process was already in place, these additional strategies were designed to complement the existing components. The team recommended the following program enhancements:

- Developing electronic training materials in a ready-to-use format for managers, supervisors, and attendance control staff
- Creating coaching scripts for confronting employees about leave abuse and excessive absenteeism

- Formalizing the separation processes for leave-related terminations with the addition of new tools for supervisors, managers, and HR staff, including a standardized review process that involved confirmation of leave parameters (e.g., dates, types of leave, and exhaustion documentation)
- Changing attendance discipline processes and updating the definition of an occurrence
- Publishing data dashboards at the corporate, division, and call center levels to promote awareness of the impact of absenteeism
- Establishing quarterly meetings with division and call center leadership to present the dashboards and identify action-oriented priorities
- Strengthening the return-to-work processes for disability claims results

Real world results

The company was pleased with the ease of enhancing its absence management programs, and attributes success to the partnership formed by company leadership and its HR staff, its outsourcing provider, and the team. From the beginning, the team worked to develop a strong metrics program to identify the modifications that would have the greatest impact on outcomes and focused on execution of those modifications. The company achieved measurable success after implementing the team's recommended strategies:

- Leave-related absenteeism, or lost work days, decreased by eight percent in the first six months
- Recidivism, or multiple absences per person, decreased by 10 percent over the course of the first year
- Employee separation review turnaround time decreased from five days to less than two days and increased in accuracy (as demonstrated by fewer challenged terminations when compared with the prior six months)
- Early return-to-work cases reduced disability claim costs by more than \$1.3 million in one year
- Increased accuracy of absence tracking allowed for stronger attendance discipline and more precise determinations of when job-protected leave was exhausted

Let's talk

For more information about this project, contact:

Ophelia Galindo (714.712.8453 or ophelia.galindo@buckconsultants.com)