The Leave of Absence Experience and Business Impact Report

The number of companies offering paid leave benefits continues to grow every year. In 2020, a survey by SHRM[1] found that **55% of employers provided paid maternity leave**, **45% provided paid paternity leave**, and **35% offered paid extended family care leave**.

By 2023, **70%** of employers had recently added new paid leave policies, including **more vacation time (50%)**, **mental health days (48%)**, and **company-sanctioned sabbaticals (23%)**, according to our recent survey[2].

More than ever, paid leave benefits are seen as a necessity by many employees, especially because there are no federal policies for paid leave in the United States.

As a leading provider of leave management solutions for over 10 years, we wanted to understand exactly how paid leave programs are impacting everything from recruitment, retention, and ultimately the overall employee experience.

We found that for companies to stay competitive, it is becoming critically important to not only offer paid leave programs, but also manage them well.

For more resources about improving your leave program, you can visit **absencesoft.com** for guides, articles, webinars, and much more.

[1] SHRM Research. More Employers are Offering Paid Leave

[2] AbsenceSoft 2023 Employee Leave of Absence Forecast Report

The Impact of Leave on Recruitment

Offering a paid leave program, and letting potential employees know about it can be an important part of recruiting a talented workforce. Flexible time off (FTO) programs also remain very popular and was ranked as the most desired policy for potential employers to have. From recent job-seekers, we learned the following:

- **42%** of respondents wouldn't apply for a job that doesn't offer paid leave.

- **86%** of respondents said they are more likely to apply to a job that clearly lists paid leave benefits.

- Flexible time off, mental health days, and parental leave are the top preferred leave benefits.

What are the most important paid leave benefits you would want your employer or future employer to have?

1. **Flexible Time Off**

2. **Mental Health Days**

3. **Parental Leave**

4. **Bereavement Leave**

5. **Caregiver Leave**

6. **Compassionate Leave**

7. **Sabbaticals**

If you were to apply for a new job, how important is it for your employer to offer paid leave as part of the benefit plan?

11%
42%
47%

- Very important
- Somewhat important
- Not at all important
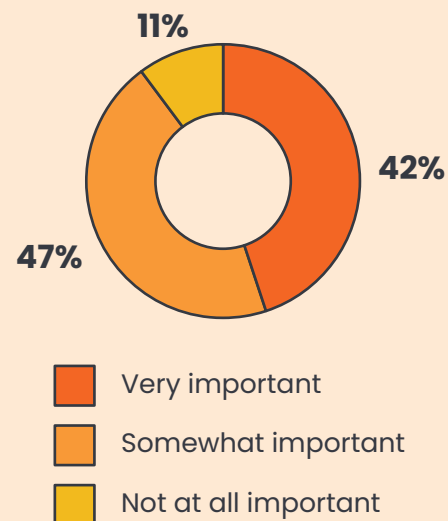
If you were to apply for a new job, are you more likely to apply for an open position that lists the position's paid leave benefits in the job description or clearly on the organization's website?

14%
43%
43%

- Much more likely
- Somewhat more likely
- Not more likely
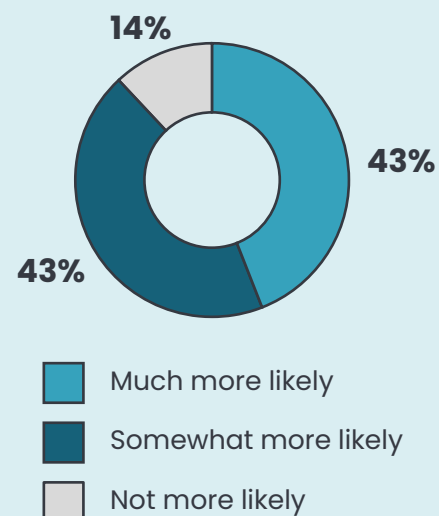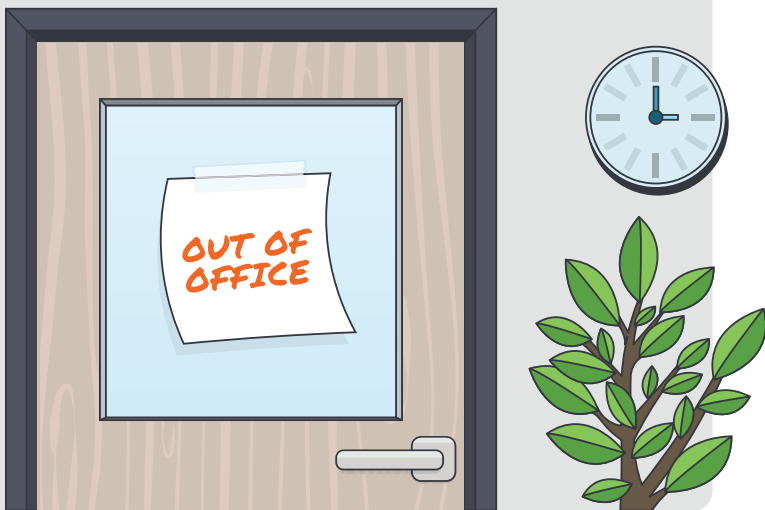
Understanding the Employee Leave Experience

How well a leave of absence is handled can impact the employee experience in many ways — from morale, to productivity, and even long-term retention. A clear, well-considered leave process is more essential than ever. Employees feel supported instead of stressed and confused, managers and co-workers know what to expect, and everyone is on the same page for the return to work plans.

Most importantly, however, good leave processes will help your organization stay compliant with FMLA and other state leave laws. No one wants to inadvertently cause a DOL complaint that could evolve into audits or costly lawsuits.
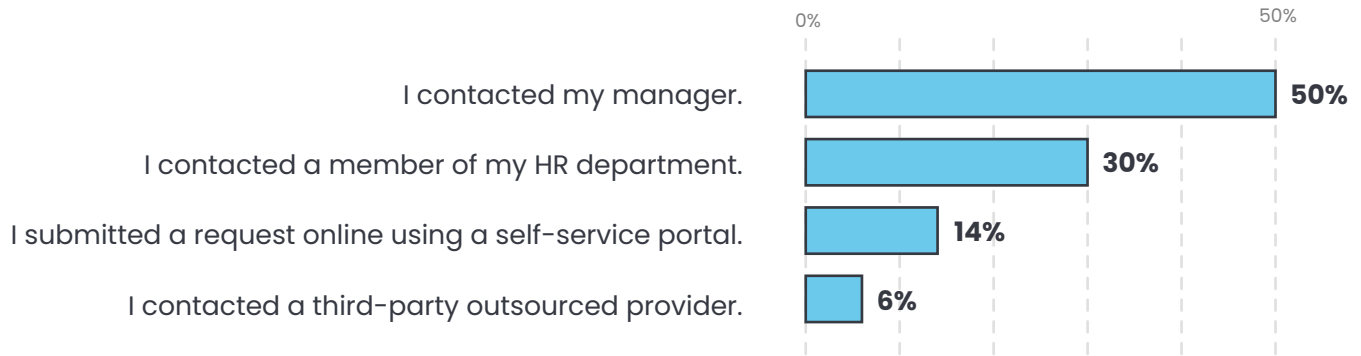
Here's what we learned from employees that had recently taken a leave of absence:

> In both good and bad leave experiences, the leave process itself was a central driving factor. Confusing and unclear leave processes were a top driver of poor leave experiences. However, clear leave processes and supportive managers were key predictors of a good leave experience.

- **Half** of those surveyed requested leave from their managers, making manager training on leave programs essential.

- **85%** of respondents felt comfortable requesting and taking a leave of absence.

- About **one in ten** respondents experienced one or more issues with their leave, including miscalculated pay, benefits problems, and even losing their job.

- **Positive leave experiences** boost morale, improve productivity, and increase loyalty.

- **Clear leave processes** and supportive managers had the biggest impact on positive leave experiences.

For your most recent leave of absence, how did you request your leave?

I contacted my manager.	50%
I contacted a member of my HR department.	30%
I submitted a request online using a self-service portal.	14%
I contacted a third-party outsourced provider.	6%

Did you feel comfortable requesting and taking this leave of absence?

- 52% — Yes, completely.
- 33% — Yes, somewhat.
- 14% — No, not at all.
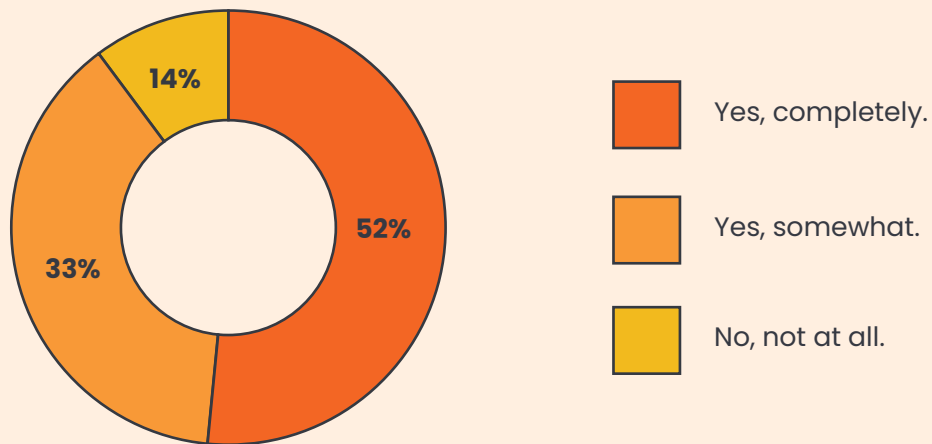
Did you experience any of the following during this leave of absence or upon returning to work?

My pay was miscalculated.	15%
There was a delay in getting my building or systems access restored.	13%
My manager was unprepared for my return.	12%
My benefits were canceled or changed.	11%
I had my employment terminated during my leave.	7%
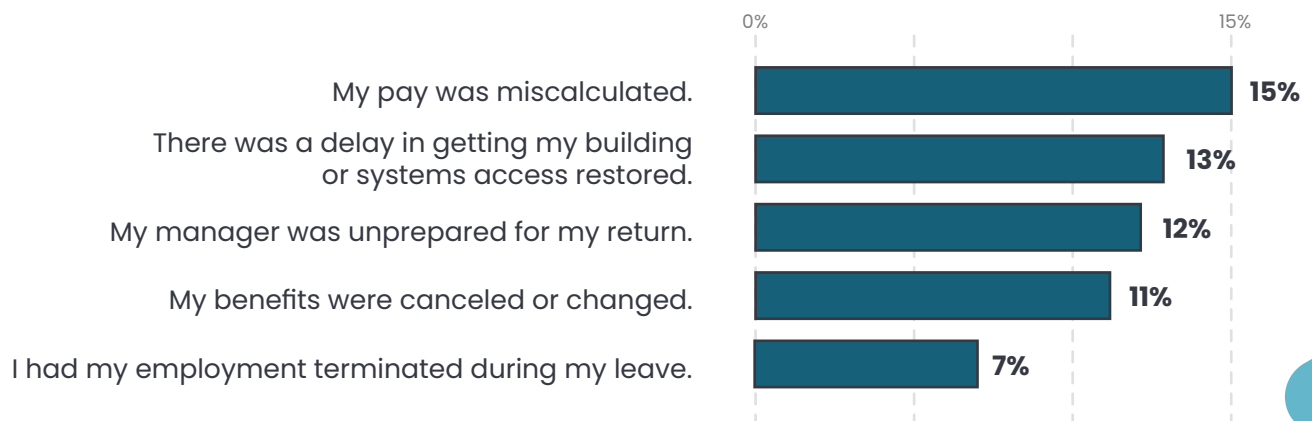
A Look at the Impact of a Bad Leave Experience

What impact did your poor leave experience have?

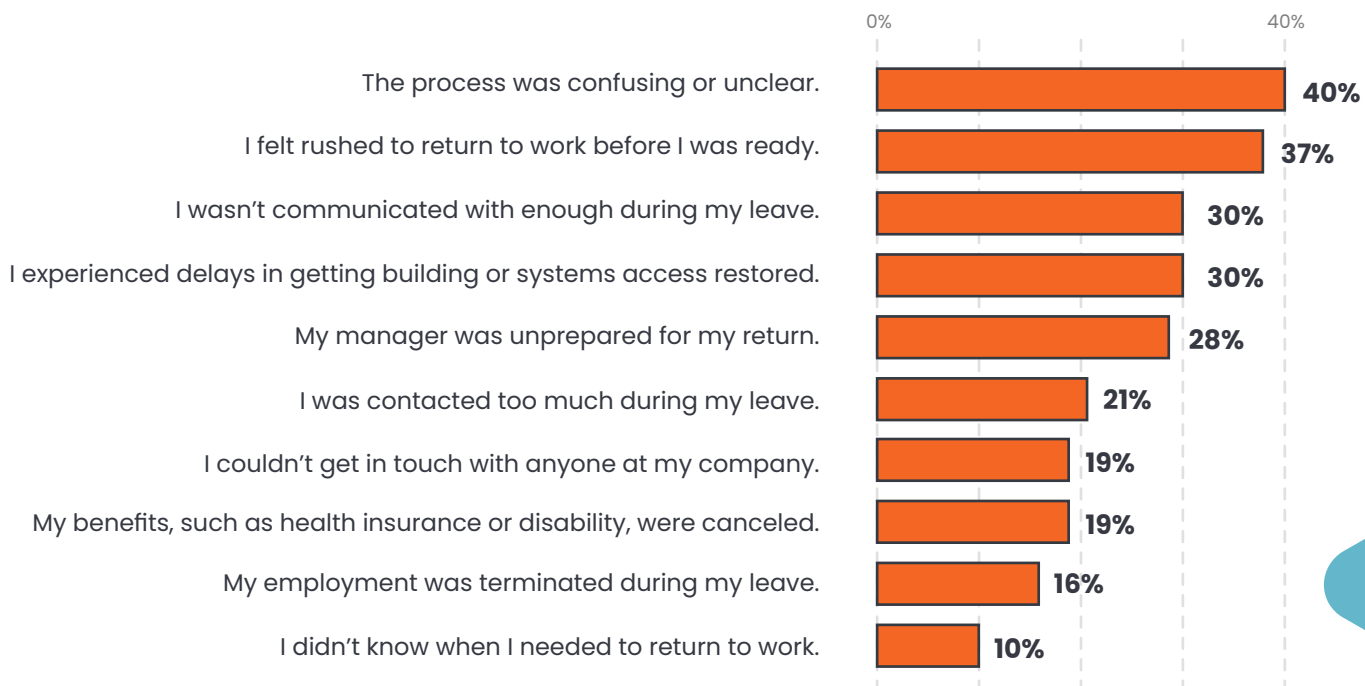|	
58%	I felt less motivated after I returned to work.
57%	I felt less loyalty to my company.
45%	I felt less loyalty to my manager.
40%	I decided to start looking for a new job.
34%	I felt less productive after I returned to work.
11%	I decided to quit my job and not return to work.
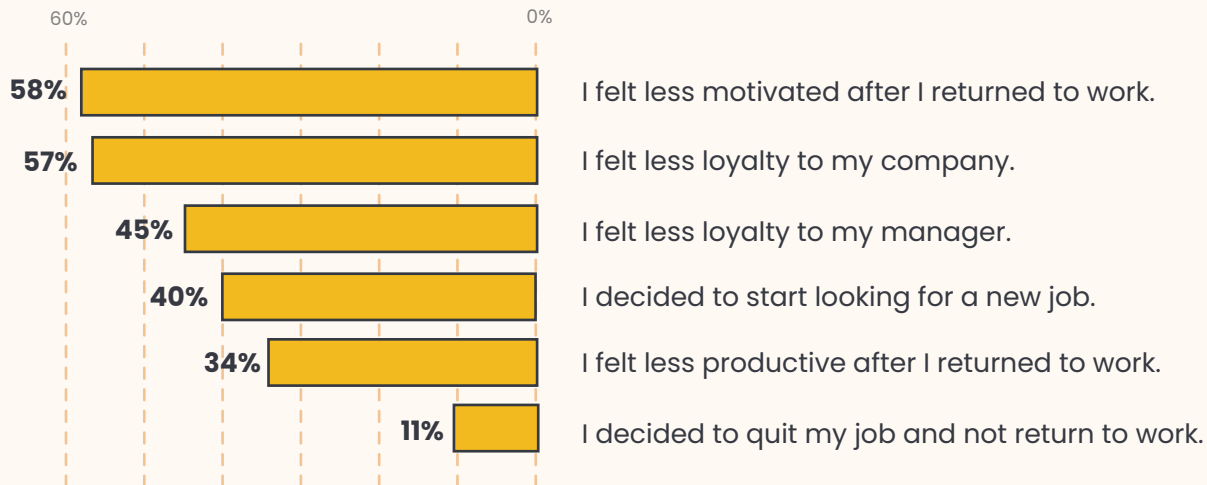
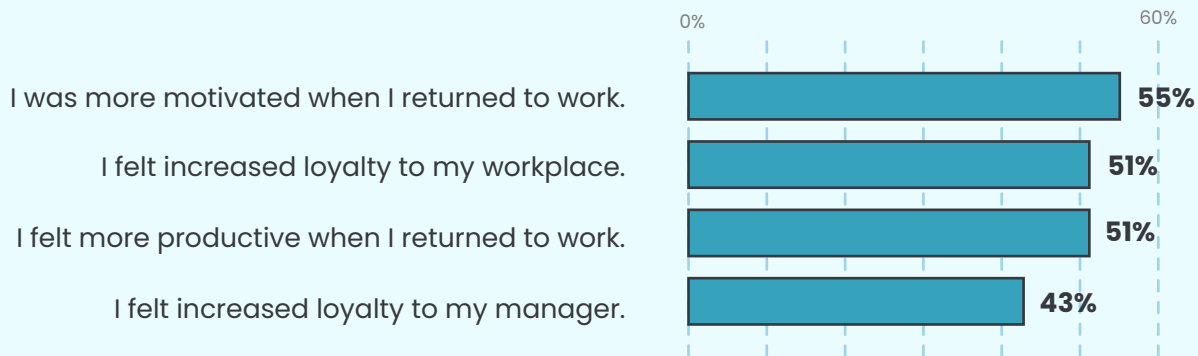"Colleagues at work didn't know I was on leave and called to ask about work."

"I was constantly threatened even though I did as I was told to do by the third-party company."

What caused you to feel that you had a poor leave experience?

The process was confusing or unclear.	40%
I felt rushed to return to work before I was ready.	37%
I wasn't communicated with enough during my leave.	30%
I experienced delays in getting building or systems access restored.	30%
My manager was unprepared for my return.	28%
I was contacted too much during my leave.	21%
I couldn't get in touch with anyone at my company.	19%
My benefits, such as health insurance or disability, were canceled.	19%
My employment was terminated during my leave.	16%
I didn't know when I needed to return to work.	10%

A Look at the Impact of a Good Leave Experience

What impact did your positive leave experience have?

0% — 60%

Impact	Percentage
I was more motivated when I returned to work.	55%
I felt increased loyalty to my workplace.	51%
I felt more productive when I returned to work.	51%
I felt increased loyalty to my manager.	43%

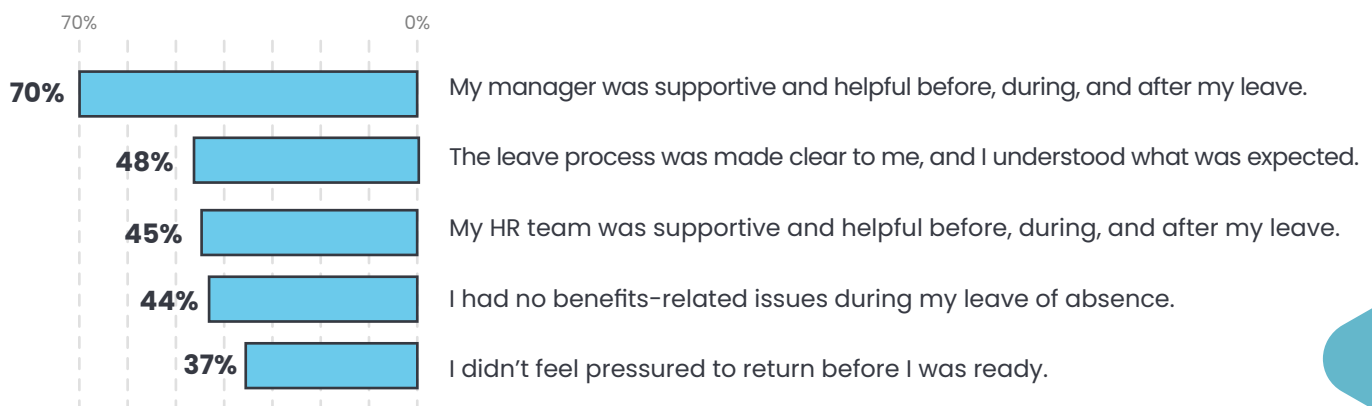"My company had a clear plan for returning to work."

"My need for leave remained confidential between myself and HR."

"I felt like the entire process was handled very well by my company and all my coworkers were very supportive as well. I did not have to deal with anything related to work at all during my 12-week leave. This made me feel very happy and positive when I returned."

What caused you to feel that you had a good or positive leave experience?

70% — 0%

Percentage	Cause
70%	My manager was supportive and helpful before, during, and after my leave.
48%	The leave process was made clear to me, and I understood what was expected.
45%	My HR team was supportive and helpful before, during, and after my leave.
44%	I had no benefits-related issues during my leave of absence.
37%	I didn't feel pressured to return before I was ready.

In Their Own Words

In our survey, we allowed respondents to let us know more details about their leave of absence, and why it was or was not a good experience for them. Here is what they shared.
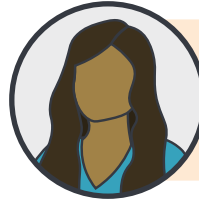
When a Leave of Absence Goes Poorly

"It was just horrible. They did not want me to leave. They canceled my benefits. They also kept calling during my scheduled time off. I had to honestly turn off my phone for a couple of days. Then, when I got back no one was ready for my return."

"I just felt unsupported, like I was just a minion for the company, and not a human with a major loss."

"There was no guidance from HR regarding paperwork."

"It felt unfair that the pressure was on me to continue to return before my leave was officially over. I should not have been contacted as often as I was (or at all), while I was out."

"The woman in HR had no clue about the process."

"My manager harassed me saying I didn't have cancer. And this was after I submitted my diagnosis paper to prove it."

When a Leave of Absence Goes Well

"It makes me feel secure and love my job more."

"I have an enhanced feeling of job security after taking time and returning to work to be welcomed back warmly by colleagues."

"When I got back to work from my leave, my teammates and manager welcomed me back right away. This made me feel really good, to be back as part of a team."

Conclusion

The importance of paid leave is growing, with more employees seeking it out proactively in their job searches. Employees are also growing more comfortable requesting and using their leave benefits, while companies are offering more and different leave benefits to attract talent.

In today's workplaces, leave programs can no longer be an afterthought. Poor leave experiences can lead to low motivation, poor productivity, or worse, an employee who never comes back. In the worst scenarios, it can lead to an investigation or lawsuit if leave benefits are improperly denied.

However, if your organization makes leave management a strategic priority, there are many ways to improve employee leave experiences right away. With the right technology, you can improve your processes with centralized data, instant eligibility calculation, personalized text messages, and much more. Solutions like AbsenceSoft can also save your team time and keep you compliant with the over 180 leave laws active in the United States today.

To learn more about how to improve your leave processes, and to see AbsenceSoft in action, schedule a demo with a CLMS-certified specialist today.

Schedule a Demo

About This Report

For this report, we surveyed two groups of people. The first group was 600 people who were actively looking for a job or had conducted a job search in the past two years. We wanted to know how much leave programs were impacting their job search efforts, and what leave benefits were the most important to them.

Then, we surveyed 600 full-time workers at large companies (5,000 or more employees) who had taken a leave of absence within the last three years. We wanted to know about their overall leave experience, and what impact it had on them after they returned to work.