

# Absence Management Programs Reduce Total Absence Costs and Improve Productivity

Employee absence represents a hidden reservoir of cost savings across benefit programs. An effective Total Absence Management program can reduce absence costs by 20 percent to 30 percent, while improving productivity, enhancing morale, and decreasing litigation risk.

Employers' main challenges in managing employee absence are:

- Reducing costs associated with unscheduled absence, Family Medical Leave, short- and long-term disability, and workers' compensation
- Complying with federal, state and municipal leave regulations
- Having safe, effective return-to-work programs that meet the standards of the Americans with Disabilities Amendments Act
- Enhancing employee productivity while saving on benefit costs, administration, and employee replacement costs
- Delivering a strong ROI

## Aon Consulting Delivers Value

Aon Consulting's fact-based approach, breadth of absence management expertise, and tools to measure total absence costs have led to measurable value for our clients.

IMPACT AREA	IMPROVEMENT	POTENTIAL
<b>Cost of employee absence</b>	Increased management involvement and utilization of smart practice tools and processes	Average savings of 20 percent to 30 percent in program costs
<b>Compliance</b>	Mitigation of policy and administrative gaps and increased adherence to legislative and regulatory requirements	Consistent policy application minimizes litigation costs and fines/penalties
<b>Return-to-work programs</b>	Single, managed approach to bring injured and ill employees back to work while on accommodated duty	Reduced claim costs for short-term disability and workers' compensation; increased compliance with ADA. An ROI of 2:1 is often achieved with a formal return-to-work program
<b>Workforce productivity</b>	Increased management of employee lost time and leave programs resulting in cost reductions	Enhanced employee engagement, reduced turnover and worker replacement costs

## Our Approach

Absence management is a complex process that weaves together many internal facets of an organization as well as external relationships with suppliers, regulators, and health providers.

Aon Consulting's integrated approach takes into account these multiple factors. Steps include:

- Review all plan designs and programs that impact employee absence, including time off plans, Family Medical Leave, Paid Time Off, short-term disability, long-term disability, workers' compensation, and return to work
- Use fact-based analytics to diagnose all employee benefit and absence costs
- Assess the impact of today's difficult economy and how it may be driving absenteeism and benefit costs
- Provide recommendations for change to improve benefit administration, achieve cost savings, and reduce absence
- Use technology to improve administration and integration outcomes for both internal and external programs
- Ensure compliance with state and federal laws
- Improve employee productivity

Our proprietary Health-Related Lost Productivity (HeLP) Benchmarking Tool uses company demographics, plan designs, and benefit utilization to establish lost-time and employee replacement costs. This helps to reduce program costs through use of best-in-class programs, plans and processes, with a ROI of 2:1 to 10:1 within 12 months.

### Aon Contacts:

For more information on how Aon Consulting can reduce your absence costs, please contact:

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Aon Consulting's expertise, in combination with our depth in analytics and benchmarking, leads to fact-based recommendations for improvement and measurable change. From workers' compensation, to short- and long-term disability, to health and safety, to financial analytics and claims management, we offer a depth of resources that our competitors can't match.

We invite you to request our case studies illustrating our successes in implementing total absence management in the workplace.

## Wide Variety of Services

Aon Consulting is shaping the workplace of the future through benefits, talent management, and rewards strategies and solutions. We leverage our global network of offices, unmatched talent, innovation, thought leadership, and operational excellence to deliver distinctive value to our clients.