

# WHY YOUR EMPLOYEE ATTENDANCE POLICY MAY BE CONTRIBUTING TO YOUR TURNOVER PROBLEM.

If you're like most employers, your focus the last couple of years has been on recruiting and hiring. But thanks to COVID-19 and the Big Quit, you're likely feeling an intensified shift to retain the workers you have. You're not alone. In our September survey of 310 light-industrial employers, we uncovered an interesting retention trend: companies are modifying their attendance policies to curb turnover.

## THE BACK STORY: ABSENTEEISM & INVOLUNTARY TURNOVER SPIKED

In 2019 and 2020, our data showed absenteeism accounted for 21% of all turnover, and 56% of involuntary turnover. We saw both of those numbers rise in 2021 and 2022, jumping up to 25% and 64% respectively. This made us wonder how many employers adjusted—or are considering adjusting—their attendance policies as a result. So we asked a few!

## NO-NONSENSE ATTENDANCE POLICIES NO LONGER MAKE SENSE

About 33% of employers told us they changed their attendance policy in the last year. Of those, over 76% made modifications that were less restrictive, or more forgiving, of absences, and 20% added a monetary bonus to reward perfect attendance. Only 4% made their attendance policy more restrictive.

Of our client companies that did not make changes to their attendance policy in the last year, 7% plan to make a change within the next year. What's curious to us is that, of those planning to make a change, 60% plan to make their policies more restrictive!

Employer Response	Percentage
Less Restrictive	76.05%
Reward Attendance	19.72%
More Restrictive	4.23%

Employer Response	Percentage
More Restrictive	60%
Less Restrictive	20%
Undecided	20%

No employer would deny the frustration of dealing with unexpected or short-notice absences or tardiness, but it's a reality we all face. And in a market where employees have their pick of opportunities, making changes to show you understand and care about your workers—whether it's fewer penalties or monetary rewards—is an effort you must make to keep pace with the competition.

## CONCLUSION

If you haven't taken the time to evaluate your attendance or other benefits programs in the last 12 months, it is worth the time to evaluate it, and if you do plan to make a change, it is worth considering the impact of those changes in an already changed market. A plan that your employees are happy with has a greater chance of reducing costs, improving morale, keeping well-trained employees, creating a better employee experience, and increasing revenue.

**Use Your Attendance Policy to Entice Workers & Stand Out** Times have changed and restrictive policies are a risky approach. Make changes that help you stand out amongst your competitors by helping employees manage their well-being. Investing in a more attractive policy is less costly than constant training and attraction.

**Loosen up:** If your skill requirements are low and your staffing needs are simply a numbers game, consider changes that remove penalties for unplanned absences and tardies and accommodate flexibility.

**Offer rewards:** Complement increased flexibility with a monetary or perk bonus for good attendance, particularly for positions that require special skills or employees whose presence is critical to operations.

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