Sick Leave Abuse: A Chronic Workplace Ill?

Sick Leave Abuse and Absenteeism Explored

Article by Maureen Smith (About.com Human Resources)

Do you find that your employees are missing-in-action on a more frequent basis during the summer and during the holiday seasons? Studies show you're right. Unscheduled worker absences are increasing and, according to various surveys, governmental agencies have the largest number of absences.

According to CCH Incorporated, a company that produces electronic and print products for the tax, legal, securities, insurance, human resources, health care, and small business markets, unscheduled absenteeism can cost up to an average of $602 per employee, per year.

This cost does not include indirect costs such as overtime pay for other employees, hiring temps, missed deadlines, lost sales, sinking morale and lower productivity. Indirect costs can add up to 25 percent to the direct costs, according to Employee Benefit News and HR News.

In a survey of eleven U.S.-based telecommunications organizations, 72 cents of every dollar of costs related to employee absence stems from lost productivity, rather than hard costs, such as health care and disability benefits (Business Insurance, July 2000).

Sick leave is a necessary benefit for all employees. If an employer didn’t offer sick leave, they would accelerate health problems and the spread of illness, thereby lowering productivity and morale. Despite the pressure for perfect attendance to improve customer service and efficiency, employees need equitable sick leave programs for security and overall high performance. Yet, some organizations suffer from sick leave abuse, and sick leave abuse translates into lost dollars.

A "pattern of abuse" in regard to sick leave typically refers to employees who, over a period of time, have violated the organization’s attendance policy on numerous occasions. In order to confidently discipline employees with attendance problems, legal experts say the best bet is to have a clearly written policy that specifies the organization’s standards and employee requirements.

Be sure to specify that discipline — including termination — may result from repeated sick leave abuse and misuse. Keep the policy flexible, since it is virtually impossible to list every single potential offense.

Examples of attendance policy violations include:

- Number of absences, number of times coming in late, and number of early departures, all of which exceed the attendance policy allotment;
- Failing to get permission for leaving early or coming in late;
- Failing to give advance notice of an absence when possible;
- Failing to report an absence properly; and
- Failing to submit medical certification upon request.

Determining if and why employees exploit leave policies is important. Just as an employer analyzes turnover, the organization should also look at sick leave abuse trends. Is leave usage higher in one department or under a particular supervisor? Are workplace practices or policies
affecting absences? Do children’s illnesses in turn lead to your employee's time-off? Finding the root cause of sick leave abuse problems helps in addressing the core issues.

Methods for monitoring sick leave abuse vary from one organization to the next, but there are some common guidelines all employers can follow. Listed below are some tips about how to manage sick leave abuse cases.

- Recognize the problem with sick leave abuse and intervene early before it escalates. Managers need to enforce sick leave policies and take appropriate action.
- Find out why the employee is abusing leave. Talk to employees who are abusing leave and see if their behavior stems from a personal problem. If you find that it does, recommend counseling or refer them to your organization’s Employee Assistance Program.
- Learn to say "no." You shouldn’t let employees get away with abusing leave policies. When you hear a ridiculous request to misuse leave, say "no."
- Use procedures, regulations, practices and knowledge to benefit management as well as the employee. Supervisors and managers must work with employees. Their main job is to make certain that all employees are aware of sick leave policies and how to use them.
- Document everything.

You don't just have to deal with sick leave abuse - you can encourage appropriate leave use, too.

To encourage employees to use sick leave programs properly, many organizations use cash incentives or other benefits. The following are incentive statistics from the HR Center Personnel Program Inventory Survey, developed by the International Personnel Management Association. Of the 428 IPMA Agency Members who responded, the survey found the following:

- 58 percent cash-out sick leave at retirement;
- 45 percent offer cash/pay for unused sick leave;
- 33 percent offer sick leave sharing/leave banks;
- 11 percent convert sick leave to vacation time;
- Nine percent convert sick leave to insurance at retirement;
- Three percent convert sick leave to disability insurance; and
- Two percent convert sick leave to wellness expenses.

There are programs that can assist in addressing sick leave abuse. For example, IPMA’s HR Center has developed two packets that offer important suggestions in helping to curb sick leave abuse and provide general tips on creating sound policies. The first packet — Sick Leave Abuse — covers policies and ideas on attendance bonus programs, sick leave incentives and annual recognition for minimal sick leave use.

The second packet — Paid Time-Off Policies — provides sample policies and tips on developing PTO programs. These comprehensive leave packages combine sick leave, personal time, and vacation into one "unileave." For employers, this can mean less fear of sick leave abuse and, for employees, it often means more flexibility and control.

Many organizations have implemented sick leave incentive programs and policies to discourage absenteeism, and reward employees who maintain excellent attendance records. For example, Broward County, Florida offers a "Bonus Day," where eligible employees earn one day off for any sick time not used within a six-month period.
Calvert County, Maryland offers an incentive bonus, the equivalent of one day’s pay, to any eligible full-time employee who is employed on the first work day in a pay year, and who uses two days or less of sick leave during a pay year. A note of caution: employers considering the establishment of a sick leave incentive program should ensure that the program does not violate the Family and Medical Leave Act.

Critics of sick leave incentive programs suggest that incentives try to bribe employees to act in certain ways, rather than make them want to exhibit the behaviors voluntarily. Another common objection is that such programs indirectly punish employees who have to be out of work legitimately. Parents of young children may resent the perceived "favoritism" bestowed upon their childless coworkers who don’t need sick leave to care for sick children.

Some critics also assert that attendance incentives send the wrong message about sick leave, which has become increasingly important in today’s high-stress work environment. If the use of sick leave is made to look like the wrong behavior, employers risk encouraging employees to overwork themselves to the point of real illness.

Employees who use sick leave legitimately may feel pressure to report to work even when they are seriously ill, which could result in significant health damage and increased health care costs down the line.

The best way to create an incentive program is to, first, examine current policies and management style, and then try to develop ideas for averting and prohibiting abuse. For example, some employers have discovered, upon internal assessment, that the fewer supervisors an employee has, the less likely he or she will abuse sick leave. By investigation and attention to employee and management behaviors, organizations have a greater chance of developing a successful leave incentive program.

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