



EMPLOYER RESOURCE:

Workforce Management Strategies for Paid Family and Medical Leave

Planning for advanced, long-term absences

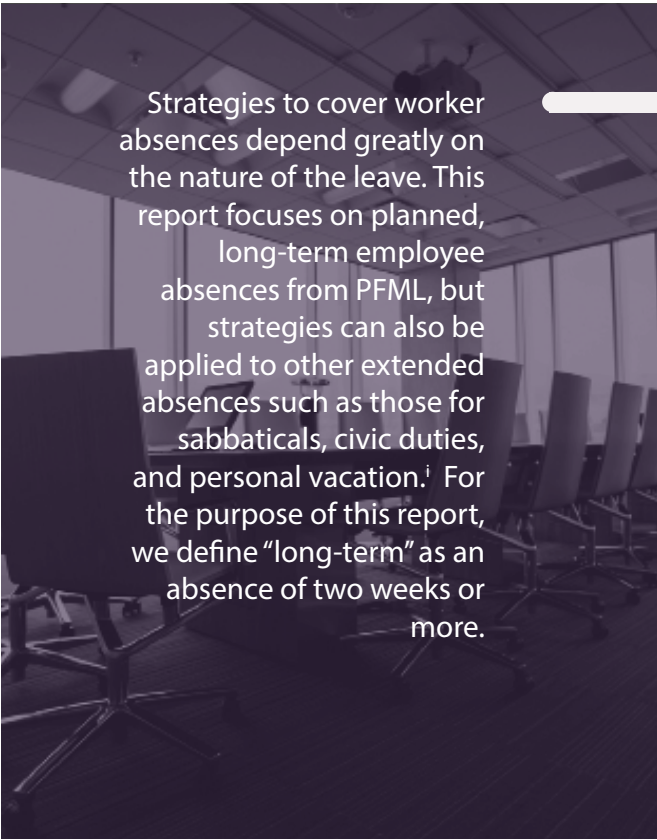
INTRODUCTION

One of the biggest challenges that employers face in offering paid family and medical leave (PFML) is workforce management. How do employers ensure business needs are met when an employee is out for an extended period of leave, and how can managers plan ahead to minimize the impact on overall operations?

In our second report on PFML in the United States, “[Emerging Business Trends in Paid Family and Medical Leave](#),” we found workforce management to be one of the leading barriers to employers offering PFML benefits. This concern was reaffirmed by a 2018 survey across human resource managers, in which cost and difficulty managing workload while employees are on leave were the top reasons for companies not offering PFML.ⁱⁱ When not properly managed, long-term absences of skilled employees can result in significant losses in productivity, in addition to high work coverage costs. The situation, however, can be a positive for both employers and the workforce when managed efficiently.

To support employers in sustainably offering family-friendly benefits to their workforce, this report provides the following:

- A matrix for understanding strategies for leave management across different workforce segments, subset by skill substitution and coverage needs;
- A comprehensive understanding on the “how” of covering leave, including descriptions of different leave management strategies, real-world company examples, and considerations when designing a leave policy; and,
- Best practices to help reduce disruption from absences and encourage long-term success of PFML programs.



Strategies to cover worker absences depend greatly on the nature of the leave. This report focuses on planned, long-term employee absences from PFML, but strategies can also be applied to other extended absences such as those for sabbaticals, civic duties, and personal vacation.ⁱ For the purpose of this report, we define “long-term” as an absence of two weeks or more.

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MAPPING STRATEGIES FOR LEAVE MANAGEMENT BY WORKFORCE

While every company faces a unique set of constraints and opportunities when an employee takes leave, we can identify common approaches to covering PFML. The matrix below segments the workforce based on the level of **skill substitution** and **coverage needs**. This matrix can help employers to better understand what leave management approaches might work best for different workforce segments, as well as to identify similar positions and industries to reference for best practices.

This matrix is based on generalized skill substitution and coverage needs across a “typical” position, meaning all jobs may not perfectly align. When designing a leave management strategy, employers should consider both the specific work to be covered, as well as overall workforce needs. *A full list of long-term leave management strategies and brief descriptions are available in the reference guide (page 9).*

Concept Definitions

Skill Substitution

How specialized are the skills required to succeed in the position? This includes the level of technical expertise required to perform the job (e.g. education, professional experience, topical expertise), the training requirements of the role (e.g. onboarding, position-specific training), and the position dependence on client relationships. Higher skill substitution means the position requires a more generalized skillset.

Coverage Needs

Does an employee need to be present for business operations to continue? Highest coverage needs are typically companies that legally or functionally cannot operate when understaffed, for example restaurants, factory lines, and hospitals.

WORKFORCE SEGMENTS BY SKILL SUBSTITUTION AND COVERAGE



INDUSTRY WORKFORCE MANAGEMENT EXAMPLES

Based on the level of skill substitution and coverage needs, we suggest which leave management strategies work best for a given workforce segment, accompanied by real-world company examples. The examples are compiled from Panorama's conversations with employers and summarized from existing PFML research.

Administrative

HIGH SKILL SUBSTITUTION, LOW COVERAGE

Employees with a wide-ranging, generalized skillset typically fill positions in this workforce segment. The associated work does not require specialized knowledge or training to be completed. Covering the workload internally or offering team members overtime to handle responsibilities are common strategies to manage day-to-day operations.

SUGGESTED LEAVE STRATEGIES

- Team coverage
- Overtime
- Temporary employee
- Floating staff

Executive Assistant

A small consulting firm relies on team coverage when the Executive Assistant to the CEO takes long-term leaves. Before the planned absence, the employee identifies which tasks need coverage, and which daily operations can be put on hold or modified in their absence. Team members are asked to cover generalized administrative and managerial tasks, while the director of human resources covers sensitive processes relating directly to CEO support. Recognizing that operations would slow during the Executive Assistant's leave, certain processes are adjusted and clearly communicated to the firm to ensure operations continue smoothly during the absence.

Construction Worker

In a large firm that manages construction crews across multiple ongoing projects, work is not easily put on hold for long durations. The company hires temporary employees to cover for PFML absences to eliminate delays in the progress of the projects. To reduce the amount of time spent searching for an equipped replacement and onboarding the employee, the company relies on specialized temporary staffing agencies. This allows companies to quickly recruit employees that have the appropriate skillset and site expertise to keep projects moving along quickly and safely.

Corporate

LOW SKILL SUBSTITUTION, LOW COVERAGE

Corporate workforce segments broadly include positions in an operations or management role within an organization. Individuals with higher specialization from advanced education or experience typically fill these roles. These positions are key to running an organization, but do not require ongoing presence in the office as responsibilities are normally ongoing.

SUGGESTED LEAVE STRATEGIES

- Team coverage
- Stretch roles
- Alumni networks

Research Program Officer

A large philanthropic foundation attracts some of the leading development experts in the world to guide grant making and research, meaning finding a suitable external replacement to cover work is both difficult and costly. The foundation often first looks internally to cover leave, using a stretch role strategy. This allows the organization to expand and develop the skills of their workforce, and cover the work with an employee that has some technical and contextual background on the project. In cases where raising up a junior team member this is not a viable option, the foundation maintains an alumni list that they can pull from.ⁱⁱⁱ

Engineer

Engineering firms often have project-based work that operate within tight client deadlines. The work is specialized both by the field of engineering, as well as the project. One engineering firm has a system for covering workloads during periods of PFML that looks across the firm to identify any employees on different teams whose work is limited in scope or ramping down. The firm will shift the employee to support the project. This “redeployment pool” also looks at employees that previously worked for the company or whose positions were recently eliminated.^{iv}

Frontline

HIGH SKILL SUBSTITUTION, HIGH COVERAGE

Positions in frontline work often require limited technical expertise but may involve some position-specific training and general “soft skills” such as client interaction. This workforce segment typically fills roles that are core to business success on a daily operating level. Overtime is often a good option to employee absences, especially for positions that require a level of organizational knowledge and shorter periods of leave.

SUGGESTED LEAVE STRATEGIES

- Overtime
- Temporary employee
- Floating staff

Attractions Staff

A large tourism center developed a flex program to cultivate a shared skillset among frontline staff. Year-round employees in client-facing positions - guest services, retail, and admissions - are offered an opportunity to be cross-trained to develop a transferable skillset across the business operations. Joining the flex program comes with a small pay raise and developmental opportunities to incentivize employees. The program results in a flexible staffing pool that can be called upon to cover leave or pick up an extra shift in absences. The center’s Vice President of Human Resources emphasized that this program requires significant collaboration across different management teams to coordinate across the shared labor pool, but has been critical in supporting workforce management in times of longer employee absences without having to use overtime or hire additional support.

Assembly Line Worker

At a large manufacturing plant, line workers hold 8 hour shifts. In the case of a long absence such as PFML, volunteers are asked to stay an additional 4 hours past their scheduled work or to come in an additional 4 hours early. This allows for the shift to be covered in full by the team so that operations can continue without pause. If volunteers are limited, then the shift lead will cover for the absent employee. This allows for employees to take shorter periods of overtime without depleting energy or staff motivation, or reducing operational efficiency.^v

Practitioner

LOW SKILL SUBSTITUTION, HIGH COVERAGE

Positions that require a specialized skillset and continual coverage can be some of the hardest to fill. Because of the highly specialized nature of this type of labor, practitioner positions are often much easier to fill internally. Often it is difficult to find a suitable alternative who meets the qualifications required for the position and is available to cover the work for a temporary period of time.

SUGGESTED LEAVE STRATEGIES

- Team coverage
- Overtime
- Floating positions

Nurse

Staffing nurses within a hospital is often an existing challenge preceding an employee taking PFML. Due to legal requirements around staff to patient ratios, there needs to be high staff coverage for hospital operations to continue. One strategy used by a hospital to cover PFML absences is to maintain voluntary extra shift lists where employees can indicate which days they are available to work overtime. This list provides staffing leads a list of nurses who are specialized in both hospital and division operations that can easily cover the work without requiring training or onboarding. Employees are incentivized to participate in the program by being offered above the legally mandated rate of pay.^{vi}

Lawyer

While law firms typically have set operating hours, the workload often extends throughout the day and lawyers must be on-call to assist with unexpected challenges. These positions are highly dependent on client relationships and have lots of contextual background, which means it is difficult for someone to easily step in and cover the work. One law firm intentionally overstaffs to create several floating positions. These employees are well versed in the operations of the company and have a strong technical background, so they can quickly fill needs when gaps arise. While this is a more expensive strategy, it cuts down on losses in efficiency and time to cover leave, as well as limits the work that is moved to other employees with already full caseloads.^{vii}



Design Considerations

While mapping leave management strategies by workforce segment provides a useful starting point to understand the possible ways to cover PFML across skill substitution and coverage needs, those are not the only factors that influence what workforce management policies an employer chooses (and how successful it is). Detailed below are a number of considerations that should influence how a workforce management policy is designed.

Length of leave. Depending on the length of a PFML policy and how much an employee decides to use, certain strategies for covering work may not be appropriate despite the match with work demands. While some positions might easily accommodate putting work on hold, especially those handling with longer-term projects, generous policies that are over six-months might not work well with a team coverage strategy. For longer leave periods, even ongoing projects may require additional staff be moved to cover the work to ensure the level of productivity remains high.

Alternatively, while a restaurant may find it quick and easy to hire a temporary employee to cover leave, there is a threshold of time where that might not make financial sense. A floating staff or overtime policy might work better for shorter periods of time that do not justify the onboarding and hiring costs, for example less than one month. Employers should look to not only industry standards, but also companies with similar policy structures to identify what might be the best approach depending on a length of offering.

Worker demographics. Some industries and professions are naturally dominated by a gender or age group. Labor pools with high concentrations of

women at childbearing age or older populations with aging parents can be difficult for employers to manage if PFML leaves overlap. These industries may need to shift leave management strategies to accommodate concentrated leaves and high fluctuations in worker availability, and may not be able to apply strategies such as team coverage or overtime that put too much dependence on team members efficiently covering the workload.

Size and company resources. The size of a company and available resources might be a limiting factor in using some of the identified leave management tactics. At small companies, having people “on the bench” or offering overtime might not be an option if all employees already have a full workload. With limited resources at a growing company, whether lower profit margins or less available administrative focus, hiring on an additional employee for support might be difficult and work will need to be put on hold by force.

Company values. Look to company values to help inform the selection of a leave management policy. If a start-up is interested in recruiting and retaining new talent, hiring externally might be a good option to fill PFML absences as it leads to the potential to maintain new staff. Some companies put a high emphasis on supporting the career of their existing employees and use periods of PFML as an opportunity to offer “developmental assignments” to build up the expertise of their workforce holistically.^{viii} While some workforce management strategies may be more aligned with the needs of different workforce segments, others might better align with company values and overall mission of the organization.

Best Practices

Looking at the variation across workforce segments and influencing factors, it is easy to see that a one-size-fits-all solution to workforce management is not possible. However, some best practices will help ensure the success of any workforce management policy. It is important to remember that the policy does not simply need to exist, but it needs to operate smoothly for the best results and minimal loss in productivity during periods of transition.

Make the policy formalized. Having a clearly outlined, visible workforce management policy limits confusion for both employees and employers. It helps human resource leaders and management deal with leave transitions easily and efficiently. While it is more common to have a formalized policy in large or established organizations, it is important to all companies to develop clear policies and signals to employees from the onset of leave.^{ix} Formal policies can help managers better cope with leaves by establishing trust, ensuring compliance, increasing awareness, and helping to balance work and life challenges of employees.^x Conversations with a number of large organizations considering PFML revealed they are concerned about expanding benefits offerings without a formal leave management policy since it could cause more harm than good to confuse managers. Make sure that managers know what strategies the company prefers to cover PFML so that they are comfortable with the process and able to support their teams in the workload transition.

Train your managers on how to use the policy.

No policy will be effective if those administering it do not know how it works. Make sure managers have resources in place to guide them through the process of administering the policy, including how to have conversations with employees prior to the leave, how to schedule ramp up and down periods, and how to assign workloads so that there are no work coverage gaps during period of leave.

Consider how it applies beyond paid leave.

Would the workforce management policy work for caregiving? Serious illness? Long-term absence policies can work for not only parental leave, but for any extended period of employee leave. When a leave management policy is extended to different types of long-term, planned absences, it will make processes easier for the managers to remember, increase understanding on how it is applied, and ensure it is cost effective across the company.

Consider how it works at different levels of the company.

Especially at larger companies with complex organizational layers, one policy might not work across all labor segments. Companies with different silos of employees - manufacturing, finance, sales, corporate headquarters - likely require different approaches to leave management. Think about different needs at company and design policies that will set up all employees for success, and clearly articulate why different policies are put in place to managers and employees.



PANORAMA

We are always looking for new strategies to help companies better manage periods of PFML. If you would like to share your strategy for workforce management and to be included in this report, please email us at paidleave@panoramaglobal.org

Appendix

Team coverage: Find an employee or team with comparable skills to cover the workload. To redistribute the work internally without bringing on additional support, often responsibilities need to be prioritized. High priority tasks can be covered by other members of the existing team while other projects and work can be put on hold until the employee returns. This strategy works best when projects are not on tight deadlines, shorter periods of leave (three months or less), and if you have employees that have similar roles or are cross-trained.^{xi} With a team coverage approach, it is important to make sure you are not burdening others in an understaffed team(s) or assuming others would like to take on work they are not prepared or interested in taking on.^{xii} Working closely with managers and employees can help facilitate a smooth transition and identifying employees who are most appropriate to take on additional work.^{xiii}

Overtime: Offering overtime to employees in similar positions as the individual on leave can be less expensive than seeking a temporary replacement. By using an internal employee for coverage, it reduces time and expenses related to onboarding and training. Similar to team coverage, incentivizing employee coverage with overtime pay works

well for hourly positions and reduces the risk of overburdening employees, which can hurt team morale.^{xiv} This approach is best when there are not large fluctuations in workload by week.^{xv} Employers should always understand [federal](#) and state overtime provisions before offering this option to employees.

Stretch roles: Provide junior employees with the opportunity to cover responsibilities of a more senior staff member going on leave. In addition to covering the leave of absence, this provides junior staff with access to on-the-job training and professional development that will benefit the company in the long run. This approach often works well with full-time and senior level positions, and is ideal when a company's priorities include offering developmental opportunities and investing in long-term careers within the organization.

Temporary employees: This could include a fixed-term hire or a contract employment. Temporary staffing agencies are common and can specialize the skills of the employee with the needs of the organization, which limits search time and onboarding conducted by the company. Some employers extend the temporary worker's contract a few weeks before and after the employee's leave

of absence to allow for a smooth transition. Temporary employees generally have higher direct costs, but can be necessary if the position cannot be filled internally or in short-notice, high pressure circumstances.

Floating staff: This approach using dedicated staff that fill workload gaps as needed across operations. This kind of coverage is often used in field where there is a need for surge capacity or administration within large systems. When there cannot be a pause in essential functions, floaters can provide continued coverage of support staff positions essential to the workflow. This approach may also including staffing above minimum requirements, so that in times of leave, additional support is always available.^{xvi}

Alumni: Some companies maintain networks of previous or retired employees that would be interested in taking on additional roles depending on their circumstances. Pulling from an existing network is helpful when organizational knowledge is required for the role and the employee needs specialized expertise that is difficult to recruit externally.^{xvii} This approach can be useful in strengthening networks and diversifying team perspectives.

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