



**2024 COMPLIANCE
DMEC CONFERENCE**
DALLAS, TX | MARCH 25-28, 2024

How Workforce Flexibility Translates to Absence Management Success

Karen English, Spring Consulting Group
Gene Lanzoni, Guardian
March 25, 2024

Current State



Workforce well-being has dropped significantly



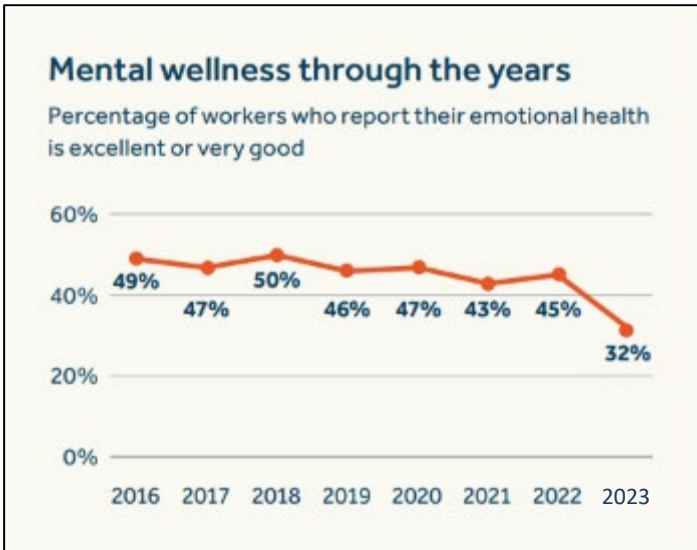
Guardian's Workforce Well-Being Index™ (WWBI) shows the lowest level of overall worker well-being since the inception of this study.

Source: Mind, Body, and Wallet 2023: from Guardian's 12th Annual Workplace Benefits Study

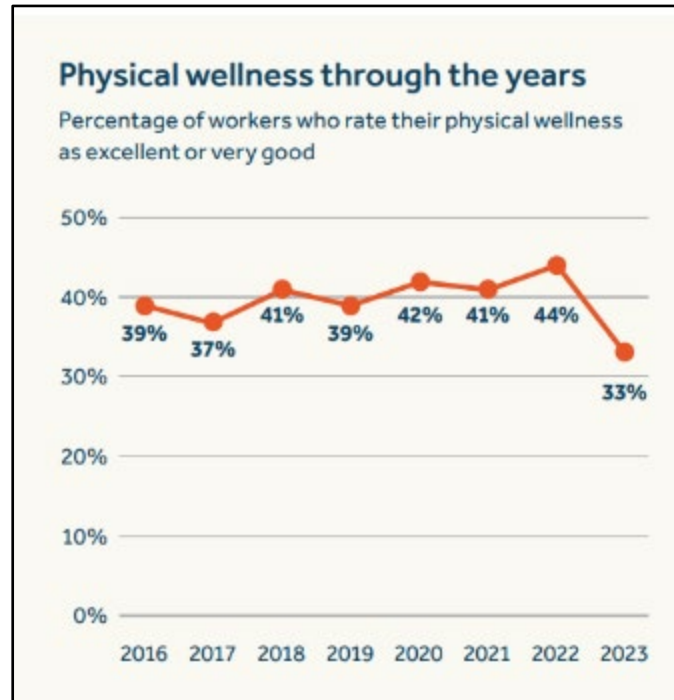


Steep decline in self-reported mental, physical, and financial health in 2023

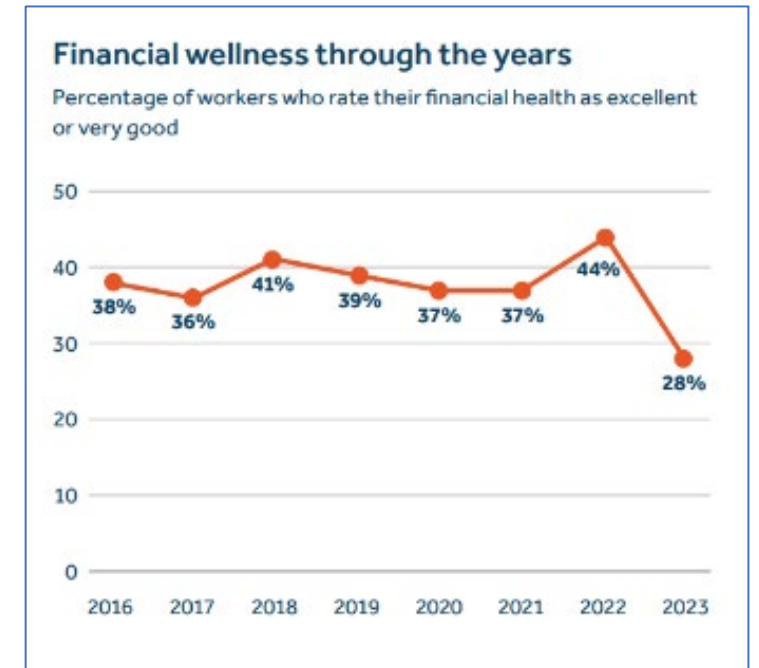
Mental wellness rates **have declined by 29%**



Physical wellness rates **have declined by 25%**



Financial wellness rates **have declined by 36%**





Women's self-reported well-being is consistently lower than it is among men

Women are more likely than men to be **single parents** and/or working **caregivers**, both of which have wide-reaching impact on physical, mental, and financial health

- 40% less likely to report positive financial wellness vs. men
- 33% less likely to report positive mental wellness vs. men

Source: Mind, Body, and Wallet 2023: from Guardian's 12th Annual Workplace Benefits Study

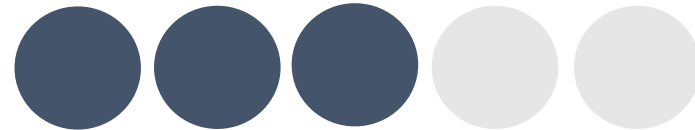


1 in 5 workers switched employers in the past 2 years due to inflexible work arrangements

Twice as high among Gen Z



3 in 5 workers prefer a hybrid work arrangement



Source: Mind, Body, and Wallet 2023: from Guardian's 12th Annual Workplace Benefits Study



There's a link between flexibility at work and better mental health

Employees who can work **remotely** are two-thirds more likely to report **high overall well-being**

Source: Mind, Body, and Wallet 2023: from Guardian's 12th Annual Workplace Benefits Study



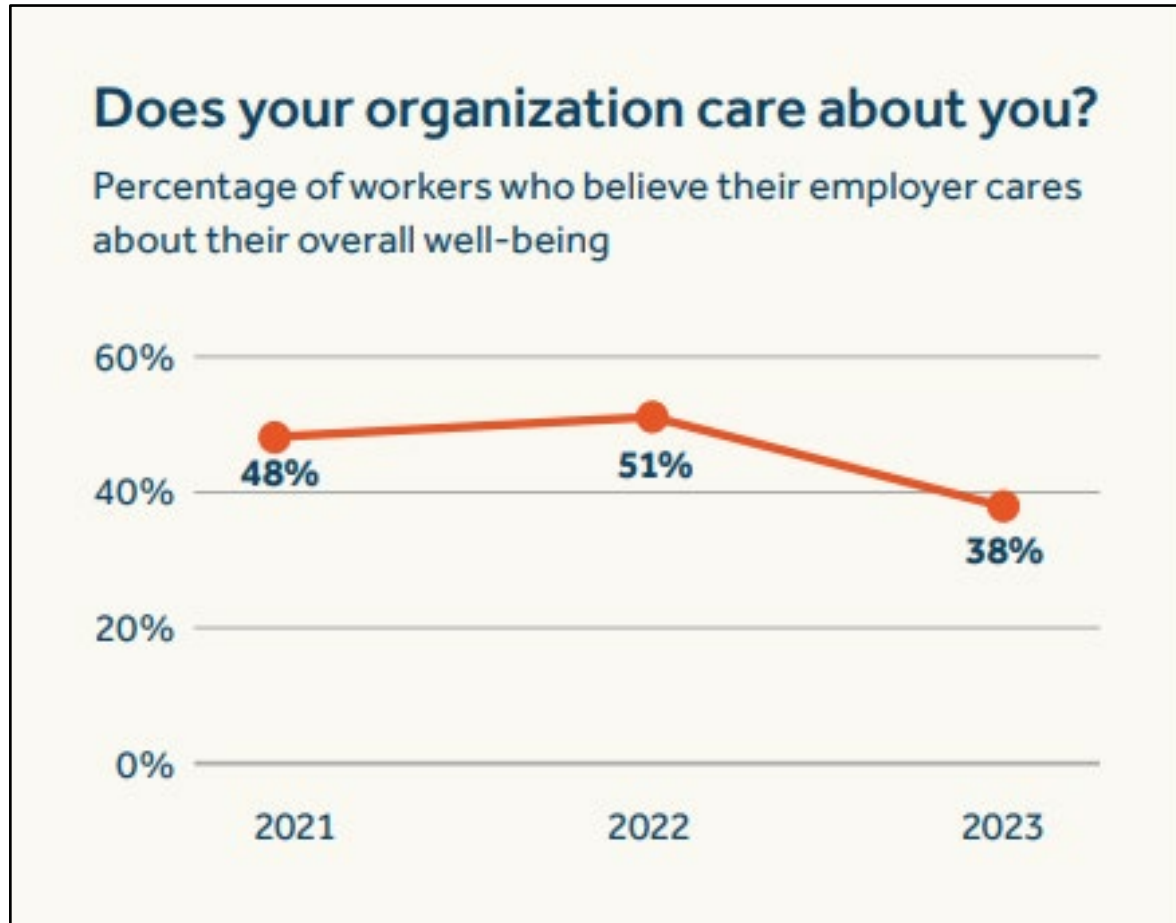


In 2023, employer **empathy** and **flexibility** were close behind total compensation as important factors when workers are evaluating their employment situation

Source: Mind, Body, and Wallet 2023: from Guardian's 12th Annual Workplace Benefits Study



Fewer workers believe their employer cares about their well-being than in years past



The decline is concerning because working for a company that cares for its workforce's long-term wellness and growth not only provides workers with a greater sense of purpose, but it also boosts retention and makes for a more productive workplace.

Source: Mind, Body, and Wallet 2023: from Guardian's 12th Annual Workplace Benefits Study

Workers who feel their employer cares about their well-being are twice as loyal and more likely to want to stay at their job

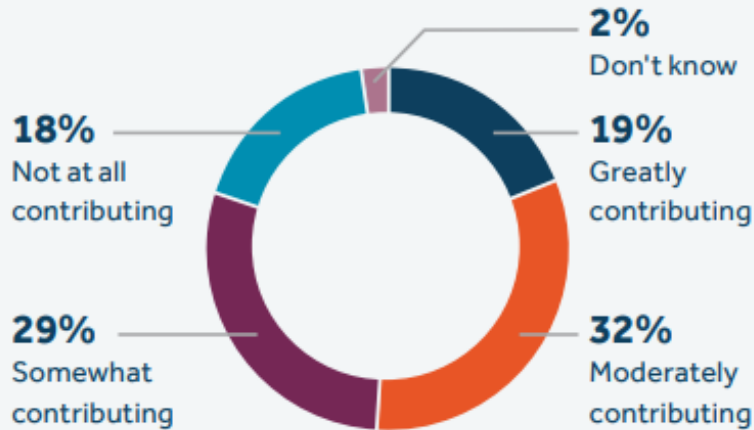


What Can Employers Do?

Offering mental health benefits contributes to absence management success

How mental health issues contribute to absence rates

Percentage of employers who agree

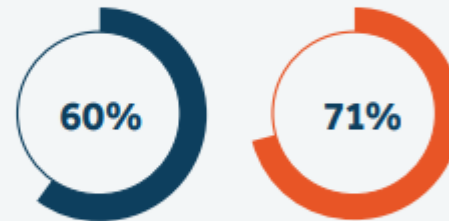


Employers offering mental health benefits are more likely to see better outcomes around lost time and costs

Percentage of employers who experienced the following

- Does not offer mental health benefits
- Offers mental health benefits

Reduced lost time



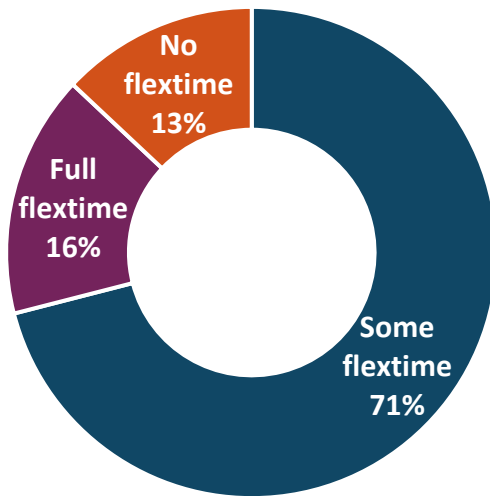
Reduced costs



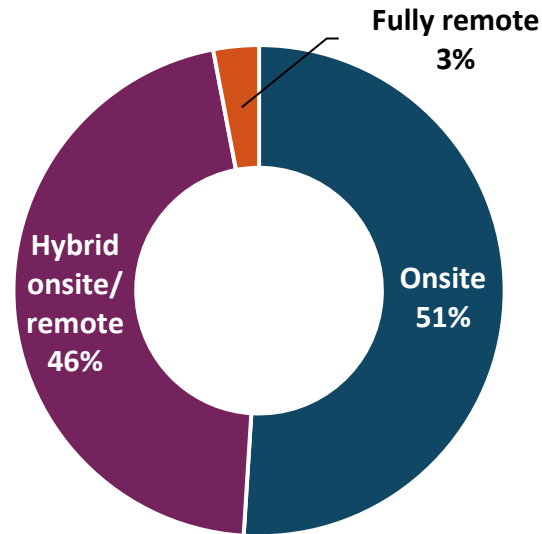
Twice as many employers offer mental health benefits (64%) than in 2016 (32%).

Fostering a flexible work environment increases return to work rates

Majority of employers offer some flextime



Only half of employers whose jobs can allow for it are remote



8 in 10 employers with a high degree of flexibility increase return to work rates from their efforts to reduce absenteeism versus 6 in 10 employers with a low degree of flexibility

Providing paid leave benefits attracts and retains employees

- Offer new and paid leave types is amongst the top strategies employers are taking to attract and retain employees⁽¹⁾⁽²⁾
- Six in ten employers with integrated absence programs offer paid parental leave⁽¹⁾
- The more PFML states employers are in, the more likely they are to offer paid parental leave, paid paternity leave, and paid family care leave ⁽²⁾
- Employers that offer these paid leave types are more advanced in their absence management efforts⁽²⁾

(1) Spring's Integrated Employer Survey 2022

(2) Guardian Absence Management Activity Index & Study 2022

Integrating paid leave with other absence improves outcomes

- More employers are providing both state mandated benefits AND a higher company sponsored STD benefit
- Fewer employers are going with state PFML plans, while more are offering private plans
- More than 7 in 10 employers that outsource private PFML plans use the same vendor as they do for FMLA

State PFML Approach (average across states)	2022	2020	% Change
Refer to state	40%	50%	-20%
Offer private plan	56%	48%	+17%



Questions & Answers