

DEVELOPING AN ATTENDANCE POLICY

The decision to implement a formal attendance policy usually comes after a company has determined that excessive absenteeism and tardiness are causing disruption to the employer's business. A small company where all employment decisions are made by one or two people may not need an attendance policy, but as the company grows and more people are involved in employment decisions, it becomes more difficult to assure consistency in dealing with employee problems.

Some policies confine themselves to defining what constitutes an "excused" (or unavoidable) absence and what qualifies as "unexcused" (or avoidable), how many sick days are allowed each calendar year, and what procedures employees should follow in reporting to their supervisors that they will not be able to come to work. Others encompass detailed counseling programs and progressive disciplinary measures. Here are some of the areas you may want your policy to cover:

- ✓ **Paid sick leave.** Will a certain number of days per year be set aside (with pay) for non-work-related injuries and illnesses?
- ✓ **Eligibility requirements.** How long must an employee be on the payroll before he or she qualifies for a paid absence?
- ✓ **Accumulation of sick days.** What if a certain number of sick days are allowed per year and an employee doesn't use them up? Can they be used for personal reasons? Can they be accumulated as insurance against a long absence in the future?
- ✓ **Notification procedures.** Whom must an employee notify—and when—in case of absence? Must the employee call in personally each day of an extended absence?
- ✓ **Medical excuses.** If an employee has been absent for a specified number of days in a row, will a signed medical excuse form be required?
- ✓ **Disciplinary procedures.** What steps will be taken (and under what circumstances) when an employee's absenteeism rate reaches an "unacceptable" level?
- ✓ **Counseling.** Who is responsible for counseling the chronic absentee? Under what conditions should counseling begin? What type of counseling will be given?
- ✓ **Failure to report.** What happens if an employee simply fails to call in (without good reason?) How many days of unreported absence will be allowed to pass before the employee is considered a "voluntary quit"?
- ✓ **Recordkeeping.** What type of information concerning absenteeism must be recorded and by whom? What should be done with these records and how frequently should they be reviewed?

- ✓ **Recognition for perfect attendance.** Will exceptionally good attendance be rewarded?

Absenteeism and tardiness are often treated together in policy manuals. In fact, some employers consider late arrivals or early departures as simply another form of absenteeism. This approach has its advantages, the major ones being that it simplifies recordkeeping and, by making tardiness subject to the same rules and disciplinary actions as absenteeism, discourages employees from developing an overly casual attitude toward coming in late. But if you *do* want to single out tardiness as a different type of problem requiring somewhat more lenient standards and less severe disciplinary procedures, then it is obviously better to develop a separate (but closely related) policy in this area.

Importance of Attendance

Many employer attendance and absenteeism policies contain a statement emphasizing the importance of coming to work every day on time. Typically, the statement describes attendance as a workers' most basic duty and stresses employees' responsibility to one another and to the company. Here are some examples of positive attendance statements:

1. We depend on everyone being present for work as scheduled in order to get the job done. Even the most skillful employees are of little value to the company if they are not regularly present.
2. You are an important part of our production team. Being at work on time each day will build your reputation for dependability.
3. You are important to the overall success of this company. Therefore, it is extremely important that you are dependable and prompt.

Setting the Standard

An attendance policy is part of the company's overall benefit package, as such, the employer must determine how the attendance policy will interface with existing benefits, compensation and employee relations policy. There is no "one size fits all" in attendance policies. The company must consider the practices of other employers in the area, current labor market conditions, make-up of the current work force and the culture of the organization. In some cases employer actions could be contributing to the attendance problems (e.g., poor working conditions, too much overtime, supervisory indifference or favoritism). Whenever possible, these should be addressed and remedied first or considered when setting the standard.

Absenteeism causes some disruption in any business, but in some types or organizations it can have even more serious consequences than loss of efficiency or productivity. In a hospital, for example, an employee who is asked to fill in for the absent worker may be unfamiliar with certain aspects of the job, and mistakes under such circumstances can have dire consequences. This type of organization and any companies that depend heavily on contact with public may have to demand more of their employees when it comes to avoidable absences.

You should consider how employees have responded to your current attendance policy if you have one. If you're trying to develop a policy for a work force that has already exhibited

unacceptable levels of absenteeism, you may need to come down harder on those who abuse sick leave provisions or fail to report absences on time. Analyze your policy to determine whether these abuses are the result of loop holes in the policy, or failure of supervisors to consistently enforce the policy. If absenteeism has traditionally been kept at or below acceptable levels by supervisors, you'll want a policy that supports their continuing efforts without creating an unnecessary burden for them.

Many companies use more discretion when it comes to absences of exempt employees. With limited exceptions, exempt employees must be paid for an entire week if they work any part of the week and they are not required to be paid overtime for hours above 40 per week. Because of this and because many exempt employees routinely work more than 40 hours per week, some companies establish two different policies for exempt and non-exempt employees.



It is important to integrate your policy on absenteeism with the sick pay policy, as well as with leave of absence policies of all sorts – personal/family, disability, jury, bereavement, military, etc. Attendance may be improved by implementing alternative work arrangements, for example, flextime, job sharing or telecommuting.

Examples of attendance standards

- A number of days in a particular time period. When this number is exceeded, disciplinary action begins. “In general, absenteeism is excessive when an employee is absent more than six days in a year.”
- A number of times in a particular time period. When this number is exceeded, disciplinary action begins. “In general, absenteeism is excessive when an employee has more than six occurrences of absence in the previous twelve months.”
- A ranking of employees that puts them in order from best to worst. “Employees who fall in the lowest 10% of attendance will be counseled regarding attendance and may be subject to disciplinary action.”
- A point system which awards a number of points for each type of absence and then disciplines when the points exceed a predetermined number. “When the number of points equals 7, a written notice will be issued to the employee; when the number of points equals 8 a second written notice is issued; when the number of points equals 9, the employee will receive one day off without pay, when the number of points equals 10, the employment is terminated.
- The standard is that any absence other than those allowed begins discipline. “If an employee has an unreported or unexcused absence, the supervisor will begin the discipline process.”
- No standard is set as each employee is expected to be in attendance on all scheduled days and only those employees whose absence is excessive (may not be defined) or creating a problem within the department are counseled and subject to disciplinary action. “Repeated

and excessive absences will be considered serious violations of your employment relationship with the company. Appropriate counseling and discipline procedures will be administered.”

- Employees are given a set amount of paid time off to use during the year. This amount generally varies with length of service and may vary by level within the organization. Time off in excess of the allotment is generally not granted, even unpaid, unless required by law. “Employees whose absences (other than approved leaves) exceed their PTO time will be disciplined per the following schedule.”

In setting a standard, the employer needs to balance the desire for flexibility against the need for consistency. There are no general rules for determining when absenteeism is “excessive”. However, chronic absenteeism consistently has been upheld in arbitrations and as a defense in discrimination charges, especially where the employee has been counseled and warned of the consequences of continued poor attendance and has had an opportunity to change his or her behavior.

Consequences of Poor Attendance

Many companies have a formal discipline program that includes attendance. Employees are counseled, warned in writing and may be suspended or terminated when they exceed the standards in the attendance policy. Employers may also take away or suspend employee privileges once an employee has entered the formal disciplinary action system for attendance issues. This can provide motivation to the employee to refrain from future attendance violations and return to compliance with the standard.

Typical take aways can include the following:

- Ineligible to apply internally for positions
- Ineligible for step or merit increases
- Unable to use discretionary sick time
- Ineligible for voluntary overtime
- No holiday pay if absent day before or after
- Ineligible for bonuses (caution: an employee cannot be removed from participating in ERISA protected benefits such as a retirement program funded through profit sharing.)



Incentives for Good Attendance

While a well-written and consistently enforced policy on absenteeism can go a long way toward controlling and maintaining good attendance, non-punitive approaches have been used by some companies to improve attendance. Incentives for good attendance may include award ceremonies and gifts, cash bonuses, or allowing employees to earn extra vacation or personal days for each specified period worked without absence. Incentive systems which reward employees soon after they have met attendance goals seem to work better than long-term rewards. The cost/benefit ratio of attendance incentives and how they fit in the culture should be carefully examined prior to adding them to an attendance program.

Some incentives have little to no cost. Typical incentives that have been used include the following:

- Paying off some or all unused sick days
- Allowing carryover of unused sick to a limit to afford longer service employees short-term disability coverage
- Lotteries
- Monetary or additional time off rewards
- Posting the names of employees with perfect attendance
- Special lunch or dinner for employees with good attendance
- Making payday a day that has been poorly attended
- Paying employees with good attendance a premium
- Basing merit increases heavily on attendance
- Sending a letter home to employees with good attendance
- Recognizing employees with good attendance in a newsletter or in an employee meeting
- Absence Banks—carryover to next year, use/payoff

If the decision is made to create an incentive program, employers should:

- Make the program fair.

- Establish realistic attendance goals. Do not penalize employees who are absent because of vacations or FMLA leaves.
- Make achievement of production goals, and not perfect attendance, the focus of incentives in team-based organizations. If a team member has to be disciplined for absenteeism, consider disqualifying that worker for team rewards so that the entire team is not penalized.
- Not rely solely on lotteries to select eligible workers for rewards. Make sure that every reward-eligible employee receives some form of recognition.
- Offer rewards that are significant enough to motivate workers with poor attendance to change their behaviors.
- Vary incentives regularly to maintain interest. Consider offering a mix of rewards (some for individuals, some for teams or departments) throughout the year.

No-Fault Absence Policies

Under a no-fault leave policy, the employer determines an “acceptable” number of unscheduled employee absences per year, regardless of the specific cause of the absence. A record is kept of each employee’s absences during the year, and those workers who exceed the allowable level of absences are subject to disciplinary action.

The number of leaves taken under no-fault is based on “occurrences” versus actual days. For example, an employee who takes one day off is treated as having one leave occurrence, as is a worker who is out for three consecutive days. Basing unscheduled absences in this way enables employers to ensure that employees with legitimate needs receive adequate time off, while discouraging workers from taking random days off here and there.

When using a no-fault absence policy, you should develop a progressive discipline policy in writing, and ensure employees are aware of the policy and its implications. Employers also may decide to exempt certain situations—such as hospitalization or severe illnesses—from the policy, and should put these exemptions in the written policy. The more exceptions to the policy, the more you will be required to “police” reasons for absence and compromise the reason for a no-fault policy. Employers required to comply with Family and Medical Leave Act cannot count FMLA absences in the no-fault policy.

An important aspect of progressive discipline in regard to unscheduled absences is that employees should be given the opportunity to avoid future corrective action or discipline by limiting their absences. For example, employers could cancel further action for an employee who does not exceed the terms of the policy again during the next period.

Sample No-Fault Attendance Policy (under 50 employees)

POLICY STATEMENT

Every employee of (Company Name) is expected to report for work on a regular basis, at the times established as the work day. To eliminate fault as a basis for determining whether an absence or tardiness is excused or unexcused, this No-Fault System is established. Disciplinary action may be required and will be based on frequency of occurrences in accordance with the following:

Guidelines:

1. Absenteeism is defined as being absent from work on any scheduled workday, even though the employee has notified the Company. Each period of consecutive absence will be recorded as “one occurrence” regardless of the number of days’ duration. Employees who are absent without call-in will be charged with two occurrences of absence for that occasion.
2. Tardiness will be considered as reporting to work within ten (10) minutes of the scheduled starting time. Employees reporting more than ten minutes after the scheduled starting time will be considered as late. One occasion of tardiness will be charged as one-quarter of an absence occurrence. Employees who report to work late or who leave before the end of the shift (with management permission) will be charged with one-half of an absence occurrence for either of these events.
3. Absence due to bereavement leave, military duty, jury duty, approved vacations or holidays, and work-related injuries, will not be recorded as an occurrence of absence for purposes of disciplinary action.
4. Absence records will be maintained for a consecutive 12 month period, starting with the employee’s first occurrence of absence. All absence records and warning notices which are one year old or older shall not be considered for purposes of disciplinary action under this policy. For each calendar month of perfect attendance, an employee with an absentee record will have one occurrence deducted from the absentee record.
5. Corrective discipline will be administered according to the following:
 - Three occurrences, or points, within a 12 month period: **Verbal** warning.
 - Five occurrences, or points, within a 12 month period: **Written** warning.
 - Seven occurrences, or points, within a 12 month period: **Second Written** warning.
 - Twelve occurrences, or points, within a 12 month period: **Discharge**.
6. The above policy is in addition to action that may be taken when cumulative time lost from work for any reason substantially reduces the employee’s services to the Company.

Paid Leave Banks

As the workplace strives to become more “family friendly” many employers are implementing paid leave banks – also called paid time off banks – to allow employees increased flexibility to take time off around their individual needs. In general, paid leave banks combine all types of employer-provided leave benefits into one “bank,” from which employees can use time off as they see fit. Paid leave banks can include leave for the following reasons:

- ◆ Sick;
- ◆ Vacation;
- ◆ Disability;
- ◆ Holidays;
- ◆ Bereavement;
- ◆ Sabbaticals;
- ◆ Military; and
- ◆ Jury duty.

Regardless of the composition of the bank, however, paid leave banks provide employers an opportunity to put the responsibility for deciding how to use their time off and relieve the company of some of the administrative burden.

Policy Summary

Each approach to determining when unscheduled absences should trigger disciplinary action has pluses and minuses. What should management do? An answer can be found by referring to the answers in the earlier quiz. Did you answer “yes” to all five questions? If you did, your company’s culture and management style would support a no-fault absentee control program. If you answered “yes” to the first four questions, but “no” to number five, than no-fault may be one alternative to consider. If you answered “no” to questions four and five, than consider an approach where individual managers or HR decides when absence is excessive. No-fault would be counter to your corporate culture. If you answered “no” to number one, than business as usual is the best suggestion.

Why Are Employees Absent and What Can You Do About It?

There are many solutions to attendance problems; some are proactive, others are reactive. Proactive solutions include offering a compressed workweek, flextime, job sharing, and telecommuting. Consider using these before resorting to reactive solutions:

Compressed workweek. A popular alternative to rigid work schedules and flextime is the compressed workweek. Employees work the same amount of hours, but do so in a different manner. For example, instead of working 5 8-hour days for a total of 40 hours, the employee works 9 hours, 4 days a week and only 4 hours on the fifth day for a total of 40 hours.

Flextime. This policy allows employees to set their schedules according to their individual needs as long as they work a specific number of hours per day and are in the workplace during a core period (e.g., 10 a.m. to 4 p.m.). Most flextime policies require the employee's hours to be regular, but some allow the employee to begin and end the workday at will, as long as the core and required hours are worked daily.

Job sharing. Two or more employees might share a single job. Some employers require core hours that must be shared by both employees and require both employees to attend team, department, and company meetings.

Telecommuting. Telecommuting allows individuals to work at home some of the time, communicating with the workplace through modems and computers.

Chronic Illness-(physical or mental, including alcohol or illegal substance abuse)

If you are covered by the Family Medical Leave Act, absences which qualify as serious health conditions (of the employee and/or his immediate family members), including chronic illness such as asthma, may not be counted against the employee when measuring up to an attendance standard. Note that treatment for substance abuse is generally an FMLA event. Notice requirements of the act should be carefully followed and all leave time properly and consistently documented with medical certification. Use a second opinion if the credibility of the certification is in doubt. If FMLA time is exhausted, carefully review practices regarding other employees whose absences have gone beyond FMLA limits before considering discipline.

Illness that extend beyond FMLA time or those which are “permanent” in nature could be considered a disability. Protection under the Americans with Disabilities Act requires that companies accommodate qualified employees with a disability (those who can perform the essential functions of the job with or without reasonable accommodations). If it is known that the employee is qualified other than their disability, an employer must make efforts to reasonably accommodate. If it is not known, the employee must inform the company about the need for accommodation. Before taking adverse action against an employee for absence, ask the following questions:

- ? Are the absences related to the disability?
- ? What are the absence standards for job?

- ? **Are these standards absolute and reasonable requirements as well as an essential function of the job?**
- ? **Can the absences be predicted or managed some other way without undue hardship and minimal disruption to the business?**
- ? **Could work hours be flexed or the position performed on a part-time basis or the employee moved to a similar open position which could better tolerate the absences related to the disability?**
- ? **If the employee has exhausted FMLA, could the company provide additional unpaid leave that is not job protected or that does not carry benefits at employer shared cost?**

Poor Work Habits or Motivation

Many employers believe that if they provide a challenging and fun work environment where employees are properly rewarded for their efforts, good attendance will follow. This is true with most employees, however, not all people come to the job with good work habits established. There are some things you can do to work with these employees:

- Follow the discipline model for confronting the attendance problem.
- Communicate and enforce the attendance standard, consistently!
- Train the employees regarding good work habits.
- Use positive reinforcement of desired behaviors.

Family Issues

The employee of today may not be the only working member of the family or may have family issues which were not as prevalent 25 years ago. Today we have single parents, adults providing care in their own homes to frail parents, both husband and wife working and adults operating without the support of extended families.

Some businesses have worked to become “family friendly” in an effort to attract and retain a qualified, productive and loyal workforce. Modifications include Employee Assistance programs, on-site day care, child care referral services, subsidized day care, dependent care plans, flexible work hours and subsidy of sick child care.

Transportation Issues

In our mobile society, some employers may be located in areas which are not readily available to alternative means of transportation. An employer may ask in the interview process if an applicant has reliable transportation to get to work, provided all applicants are asked this question.

Where an employer knows that transportation may be an issue when looking to fill all of its openings, some unique approaches to assist employees may be developed. These include employer assisted car pools, subsidizing transportation costs with some tax breaks, loan programs and pooling with other companies to “bus” employees.

Imprisonment, Personal Life Issues, Religion, Weather

You can discipline employees for absences for these reasons with the following cautions:

- An employer may not discriminate against an employee due to an arrest record. If an employee is arrested and/or incarcerated causing a violation of the attendance standard and calling for disciplinary action, the cause should always be lack of availability for work. In a system that excuses absences for documented reasons, these may not be violations.
- An employee who is unable to work certain shifts or hours due to a sincerely held religious belief, is protected by law and the employer is expected to reasonably accommodate the belief.
- The existence of poor weather or travel conditions is often an individual employee perception. Some companies choose to “remain open” and let employees decide if they can safely travel to work. An employer can always decide the following day whether the conditions were such that employees living in certain areas will not receive an occurrence or in general all absences will not be counted that day.

COUNSELING THE EMPLOYEE WITH POOR ATTENDANCE

Respect your employee’s privacy.

Discuss the matter in a private spot and don’t broadcast the problem to anyone else. Don’t make comparisons between the individual and other employees, and don’t get involved in a discussion of other “similar” attendance situations, even if the employee tries to bring it up. If necessary, just say something like, *We’re talking about your situation. Let’s get back to that.* If you suspect that personal problems or a health problem are contributing to the employee’s attendance problem, you may want to ask, *Is there anything else you want to tell me?* Express your openness to future discussion, your willingness to make a referral, and your firm need to see a change in the behavior.

Treat the employee as a person, not a problem.

Show respect. Be careful to listen to the employee and try to understand the employee's side. If you want to encourage your employees to assume responsibility, you need to convey that you think their views have value.

Focus on behavior – the specific actions and rules at issue – not the individual.

Don't get into name calling or pigeonholing the employee as lazy, a troublemaker, etc. Instead, focus on the specific action and how you want the employee to change.

Don't insist on your own interpretation.

Whenever possible, try by your questions to have the employee analyze the problem. You could say something like, *Lee, I've noted your attendance has slipped during the past two months. You were absent on March 10, March 25, and April 7, and reported late on March 12 and April 3. What seems to be the problem?*

Involve the employee in finding a solution.

Remember that your goal is changing unacceptable behavior. You want to overcome the employee's resistance to company policy and gain his or her cooperation in changing the problem behavior. It is important to get the employee to participate in finding a solution and to take responsibility for the solution once it's found.

Agree on a resolution.

Get the employee's commitment to reporting to work regularly and on time. If there are specific issues the employee needs to work on, (finding dependable child care or transportation problems) suggest a time to meet and review progress.

Even if you have the best intentions in the world, using some counseling techniques is no substitute for professional counseling if that is what your employee needs. If you have reason to think an employee is having personal problems that require professional counseling, remind him or her of your company's system for getting this assistance.

CONCLUSION

The subject of attendance control is not one subject, but really many areas that effect whether employees come to work. The key to absenteeism control is to assess the problem correctly so that the organization knows where to apply control mechanisms. Traditional organization-wide absenteeism control methods (e.g. rewards for good attendance, progressive discipline for absenteeism, daily attendance records, etc.) often are successful. As the make-up of the labor market changes, employers are using new methods (flexible work schedules, Paid-time-off banks) to encourage employees to self-manage their time away from work. It is the careful analysis of detailed absenteeism research data that can facilitate the identification of attendance problems and suggest possible remedies.