

Working in America: Absent Workforce

Survey Highlights

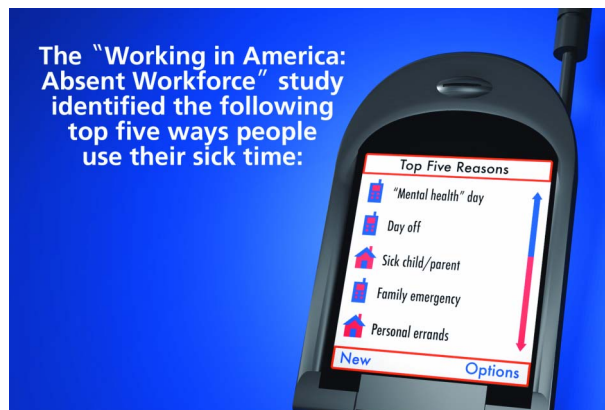
What impact do unscheduled employee absences have on U.S. organizations? A significant one, according to a recent survey conducted by Harris Interactive and sponsored by Kronos Incorporated.

As a premier provider of workforce management solutions, Kronos makes every effort to stay ahead of the challenges our customers are facing today. It's no surprise that absence management has emerged as one of their primary goals. Organizations of every size and from every industry have cited unscheduled absences as a substantial issue, and one that they need to control. Yet the impact in costs and productivity has remained a mystery.

The *Working in America: Absent Workforce* survey seeks to provide insight into the true impact of unscheduled absences on today's organizations.

Sick time use and abuse

Would you be surprised to learn that nearly 40 percent of employees surveyed have called in sick this year for reasons other than being sick? You shouldn't be. The other reasons why employees call in sick range from a sick child, personal errands, and even "mental health" days. In fact, 9 percent say they have called in sick because they were tired from staying up late watching a sporting event, awards show, or presidential election.



On top of unscheduled absences, employers find themselves contending with employee lateness. According to the *Working in America: Absent Workforce* survey, almost a quarter of employed adults were late more than eight times last year. Tardiness can have a significant impact on business productivity, impairing operations and production and the quality of customer service.

Organizations with non-exempt employees have disciplinary policies to address this issue, but many struggle with monitoring and applying them consistently. Some have no way of knowing when employees are tardy. In fact, an overwhelming 31 percent of employees surveyed are unsure if their supervisor would even know when they arrived late to work.

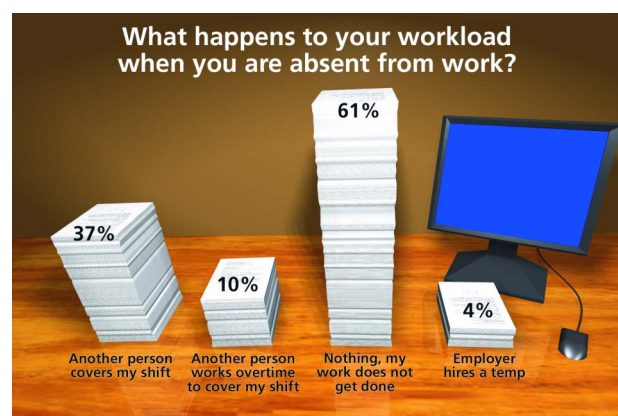
Unscheduled absences lead to lost productivity

Unscheduled absences are costing U.S. employers billions in lost productivity, and that doesn't take into account the negative impact unscheduled absences have on customer service and employee morale.

In the survey, 61 percent of employees claim their work does not get done when they are absent from work. As a result, their absence can cause disruptions in production and customer service. Overtime was cited by 10 percent of the respondents as an approach used by their organizations to fill the shift of absent employees, with another 4% of employees hiring temporary staff.

Beyond the bottom line, employee morale of those on the job can be another casualty of unscheduled absences. For example, 37 percent of employees surveyed stated that another employee covers their shift when they are absent. Being asked to work an additional shift can create resentment with employees who feel overworked or uncomfortable working in an area outside their skill set.

Until recently, few organizations focused on controlling these hidden costs. Furthermore, few executives have made employee absence management a business priority. And yet, the work still needs to get done. Though the direct costs of employee absences are mostly known, the indirect costs of unscheduled absences can raise eyebrows. With unscheduled absences, organizations are forced to pay more for overtime and temporary help, incur schedule delays, and absorb other costs that affect the bottom line.



Attendance policies and employee morale

One program widely used to control unscheduled absences is attendance policies. Yet only 64 percent of those surveyed know if their employer has a disciplinary attendance policy. Worse, 48 percent said it is not enforced consistently.

Rather than expressing relief that managers are failing to enforce attendance policies or are looking the other way at tardiness, 60 percent of respondents said their work performance is negatively impacted when attendance policies are not fairly enforced. Employees say they are less motivated. They only do what they have to do, and nothing more.



Where to begin with absence management

Organizations need to do more than just have an attendance policy in place. They also have to do more than just enforce it. Many organizations have found success with implementing paid time off (PTO) programs. These programs combine vacation and sick time into one comprehensive leave bank. This gives employees more options and better flexibility, and benefits the organization by reducing overall absenteeism.

Other organizations are turning to technology. Solutions that automate the application and enforcement of attendance policies help unburden managers while ensuring objectivity for employees. These solutions also provide managers with real-time information they can use to adjust employee coverage when unscheduled absences occur, salvaging productivity and preserving employee morale. Self-service applications, in turn, provide

employees with access to vacation and sick balances, encouraging them to plan appropriately for time away from work. They also have tools that allow them to plan better for future time off. This helps promote a healthy work-life balance while reducing unscheduled absences.

Every day there are situations that force employees to use sick time. It's up to the organization to adopt innovative solutions that will help ensure that both productivity and employee morale remain high. Start by monitoring and enforcing attendance policies. Then offer your employees flexible schedules to help them manage their responsibilities to work and family. Finally, automating manual processes associated with tracking employee attendance helps to reduce absenteeism and contributes to improving the productivity of your workforce.

About Harris Interactive

Harris Interactive is a worldwide market research and consulting firm best known for The Harris Poll® and for pioneering the Internet method to conduct scientifically accurate market research. Headquartered in Rochester, New York, Harris Interactive combines proprietary methodologies and technology with expertise in predictive, custom, and strategic research. The company conducts international research from its U.S. offices and through wholly owned subsidiaries London-based HI Europe, Paris-based Novatris, and Tokyo-based Harris Interactive Japan as well as through the Harris Interactive Global Network of independent market- and opinion-research firms.

www.harrisinteractive.com

About Kronos Incorporated

Kronos Incorporated is the most trusted name in workforce management. Kronos helps organizations staff, develop, deploy, track, and reward their workforce, resulting in reduced costs, increased productivity, better decision-making, improved employee satisfaction, and alignment with corporate objectives. More than 20 million people use a Kronos solution every day. Learn more about Kronos' high-impact enterprise solutions.

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About the survey

The survey was conducted online by Harris Interactive in December, 2004, using a nationwide cross-section of 1,316 full-time employed adults. Figures for age, sex, race, education, income, and region were weighted where necessary to bring them into line with actual proportions in the U.S. population. The results of this survey have a sampling error of plus or minus three percent.



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