



# *Smarter* Leave Management

*Why supporting caregivers before, during,  
and after leave is a business imperative*



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# Introduction

## The impact of caregiving leave gaps

Paid time off is one of the most sought after benefits in the modern workplace. It's essential for work/life balance and maintaining a satisfied workforce. In addition to legal and financial risks of non-compliance and an unengaged workforce, a mismanaged leave process also leads to higher turnover, lower productivity, and more employees on the look out for another job.

As such, leave management—the process of managing employee paid and unpaid time off—has become more of a priority for competitive employers, thanks to an increase in complex state leave laws and higher demand from employees. With 73% of the workforce being caregivers, filling caregiving leave gaps is essential for retaining talent and maintaining productivity.

Caregivers are more likely to take unplanned leave, making them a key consideration in your leave management policies. This is why it's important to understand your employees' needs and support them before, during, and after taking leave. This allows you to reduce the need for unplanned leave, help employees reintegrate more smoothly into the flow of work, and make leave a competitive part of an integrated benefits package.

***Good leave management balances employee needs with business efficiency.***



# I. The hidden cost of poorly managed leave

In September 2022, paid leave benefits [cost an average of \\$2.94 per hour](#) per employee, and accounted for 25% of the cost of total benefits. This, however, doesn't include the cost of unfinished work, unmet deadlines, or un-submitted paperwork, all of which become even more expensive in the face of an unsupported leave process.

## How employees use leave

[One study showed that](#) during an average work week, 21% of wage and salary workers took paid and unpaid leave from their jobs, averaging 13.7 hours of leave. Employees most commonly used their paid time off for vacation, personal reasons, and to provide care to a family member.

While there's no federally mandated paid leave in the U.S., each state has labor laws that employers must follow. For example, Texas, Colorado, and Oklahoma have paid voting leave, while Connecticut, Illinois, and Maine have paid organ donor leave. While everyone must adhere to FMLA (12 weeks of unpaid, job protected leave), different states have their own versions of sick leave, kin care leave, and paid family leave.

*It's important to note that your organization has to follow the labor laws for the states your employees live in, not just where your organization is based.*

[Twenty-seven percent of FMLA leave takers](#) do so to take care of a family member. More generally, [45% of employees](#) report taking several days off from work per month for caregiving. Most employee caregivers—61% of which are women—use this time away to care for their children with and without special needs, aging parents, loved ones with disabilities, and bereaved family members. They often provide support with daily activities, coordinate care, and transport loved ones to care appointments.

Caregivers have additional responsibilities that impact their need for and use of time off. If your leave policies don't cater to the needs of your workforce, many of whom are caregivers, then the cost of leave expands from the cost of paid leave benefits to the cumulative expense of low productivity and employee turnover.





# Why inadequate leave policies cost more than you realize



## *Poor leave management looks like:*

- ✓ Unclear or tedious request process
- ✓ Undocumented leave policies
- ✓ No manager training for supporting pre- and post-leave
- ✓ Lack of tracking trends in leave taking
- ✓ Increased violations of leave policies
- ✓ Challenge managing staffing levels

## *These come with their own hidden costs:*

### Lower productivity

People miss work for all kinds of reasons: vacations, doctor appointments, jury duty. But in an average week, [3.2% of wage and salary workers](#) are absent from work due to personal and family obligations.

The yearly cost of absenteeism is estimated to be in the billions, with each absent employee costing a business thousands annually. On average, caregiving employees miss 6.6 workdays annually, resulting in approximately \$2,000 per employee in lost work time. Additionally, absenteeism disrupts team momentum and strains client relationships, both of which have indirect, yet expensive costs that erode your bottom line.

## Lack of diversity

Poorly managed leave also disproportionately impacts women, people of color, and lower-income employees. Specifically, women are more likely than men to take leave from their jobs to take care of a family member.

This can lead to some employees feeling separate from and unsupported by their workplace culture, [costing companies over \\$1 trillion.](#)

## Low retention and satisfaction

One of the costs of poorly managed leave is the impact it has on employee morale and satisfaction. When employees are unexpectedly absent, their team members have to pick up significant slack, sometimes working overtime to get it done and [not taking time off work for themselves.](#) This leads to resentment and growing dissatisfaction.

Fifty-four percent of employees are willing to leave their jobs for better caregiving support benefits and work/life balance. In fact, employees on leave are three times more likely to quit during leave (vs before taking leave). A lack of support causes employees to leave, and it can cost up to 200% of their salary to replace them.

## Poor compliance

Whereas companies could get away with mismanaging leave in decades past, the pandemic and years following have brought the necessity of leave compliance to the forefront. Employers with remote or hybrid workforces need to be especially conscious of and compliant with leave laws in the states their employees live in.

Failing to comply with leave laws opens up your organization to financial, legal, and reputational risks. Mismanaging leave like FMLA can lead to complaints with the Department of Labor and potentially million dollar lawsuits.

The hidden cost of leave accumulates when you don't pay attention to what's going on or give your employees what they need to thrive before, during, and after taking leave.

## II. Identifying costly leave patterns

To identify and address costly leave patterns, employers must not only understand who employees are and how they work, but also why they take leave in the first place. Providing unlimited PTO is great, but without support that also helps them thrive in life, it's nowhere near enough. The first step to creating a program that affects tangible change in your employees' lives is to understand them and their needs.

### *First: Understanding who your employees are*

It's important to track employee demographics, not just to benchmark diversity efforts, but to understand the different populations' needs within your organizations. In addition to gender, age, and race, uncover intel about their roles in their personal lives. For example:

- ✓ How many are parents?
- ✓ How many live with or are responsible for an elderly family member?
- ✓ How many take care of children with specialized needs?
- ✓ How many care for loved ones with terminal conditions?

Combining these data points with demographic information can start to paint a picture of who your employees are and what types of leave might be most beneficial for them.



## ***Next: Track leave patterns for better insight***

Using technology doesn't just help you streamline leave requests and team availability—it also allows you to access analytics that provide insight into how employees are currently using leave. For example, you can track data like:

- ✓ Leave use rate across the business (is leave under- or over- utilized)
- ✓ Common types of leave requested (sick leave vs vacation leave tell two different stories)
- ✓ Frequency of leave requests (how often do they request the same type of leave)
- ✓ Length of leave (for how long are they absent from work)
- ✓ Return rate (how many return to work after taking leave)

To take this one step further, you can also train managers to track the impact of leave patterns on their team's performance. This lets you identify drivers for common types of leave so you can create a system that fully supports employees.

## ***Then: Monitor employee wellness***

If you're committed to supporting your employees through a better work/life balance, it's important to keep a finger on the pulse of their emotional state. This has just as much impact on productivity and retention, and can help you identify which employees might be at risk for absenteeism. You can use metrics like:

- ✓ Engagement rate (work performance and participation)
- ✓ Burnout (how often they work compared to how much they take time off)
- ✓ Motivation (how willing they are to work)
- ✓ Complaints (about managers or anything else work related)

## ***Finally: Use this to forecast leave and build a policy***

Armed with this data, you can understand trends, forecast leave patterns, and build future-forward leave policies. For example, if your workplace is 60% women under 50, your leave policy would benefit from including personalized support to help remove the additional responsibilities at home that keep them unproductive at work, as well as contingencies for unplanned leave. Making leave management smarter means supporting employees mentally and emotionally so they can stick around in a job they love.



# III. Improving leave effectiveness by supporting employees at work

Planned absences like vacations or family events are unavoidable, and should actually be encouraged to promote a healthy work/life balance. Taking time off to rest and recharge allows them to come back to work reinvigorated, focused, and ready to go hard.

Unplanned absences, on the other hand, often come out of nowhere and disrupt the flow of work. The causes for absenteeism can build over time with a relative's worsening health or a child's new diagnosis, with employees taking more time to organize their personal lives and care for their loved ones.

Yet [71% percent of caregivers](#) say that support interventions for their care needs would have helped avoid or reduce time away from work—namely, help planning and researching, logistical support, and addressing the cost of care. Significantly, lack of caregiving support is the number two reason for voluntary turnover. When their needs go unaddressed, employee caregivers are three times more likely to quit during their time off.

## *How additional support can help*

### **The situation**

Let's take Amy as an example. Amy is a senior manager at a sales tech company and oversees more than 50 sales and business development reps. She spends hours creating territory strategies, stepping in on down-funnel sales calls, and poring over her reps' performance metrics. Her quarterly targets are high but she always meets and even exceeds them, and this quarter is no different.

But when Amy's father had a stroke and required round-the-clock care, Amy's momentum flatlined and her team's productivity tanked.

Now, Amy works from home exclusively so she can help her father with daily activities and frequently cuts out of work to take him to his appointments. Instead of preparing for business reviews and coordinating go-to-market strategies with senior leaders, Amy finds herself researching care providers and spending hours on the phone with insurance to see what's covered.

The more overwhelmed she gets, the more she considers taking long-term leave to organize and plan and hopefully get her head above water.

## ***How to support Amy with better leave management***

Before Amy gets to the point of needing to take leave, her employers can provide the specialized caregiving support she would need to be able to concentrate at work. With Homethrive as part of her integrated benefits package, Amy has access to 24/7 digital support and 1:1 expert coaching and assistance that helps her navigate the healthcare system and identify next steps, including:

### **Care coordination**

It's easier for Amy to focus when she knows her father will be taken care of. Homethrive's digital support platform can help her explore available in-home care options, compare costs, and identify healthcare providers to get her father the best care possible. This relieves a lot of stress and allows Amy to be more present at work.

### **Backup care**

Homethrive can also help Amy coordinate backup care in case her original arrangements fall through. Before, a change in plans would derail her whole day and whatever momentum her team had. But with additional support, she doesn't have to use all her mental bandwidth worrying about her dad and can instead focus on achieving her goals.

### **Transportation**

Needing to take her father to appointments in the middle of the day (and often wait for him before taking him home) takes up a reasonable chunk of Amy's time off. She can't ask her father to take the bus, and taxis and rideshare apps can get expensive after a while. Homethrive's Assistant provides helpful resources for coordinating and paying for transportation and encourages Amy to consider next steps, allowing her to dedicate bandwidth to work responsibilities.

***With these supports in place, Amy is less likely to spend work hours on caregiving duties and has enough support to not require time off to manage her father's care.***

## IV. Paving the way for a smooth and successful return to work

No matter how proactive you are, there'll still be situations that arise out of the blue and cause employees to take unplanned leave. In these situations, it's more effective to support them during their time off by helping them put resources in place that make returning to work easier.

Many of the personalized services listed in the previous section are applicable even when the person does take leave. As a Homethrive member, caregivers have 24/7 access to support that provides personalized answers to caregiving questions and resources that help them manage practical, day-to-day needs. This also allows them to return to work seamlessly.

### ***The situation***

When Andrew lost his grandmother suddenly last fall, it was all hands on deck until he got her affairs in order. As a single father to two boys and the sole caregiver for his mother who was also in and out of the hospital, Andrew took time off to be able to organize and plan care for his family and grieve his grandmother.

As a Homethrive member, Andrew has access to experts and virtual support resources that will provide personalized guidance about the complexities of his specific situation.

### ***After loss and bereavement support***

After the loss of a loved one, not only are employees coming to terms with their grief, but they're also managing the logistics of a life after loss. From estate paperwork to benefit claims, Andrew now has to track a ton of moving parts when he's the least emotionally equipped to do so.



Homethrive After Loss provides employees like Andrew with personalized, hands-on support that helps them navigate the emotional and logistical aftermath of losing a loved one. For instance, we directly handle time-consuming and emotionally draining tasks like navigating probate, making funeral arrangements, and closing accounts. We also liaise with legal, finance, and estate professionals to handle red tape so Andrew won't have to.

Also, since caregivers often struggle to ask for help, 1:1 support from a Care Guide who understands grief can be a much-needed port in the storm, validating Andrew's feelings and pointing him to other resources like therapists and support groups that can help.

Best of all, our integrated platform provides 24/7 access to personalized, Care Guide-vetted resources. By delivering curated, context-aware guidance tailored to each caregiving situation, Homethrive empowers caregivers to research options more effectively and confidently move towards solutions that they might have overlooked on their own.

The combination of in-person and virtual support allows for personalization at scale, allowing overwhelmed caregivers to feel meaningfully supported on their time off so they can come back to work focused and ready to go.



# V. How to build a future-ready leave policy

Your company could be the best job an employee's ever had, but ineffective leave management could still cause them to quit.



*With everything caregivers juggle, it's no surprise that:*

**54%**

of them are willing to change jobs for a caregiving support benefit.

**1 in 3**

are likely to resign if their caregiving responsibilities become too overwhelming.

To minimize turnover and disruptions to productivity, build a smart leave policy that caters to the specific needs of your workforce—especially if it's multi-generational—and helps them thrive in their personal lives.

## *Use analytics and leave patterns to fill in gaps*

To build a future-ready leave policy, it's important to be aware of the present while scaling employee wellness. Use employee and leave data to understand the trends in leave-taking in your organization. Keep an eye out for engagement scores and burnout signals to further contextualize the trends you're seeing. Then, build a policy that fills in those gaps.

## *Run surveys for employee insight*

The best way to understand what customers need is to ask them. While analytics and trend patterns point to the “what”, talking to your employees helps you figure out the “why”. Getting insight directly from them allows you to build a policy that is nuanced to the needs of your employees and actually benefits them, rather than looks nice on paper.



### ***Expand beyond sick leave and vacation***

While more companies are offering “unlimited PTO,” many still have two effective leave categories. While illness and vacation are two common causes for taking leave, there are still many circumstances that require time off that aren’t covered under that binary. After talking to your employees, create policies that map to how employees use leave.

### ***Provide personalized support***

A lack of caregiving support is the number two reason for voluntary turnover. Offering personalized support allows you to meet the specific needs of your employees and improve their well-being, which also enables successful reintegration post-leave. Businesses that offer personalized caregiving support report a 43% reduction in unplanned absences and a 35% improvement in productivity.

### ***Keep tracking and measuring***

An effective leave management policy isn’t a one time event. It requires continuous improvement and iteration using feedback from employees and continued measurement of performance metrics. This way you keep a finger on the pulse of present trends so it’s easier to adjust on the fly.

## **Implement strategic leave benefits today**

Effective leave management is essential for employee retention, satisfaction, and productivity. This means going beyond providing paid time off, and actually understanding what your employees need before, during, and after leave. Close to three-quarters of employees agree that caregiving support could reduce the amount of time they take off to tend to their responsibilities at home. Logistical, financial, and emotional support can go a long way to improving employee wellbeing, and creating a competitive benefits program that attracts and retains the best employees.

***See how you can implement caregiving support benefits to foster a more engaged workforce.***

**Book a Demo Today**