



THE CHALLENGE OF FMLA LEAVE IN CALL CENTERS

... AND WHAT EXPERTS SAY EMPLOYERS CAN DO ABOUT IT

EXECUTIVE SUMMARY

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Many employers with customer service call center operations report high rates of Family and Medical Leave Act (FMLA) use in those units. Few, however, have been able to identify contributing factors or develop targeted leave management strategies for this group of employees. IBI worked with the Silicon Valley Employers Forum (SVEF) to compile de-identified employee and FMLA leave data from Intuit and another employer with substantial call center operations to provide initial insights into these issues.

The results from an analysis of about 20,000 employees corroborate many employers' intuitions about FMLA use among customer service call center workers. They also shed light on what drives high rates of leave in call centers and point to potential leave management strategies.

In particular, we find:

- **Customer service call center employees have significantly higher continuous and intermittent FMLA rates than other employees.** About one in three customer service employees took FMLA leave during the study period. This is more than three times the average rate for all other exempt, non-customer service employees (who have an average leave rate of about 6%) and all other non-exempt, non-customer service employees (who have an average leave rate of about 9%).
- **Differences in FMLA leave rates are more pronounced for intermittent leaves than for continuous leaves.** We find that intermittent FMLA leave is a serious issue only for customer service employees. Only a

very small minority of non-exempt employees takes intermittent FMLA leave and virtually no exempt employees do.

- **Demographic differences explained much – but not all – of the difference in FMLA leave rates.** Customer service employees are more likely than other employees to be female and earn much less than other employees. Both characteristics are highly correlated with FMLA leave-taking. We find that compared to male employees, female employees are 77% more likely to have continuous FMLA leave and 146% more likely to have intermittent leave. Each 1% increase in income reduced the odds of continuous leave by about 0.5%, and intermittent leave by about 1%. Overall, an employee population in which customer service employees were more demographically similar to other employees would be estimated to have 21% fewer FMLA leaves than were actually observed for the study population.
- **Differences in health status likely contribute to differences in FMLA leave-taking.** Customer service employees were more likely than other employees to take leave for their own health reasons rather than for family care or child bonding reasons. This finding corroborates that customer service employees may be less healthy as a group than other employees.
- **Intermittent FMLA leave rates differed across locations with substantial call center operations.** One company experienced a 76% difference in customer service employees' leave rates across its call center locations. At the second company, the observed difference was 43%. According to interviews with knowledgeable insiders, potential explanations for patterns of leave-taking include locational differences in opportunities for scheduling flexibility, workload, and work stress. Regional differences in health status that are not reflected in the demographic information may also play a role.
- **Employers will not likely hire their way to lower call center leave rates.** The data do not indicate that the link between income and FMLA leave is strictly causal in the sense that paying higher wages to existing customer service employees would lower their FMLA rates. Given the well-established links between socioeconomic status and health, current customer service hiring practices that focus on lower-skilled segments of the labor market likely attract job-seekers who are less healthy than the overall labor force.

Expert Recommendations

To maximize the usefulness of this report's findings, IBI researchers consulted absence management experts from among its members for actionable recommendations. Our panel of experts included professionals from Aetna Insurance, Allergan, Aon Hewitt, Buck Consultants, CIGNA, The Hartford, Liberty Mutual Insurance, Mercer-Trion, Prudential Financial, Reliance Standard/Matrix Absence Management, Standard Insurance, Sedgwick Claims Management Services and Towers Watson. We then summarized their advice into a set of basic principles employers should consider when developing strategies for reducing disruptions from FMLA absences.

- **Everything flows from the work environment.** Whether experts focused on employees' decisions about responsible scheduling of leaves or the phenomenon of some employees exaggerating or fabricating health issues, experts generally believe that high-stress environments combined with objectively measured performance standards and strict attendance policies contribute to high leave rates. Employers are advised to keep flexible alternatives in mind when planning policy changes.
- **Cause or effect, health plays a role.** Employees decide whether to take job-protected time off or to make less disruptive arrangements partly in response to their level of satisfaction with their work. At the same time, employers are reminded that healthier employees and those who are managing their illnesses well will face this dilemma less often. Employers are advised to explore possible health interventions through existing benefits (such as employee assistance programs, ergonomic evaluations or disease/care management), to

clarify an employee's medical restrictions and capabilities, and to consider scheduling alternatives and other worksite accommodations. ADA-like reviews of FMLA requests for reasonable job accommodations may also be useful.

- **See things from the employees' perspective – and communicate yours.** Call center workers on the front-line often are the best source of intelligence on what works well and what does not. However, many employers do not seek their input regularly or incorporate their insights. One financial services organization found that leave rates fell by about one-third after the implementation of practices designed to connect employees' efforts to the company's overall goals. Employers may wish to consult call center workers on which types of health and wellness benefits they would most value and would be most likely to use given the specific demands of their jobs.
- **Be vigilant about misuse and abuse – but recognize bigger issues.** In our experts' experiences, some call center employees will invoke an approved FMLA leave as job protection when they cannot (or do not wish to) adhere to strict attendance or tardiness policies. Unions, co-workers and sometimes supervisors serve as a source of "local knowledge" that facilitates such behavior. Employers are advised to recognize that an employee's decision to misuse FMLA leave nevertheless partly reflects their engagement with their work environment. Setting realistically achievable goals for teams and individuals and rewarding teams for overall attendance can help foster a level of group cohesion that discourages questionable time off.
- **Take a holistic approach to managing leaves.** Addressing FMLA leaves in a piecemeal fashion likely will be less effective than examining the underlying factors that could contribute to high leave rates. A thorough assessment would incorporate information on employee health, work environment, productivity and leave outcomes. Incorporating customer satisfaction metrics at the employee, call center, or shift level also will help employers focus on the links between health, productivity and business performance. Employers are advised to take a careful approach to defining metrics in ways that can be measured consistently across units and over time. Establishing project teams across internal stakeholders and external partners may help define and address technical and practical issues.