

# Engaging today's workforce



From the first interview with a recruiter through their last day of work, the workplace experience for each employee is unique. Employers play a vital role in helping employees become – and stay – engaged in their career.

## What does presenteeism look like?

Presenteeism refers to workers who are at work, but aren't fully functioning or productive.

Although a large portion of presenteeism results from individuals with physical illnesses, another significant percentage can be traced back to employees struggling with mental health issues such as depression and anxiety, two of the most common mental health conditions in the United States.<sup>1</sup>

One of the challenges of presenteeism is that it isn't as obvious as absenteeism. The employee is at work and appears as though they're productive. Signs of presenteeism can include making more mistakes than usual, showing a sense of apathy about work, arriving late, or leaving early – or conversely, working longer hours even though they aren't accomplishing more.

Employees with chronic health problems may make valued contributions and a full effort, but might not be producing as much as they did before they got sick. No matter the root cause, there are strategies companies can implement to support their employees, reinforce that they are still valued, and help them get back on track.<sup>2</sup>

<sup>1</sup> Van Eys, Patti, "The Costs of Presenteeism and Absenteeism in the Workplace," Pathways, January 21, 2022. <https://www.pathways.com/pathways-at-work/blog/costs-of-presenteeism-and-absenteeism#:~:text=Presenteeism%20Costs%20More%20Than%20Absenteeism,fa%20surpasses%20annual%20absenteeism%20costs.>

<sup>2</sup> "What is Presenteeism and How Can You Spot the Signs in Your Staff?" Westfield Health, May 19, 2022. <https://www.westfieldhealth.com/blog/what-is-presenteeism-and-how-can-you-spot-the-signs-in-your-staff>

## How can presenteeism affect your workforce?

While employees take an average of four sick days per year, research shows they may be unproductive on the job for about 57.5 days a year.<sup>3</sup> Researchers estimate that presenteeism:

- May cut individual productivity by **one-third or more**<sup>4</sup>
- Costs the U.S. economy **up to \$150 billion a year**, which far surpasses absenteeism costs.<sup>5</sup>

### Sources of stress



**Work** (workload, career path, lack of personal time off (PTO) or other benefits)



**Personal** (caregiving, physical and mental health conditions, financial concerns)



## Why does presenteeism on the job occur?

There are many reasons – both personal and professional – why presenteeism can occur. Your first clue may be when and where it occurs:

<b>When</b>	Soon after a person is hired, or transitions to a new position
<b>Why</b>	Potentially related to poor job fit, onboarding process, or supervisor support
<b>When</b>	After employees have been in their position for a while
<b>Why</b>	Perhaps it's related to job stagnation, or a health issue
<b>Where</b>	Significantly more often in certain departments
<b>Why</b>	There could be an issue with management, culture, or work demands

<sup>3</sup>Wilcox, Amelia, "What is Presenteeism at Work and Why You Should Care," Nivati, May 24, 2021.

<https://www.nivati.com/blog/what-is-presenteeism-at-work-and-why-you-should-care#:~:text=Employees%20typically%20take%20about%204,leads%20to%20a%20downward%20spiral.>

<sup>4</sup>"Presenteeism in the Workplace: How to Keep Your Employees Healthy and Productive," RelyMD Blog.

<https://relymd.com/blog-presenteeism-in-the-workplace/>

<sup>5</sup>Van Eys, Patti, "The Costs of Presenteeism and Absenteeism in the Workplace," Pathways, January 21, 2022.

<https://www.pathways.com/pathways-at-work/blog/costs-of-presenteeism-and-absenteeism#:~:text=Presenteeism%20Costs%20More%20Than%20Absenteeism,far%20surpasses%20annual%20absenteeism%20costs.>

# Enhance your hiring and onboarding approach

The path toward less presenteeism, higher engagement and improved productivity begins with the hiring and onboarding processes. It's all about accurately choosing candidates who best fit the skills needed and the culture of your company, and providing an onboarding process that lets them understand their new role, how success is defined, and the impact they can make. This initial phase of a new hire's employment can increase their sense of belonging and their likelihood of becoming and staying engaged in their job.<sup>1</sup>

**The beginning of a new job matters:** 33% of workers quit their job within the first 90 days of employment.<sup>1</sup>

From day one, new hires who acquire a sense of belonging and job satisfaction are more likely to be longer-term, more productive employees.

How much of an impact can onboarding make on an employee's job satisfaction, engagement, and retention? Here's what recent studies have observed:<sup>2</sup>



Great employee onboarding can improve retention by **82%**



**78%** of employees report that they would remain at a company longer if they have a career path



New employees with a good onboarding experience are **18x** more committed to their employer



Organizations with effective onboarding have **33%** more employees feeling engaged



A negative onboarding experience can make new hires **2x** as likely to look for other jobs



<sup>1</sup>"Walker-Schmidt, Wendi, "Onboarding Effects on Employment Engagement and Retention," Training Industry, March 21, 2022. <https://trainingindustry.com/articles/onboarding/onboarding-effects-on-employee-engagement-and-retention/>

<sup>2</sup>"24 Shocking Employee Onboarding Statistics You Need to Know in 2023", Oak Engage, March 27, 2023. <https://www.oak.com/blog/employee-onboarding-statistics/#:~:text=Organisations%20With%20Effective%20Onboarding%20Have.to%20Those%20With%20Ineffective%20Onboarding.>

# Invest in your company culture

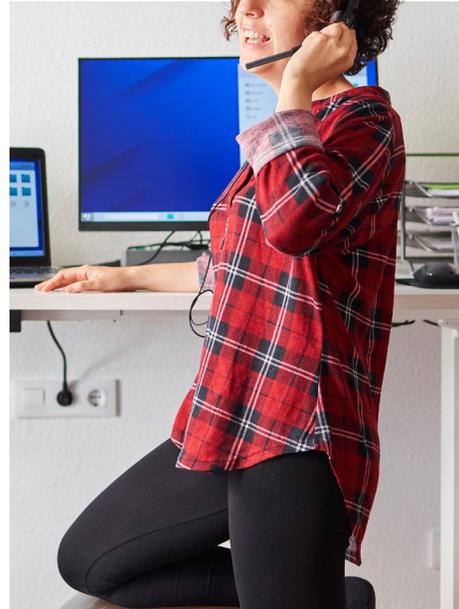
Communicating your company culture during hiring and onboarding is essential – but it’s just the start. Culture needs to resonate through every aspect of a company’s strategies and day-to-day actions. When actions don’t match words, that’s when a phenomenon such as quiet quitting becomes more visible.

Although quiet quitting may seem like a new trend, others feel it’s just a new name for the percentage of the workforce that isn’t engaged. Whether it’s due to workplace stress, or personal or financial issues, presenteeism not only impacts an individual employee but also those around them.

It’s one thing to offer someone a job; it’s another to create an environment that fosters productivity and encourages employees to do their best.

## Encourage work-life balance

Presenteeism grows when employees feel physically or mentally spent. When employees need to take time off – to recover from an illness, attend to caregiving responsibilities, or just to relax – they shouldn’t have to worry that they’ll be looked down on, or that they’ll be hurting their future career prospects. Supporting employee wellness by encouraging PTO and leave is one way to do that.



**Only 1 in 4** employees strongly agree they feel connected to their company culture.



**Only 1 in 3** employees strongly agree they belong at their organization.<sup>3</sup>

<sup>3</sup>Unleashing the Human Element at Work: Transforming Workplaces Through Recognition," Workhuman, May 11, 2022. [https://www.workhuman.com/resources/reports-guides/unleashing-the-human-element-at-work-transforming-workplaces-through-recognition?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=2023q2\\_wh\\_sem\\_nb\\_awareness\\_blog\\_post\\_na\\_phr\\_pros&utm\\_content=employee\\_engagement&gclid=Cj0KCQjwT0-kBhDIARIsAL6L0rdn7\\_Zny1SsszboaDpqGB7zKnf0u58XMT5NeyPIGqcpODuWz5ljVygaAiTuEALw\\_wcB&gclsrc=aw.ds#main-content](https://www.workhuman.com/resources/reports-guides/unleashing-the-human-element-at-work-transforming-workplaces-through-recognition?utm_source=google&utm_medium=cpc&utm_campaign=2023q2_wh_sem_nb_awareness_blog_post_na_phr_pros&utm_content=employee_engagement&gclid=Cj0KCQjwT0-kBhDIARIsAL6L0rdn7_Zny1SsszboaDpqGB7zKnf0u58XMT5NeyPIGqcpODuWz5ljVygaAiTuEALw_wcB&gclsrc=aw.ds#main-content)

### “My manager takes all her PTO; I will, too”

What you say is less important than what you actually do. When managers and company leaders take their PTO or leave, employees may be more confident that they can do the same – without negative ramifications to their career.



**One-third** of surveyed employees don't feel comfortable taking vacation time.<sup>1</sup>

**One in four** U.S. workers has been pressured or explicitly asked to work despite being sick.<sup>2</sup>

### Empower your managers

It's been said that you don't leave a company, you leave a manager. A Gallup study supports that view, finding that 70% of the variance in team engagement to be determined solely by the manager.<sup>3</sup>

Managers need to be trained to spot signs of presenteeism early on and learn how to engage effectively with employees who seem to be overwhelmed or disconnected. Just because a manager feels like everything is fine doesn't mean their whole team agrees. Known as the false consensus effect, this cognitive bias can cause a manager or company leader to miss issues such as workload, returning to work after a leave, or returning to the office after working at home for an extended period of time.

Managers need to not only recognize presenteeism; they need to be part of a company culture that values and recognizes employee accomplishments and growth. However, a Gallup/Workhuman study found that 73% of senior leaders say their organization doesn't offer managers or leaders best practices training for how to implement employee recognition.<sup>4</sup>

**When companies recognize and reward achievement, their employees are:**

- 5x** 5x as likely to see a path to grow at their organization
- 4x** 4x as likely to be engaged with their work

<sup>1</sup>"3 Strategies to Lower Employee Presenteeism by Preventing Burnout," Psychology Compass. <https://psychologycompass.com/blog/presenteeism/>

<sup>2</sup>Goforth, Alan, "Many U.S. Workers Afraid to Use Paid Sick Leave When They Really Need It, Study Finds," Benefits Pro, July 5, 2023. <https://www.benefitspro.com/2023/07/05/many-u-s-workers-afraid-to-use-paid-sick-leave-when-they-really-need-it-study-finds/?kw=Many%20U.S.%20workers%20afraid%20to%20use%20paid%20sick%20leave%20when%20they%20really%20need%20it.%20study%20finds>

<sup>3</sup>Johnson, Larry, "Creating an Insanely Positive and Productive Workplace Culture," HR TrainOnline. [https://hrtrainonline.com/webinar/creating-an-insanely-positive-and-productive-workplace-culture-a-webinar-for-managers-supervisors-and-those-who-aspire-to-be-one-33281LIVE?channel=mailer&camp=webinar&AdGroup=LARRY\\_JOHNSON\\_Jun15\\_MAY15\\_SF](https://hrtrainonline.com/webinar/creating-an-insanely-positive-and-productive-workplace-culture-a-webinar-for-managers-supervisors-and-those-who-aspire-to-be-one-33281LIVE?channel=mailer&camp=webinar&AdGroup=LARRY_JOHNSON_Jun15_MAY15_SF)

<sup>4</sup>"Unleashing the Human Element at Work: Transforming Workplaces Through Recognition," Workhuman, May 11, 2022. [https://www.workhuman.com/resources/reports-guides/unleashing-the-human-element-at-work-transforming-workplaces-through-recognition?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=2023q2\\_wh\\_sem\\_nb\\_awareness\\_blog\\_post\\_na\\_phr\\_pros&utm\\_content=employee\\_engagement&gclid=Cj0KCQjwT0-kBhDIARIsAL6LOrdn7\\_Zny1SsszboaDpqGB7zKnf0u58XMT5NeyPIGqcpODuWz5JjVygaAiTuEALw\\_wcB&gclid=aw.ds#main-content](https://www.workhuman.com/resources/reports-guides/unleashing-the-human-element-at-work-transforming-workplaces-through-recognition?utm_source=google&utm_medium=cpc&utm_campaign=2023q2_wh_sem_nb_awareness_blog_post_na_phr_pros&utm_content=employee_engagement&gclid=Cj0KCQjwT0-kBhDIARIsAL6LOrdn7_Zny1SsszboaDpqGB7zKnf0u58XMT5NeyPIGqcpODuWz5JjVygaAiTuEALw_wcB&gclid=aw.ds#main-content)

### Consider offering flexibility

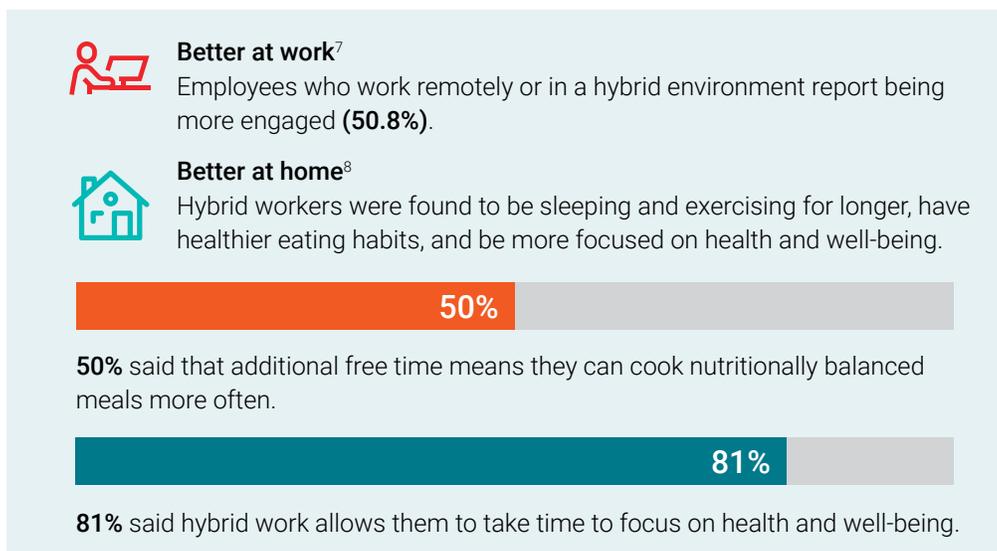
Some assume that remote work may hurt productivity. But many studies would challenge that, as U.S. productivity jumped in the second quarter of 2020 when offices closed for the pandemic. When employees began returning to the office in early 2022, productivity dropped sharply in the first two quarters of that year.<sup>5</sup> Whether this actually represented lower office work productivity is hard to tell, as these BLS figures did not separate office workers from all others.

Some employees feel they are more productive at home, so when their employers request a return to work at the office, there may be resistance, resentment, or a slump in productivity as employees spend more time commuting and lose the flexibility that remote work offers.

**Employees may prefer their home** as a place to concentrate, with one survey finding that 55% of respondents preferring to do “deep work” at home, and only 16% wanting to do that type of work in the office.<sup>5</sup>

**Others want to return to an in-office environment** that will facilitate collaboration and provide social opportunities with their colleagues. And their employers may see improvements in collaboration, problem-solving, and productivity.<sup>6</sup>

**A hybrid arrangement can also work well.** In a recent Gallup survey, 71% of respondents said that compared to in-office work, hybrid work improves work-life balance, and 57% reported less burnout.<sup>5</sup>



If evolving your organization’s work arrangements is a priority, have a clear plan which helps employees understand the “why” behind the direction and the value the changes will make in building a stronger culture. Communicate directly and often. You may also consider a phased approach which could help employees adjust their schedules and could be less disruptive to a work style they’ve become accustomed to and may highly value.

<sup>5</sup>Tsipursky, Gleb, “The Return to the Office Could Be the Real Reason for the Slump In Productivity. Here’s the Data to Prove it,” Fortune, February 16, 2023. <https://fortune.com/2023/02/16/return-office-real-reason-slump-productivity-data-careers-bleb-tsipursky/>

<sup>6</sup><https://www.businessinsider.com/companies-making-workers-employees-return-to-office-rto-wfh-hybrid-2023-1#:~:text=Since%20COVID%2D19%20restrictions%20eased,to%20increase%20in%2Dperson%20collaboration.7/19/23>

<sup>7</sup>Mason, Kelli, “Study: Fully Remote Workers Report 33% Fewer Friends at Work,” JobSage, July 5, 2022. <https://www.jobsage.com/blog/coworker-friendships-survey/>

<sup>8</sup>McBride, Aoibhinn, “This is Why Hybrid Workers Report Better Mental Health,” Employee Benefit News, May 23, 2023. <https://www.benefitnews.com/partnerinsights/jobbio/article/this-is-why-hybrid-workers-report-better-mental-health?source=newsletter>

# The cost that's actually an investment

There are the obvious, visible costs every company experiences, such as insurance premiums and claims. But when companies try to lessen costs by trimming benefits, they may end up with additional invisible costs such as absenteeism and presenteeism. Employees who don't have the coverage or the time to adequately attend to mental health issues may experience problems like depression – which one study of chronic illnesses and their impact on workplace productivity found to be the leading cause of lost work hours, measured through absenteeism and presenteeism.<sup>1</sup> Employer costs due to mental health are likely underestimated because of the stigma that still surrounds mental health, which often prevents people from seeking early diagnosis or effective treatment.<sup>1</sup>

## Supporting employee wellness with benefits

Studies show that presenteeism typically costs employers two to three times more than direct medical care.<sup>2</sup> On the other hand, a well-rounded package of employee benefits may pay for itself, and also help create a culture that lets employees know they're welcome to get the help they need, whenever they need it.

Benefits that may prove to be wise investments include:

- Paid leave such as short- and long-term disability
- Supplemental health coverage that focuses on critical illness and accidental injuries
- Financial wellness offerings
- Targeted programs concentrating on certain common illnesses such as diabetes and depression



## Companies need to find the right solutions for their workforce

There's no one reason for presenteeism in the workplace and there's no one best way to address it. Each company needs to look at their employees' needs and concerns in order to make sure they implement the strategies that encourage a productivity culture instead of a presenteeism culture.

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<sup>1</sup>"The Invisible Costs," American Heart Association CEO Roundtable.

<https://ceoroundtable.heart.org/mentalhealth/the-business-case-for-investing-in-mental-health/the-invisible-costs/>

<sup>2</sup>Van Eys, Patti, "The Costs of Presenteeism and Absenteeism in the Workplace," Pathways, January 21, 2022.

<https://www.pathways.com/pathways-at-work/blog/costs-of-presenteeism-and-absenteeism#:~:text=Presenteeism%20Costs%20More%20Than%20Absenteeism,far%20surpasses%20annual%20absenteeism%20costs.>