Employee Disability Leave Study

The Link Between Disability Management and Employee Productivity

Four insights that lead to increased employee productivity

In this report

Disability management: a supportive approach can help increase employee productivity

An employee's health condition may pose a challenge for your organization. You may be worried that an illness or injury may affect their performance or attendance. Or you may not know the best way to support them.

Without the right support, an employee's condition can lead to lost productivity, absenteeism, a disability leave or delayed recovery. As your organization thinks about its profitability, you may be missing a key factor: comprehensive disability management.

A survey conducted by The Standard examined employees' perceptions of, and engagement with, their employer's disability management program.

We learned that an organization's approach to disability management and employee productivity are uniquely linked.

A comprehensive disability management approach can provide support to help employees feel more productive and even help them return to work sooner.

This report focuses on four insights. See how they're related to your workforce — and whether they inspire you to change your approach to managing disability.

INSIGHT 1

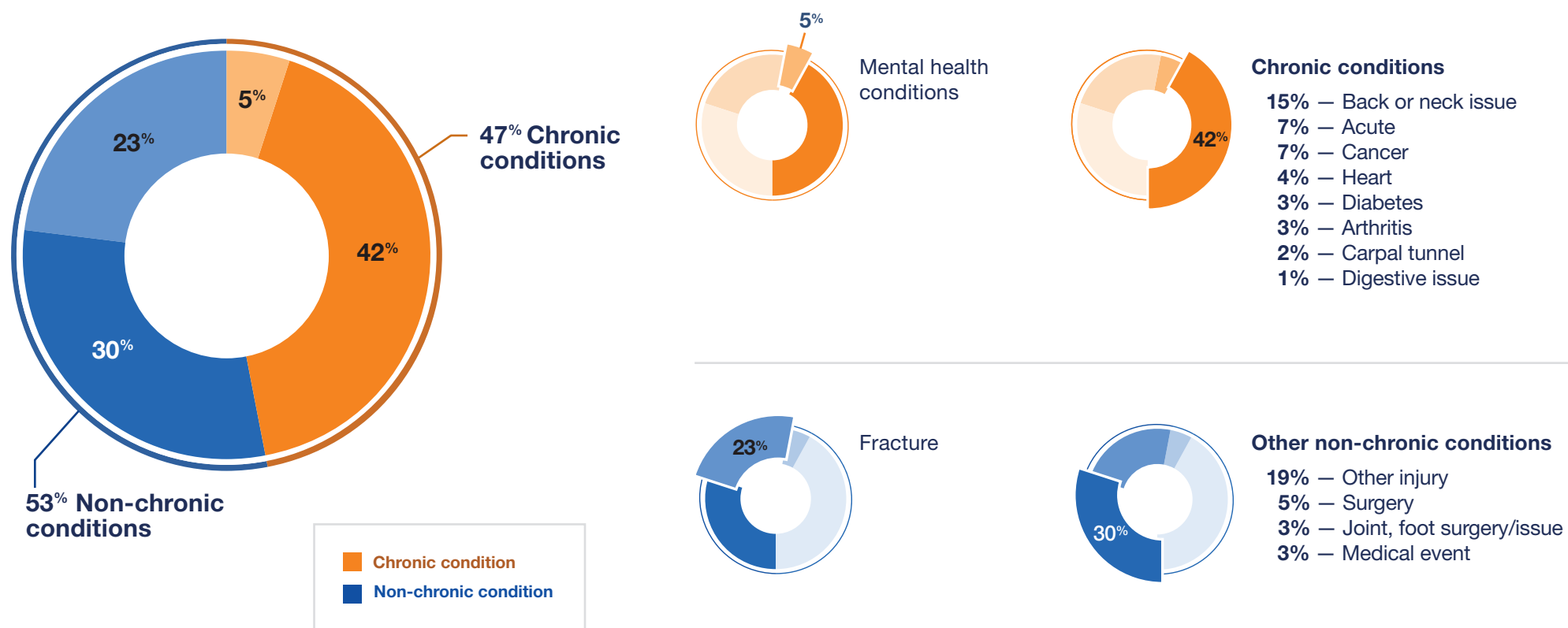# Be prepared to support a range of health conditions

Employees at companies of all sizes reported a wide range of health conditions that lowered productivity or required a disability leave. They experienced non-chronic conditions, such as fractures and other injuries, and chronic conditions, such as cancer and heart disease.

Wide range of health conditions required support

A significant number of employees experience chronic conditions

5%

23%

47% Chronic conditions

42%

30%

53% Non-chronic conditions

Chronic condition
Non-chronic condition

5%

Mental health conditions

Chronic conditions

42%

15% — Back or neck issue
7% — Acute
7% — Cancer
4% — Heart
3% — Diabetes
3% — Arthritis
2% — Carpal tunnel
1% — Digestive issue

23%

Fracture

Other non-chronic conditions

19% — Other injury
5% — Surgery
3% — Joint, foot surgery/issue
3% — Medical event

30%

Employees surveyed experienced varying conditions. Nearly half of these were chronic conditions, which could lead to needing more support and potential leave time.
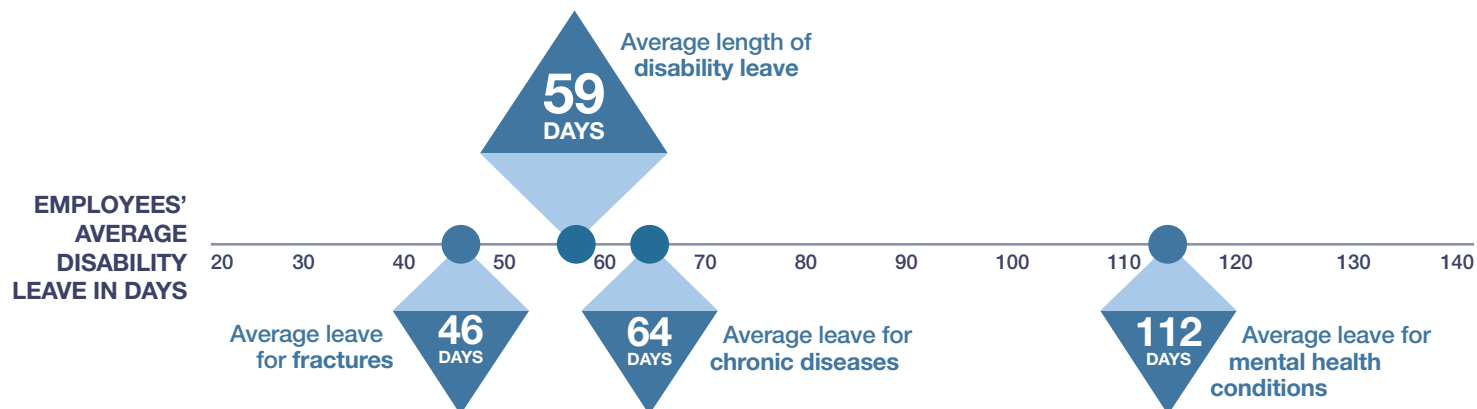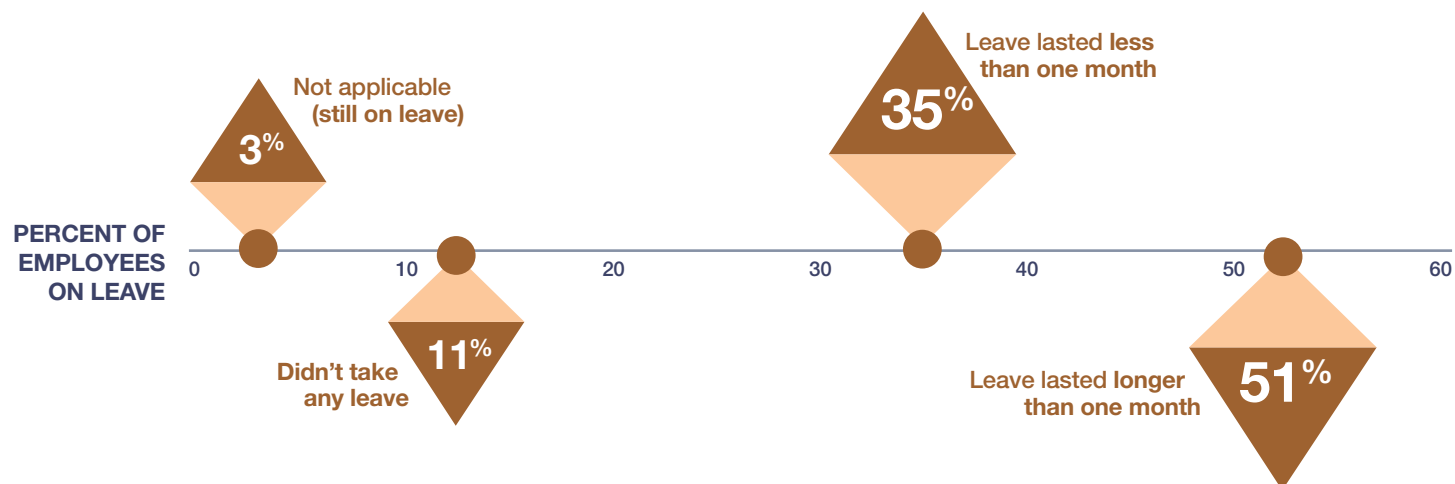
Leave length varies by health condition

Average length of disability leave

For employees who required a disability leave, **their overall leave length varied depending on their health condition.**

Average length of disability leave

59 DAYS

EMPLOYEES' AVERAGE DISABILITY LEAVE IN DAYS

20 30 40 50 60 70 80 90 100 110 120 130 140

Average leave for **fractures**
46 DAYS

64 DAYS
Average leave for **chronic diseases**

112 DAYS
Average leave for **mental health conditions**

Among employees who required a disability leave, **most absences lasted longer than one month.**

Not applicable (still on leave)
3%

Leave lasted **less than one month**
35%

PERCENT OF EMPLOYEES ON LEAVE

0 10 20 30 40 50 60

Didn't take any leave
11%

Leave lasted **longer than one month**
51%

Beyond leave duration: three common challenges for employers

Length of leave is just one consideration for employers. When health conditions lead to reduced productivity or a disability leave, employers should be prepared to tackle a number of potential challenges.

Challenge 1

Productivity and financial impact

A reduction in employee productivity can negatively affect an employer's bottom line. Health care costs, which vary by condition, may add to the financial impact.

Example costs associated with employees' health conditions:[1]

$444,000	$232,000
Back pain	**Mood disorders**

Challenge 2

Comorbidity and return-to-work impact

An employee with a serious illness or injury may be at risk for comorbidity. This refers to the presence of multiple health conditions at the same time. It can include both physical and mental health conditions, and affect the length of an employee's leave.

For example, an employee who had a heart attack may experience depression or anxiety during recovery. Not recognizing or treating both conditions could delay the employee's recovery.

Challenge 3

Mental health conditions and accommodations

In our survey, employees who indicated a mental health condition required some of the longest leaves.[2] Employers may find it difficult to meet the needs of these employees.

They can provide support by connecting them to workplace resources. This type of assistance can help employees feel valued and provide them with the resources needed to stay at work or return to work.

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1 Cost of excess health care treatments and lost work time per every 1,000 U.S. employees.
  Source: Integrated Benefits Institute, Health and Productivity Impact of Chronic Conditions: Back Pain — July 2017 and Mood Disorders — August 2017.
2 Of the 528 employees participating in this study, 26 reported taking a disability leave due to mental health conditions.

TAKE ACTION:

Support employees recovery to gain productivity

Your employees may face a wide range of health conditions with varying needs. Take an approach to disability management that supports their recovery and fosters productivity. This can make them feel valued and provide a strong foundation for quickly returning to work.

Start by looking at how you manage disability. Make sure your program can support a variety of health conditions. And, how it addresses each employee's **whole condition** — including health and other personal factors — to help fully support the employee.

Pay particular attention to how your program supports employees with **chronic health conditions, mental illness and comorbid conditions.** These individuals may have unique accommodation needs or require additional resources.

Where employees go for help can define their experience

We found that employees with health conditions are taking different approaches in who they contact to receive assistance at work. Interestingly, their actions were often at odds with what their HR counterparts reported as the standard approach for their organization.
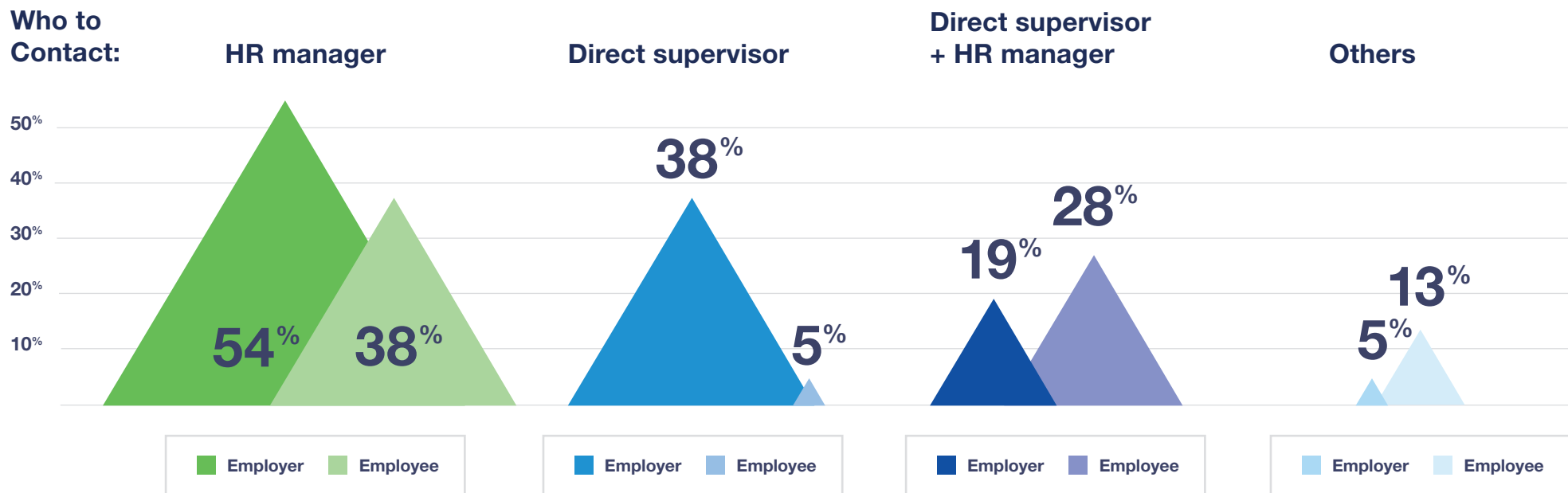
Perception vs. reality: two different perspectives

Who employees should contact with health concerns

When it comes to sharing a health concern, employers and employees differ:

Who to Contact:

| HR manager | Direct supervisor | Direct supervisor + HR manager | Others |

HR manager

54% 38%

Employer Employee

Direct supervisor

38% 5%

Employer Employee

Direct supervisor + HR manager

19% 28%

Employer Employee
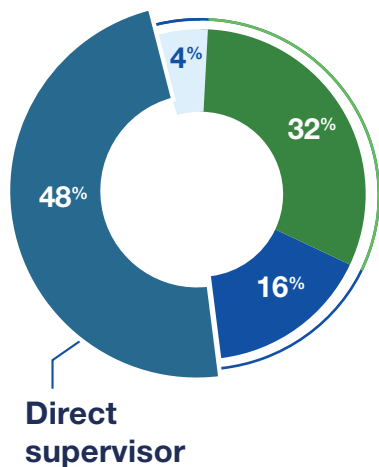
Others

5% 13%

Employer Employee

> **This discrepancy in employer versus employee perspective presents an opportunity to give clearer communication to employees regarding who they should approach for workplace assistance — because who they contact makes a difference.**
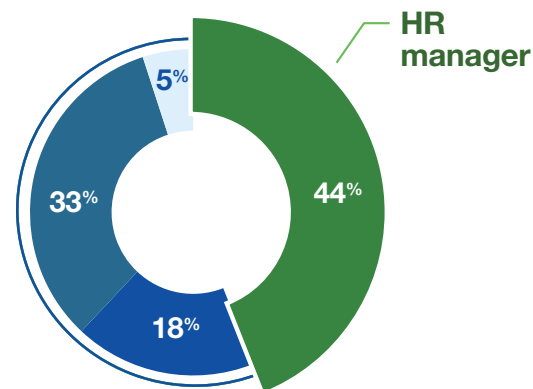
1 The Standard's Erasing Labels Survey, SHRM, 2017.

Your organization's size can impact who employees contact for help

Organization size

10-99 employees

32%
4%
48%
16%

Direct supervisor

100-499 employees

HR manager
5%
33%
44%
18%

500-2499 employees

HR manager
4%
33%
49%
14%

2500+ employees

7%
30%
40%
23%
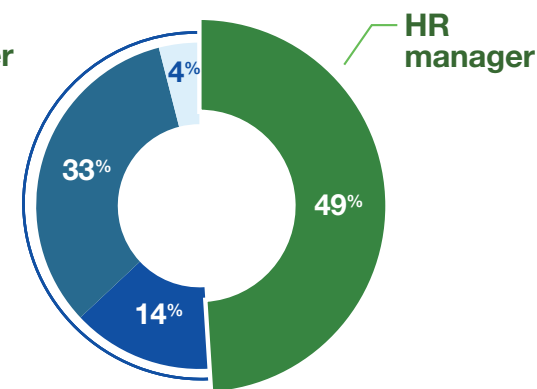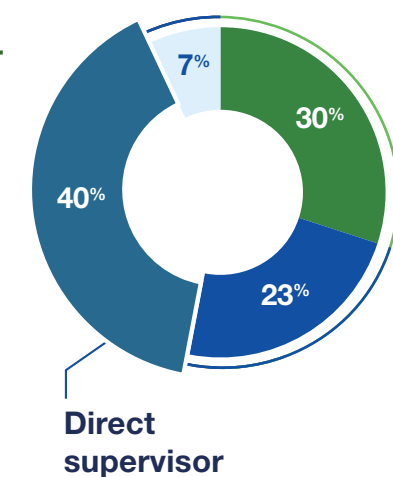
Direct supervisor

| HR manager | Direct supervisor | Direct supervisor + HR manager | Other |

Because of their organizational size, employees at very small (10-99 employees) and very large (2,500 employees or more) organizations were less likely to work with their HR manager. Consider if your organization's size affects who an employee looks to for assistance.

Working with their
direct supervisor may create
unnecessary concerns

3 out of 5

employees who worked with
a direct supervisor were
concerned about losing their job.

Employees have negative perceptions about approaching direct supervisors

Employees had different perceptions of their experience depending on who they reached out to for help and how they were treated overall. Employees reported having more negative perceptions about working with their direct supervisor than they did working with HR.

Concerned I would lose my job

- 45% (HR manager)
- 60% (Direct supervisor)
- 49% (Direct supervisor + HR manager)

Concerned I was treated differently

- 39% (HR manager)
- 48% (Direct supervisor)
- 41% (Direct supervisor + HR manager)

Concerned accommodation would cause a lot of hassle

- 54% (HR manager)
- 45% (Direct supervisor)
- 50% (Direct supervisor + HR manager)

Legend:
- HR manager
- Direct supervisor
- Direct supervisor + HR manager

> Employees who worked with HR said their greatest concern was that their request for accommodations would be a hassle. In contrast, employees who worked with their direct supervisor were most concerned about losing their jobs.
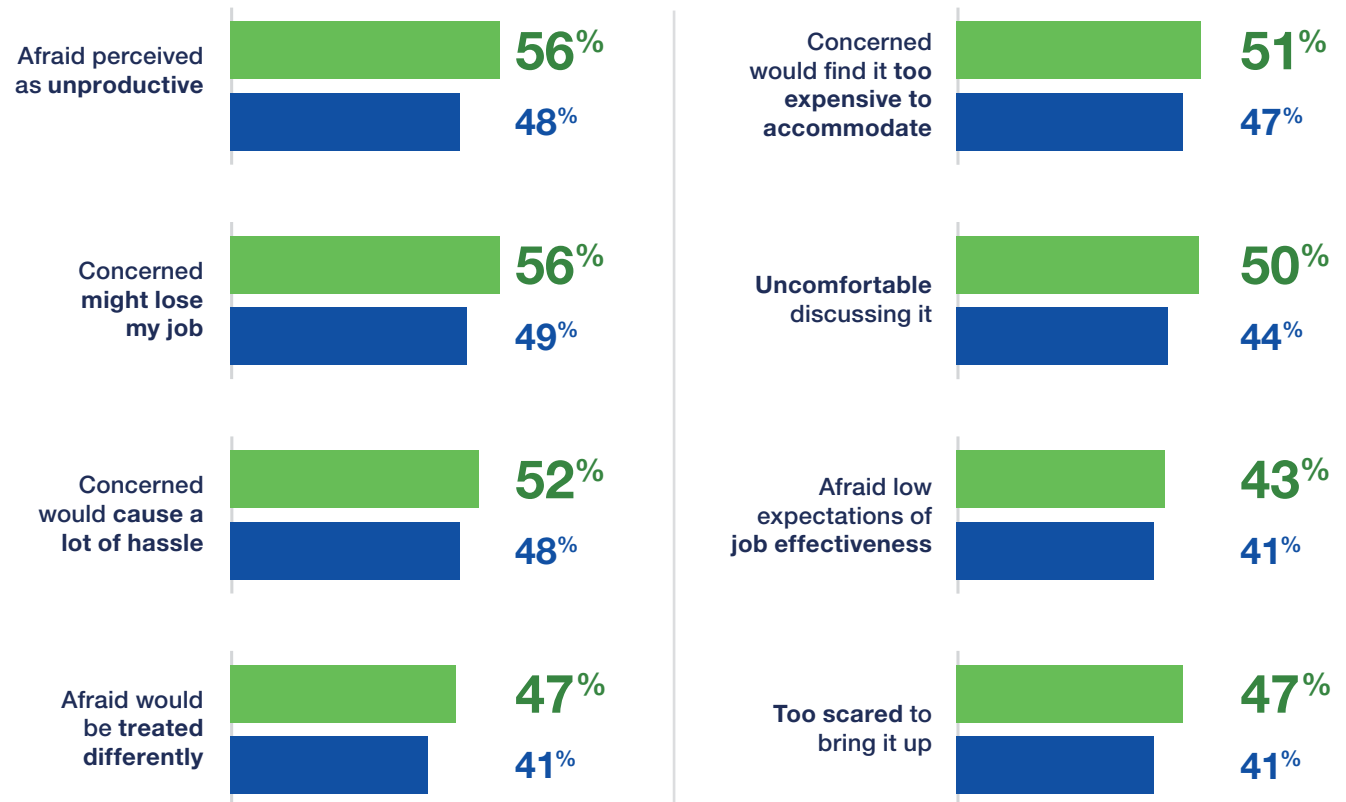
Employees with certain chronic conditions reported greater concerns

Employees with chronic conditions — such as cancer, diabetes and heart disease — were more concerned about how they would be perceived by their employer than employees with non-chronic conditions.

Nearly half reported being too scared to bring it up. And, more than half were afraid they would be perceived as unproductive and feared they'd lose their job.

This presents an opportunity for more training and effective communication within an organization to ease these employees' concerns.

Afraid perceived as unproductive
- 56%
- 48%

Concerned might lose my job
- 56%
- 49%

Concerned would cause a lot of hassle
- 52%
- 48%

Afraid would be treated differently
- 47%
- 41%

Concerned would find it too expensive to accommodate
- 51%
- 47%

Uncomfortable discussing it
- 50%
- 44%

Afraid low expectations of job effectiveness
- 43%
- 41%

Too scared to bring it up
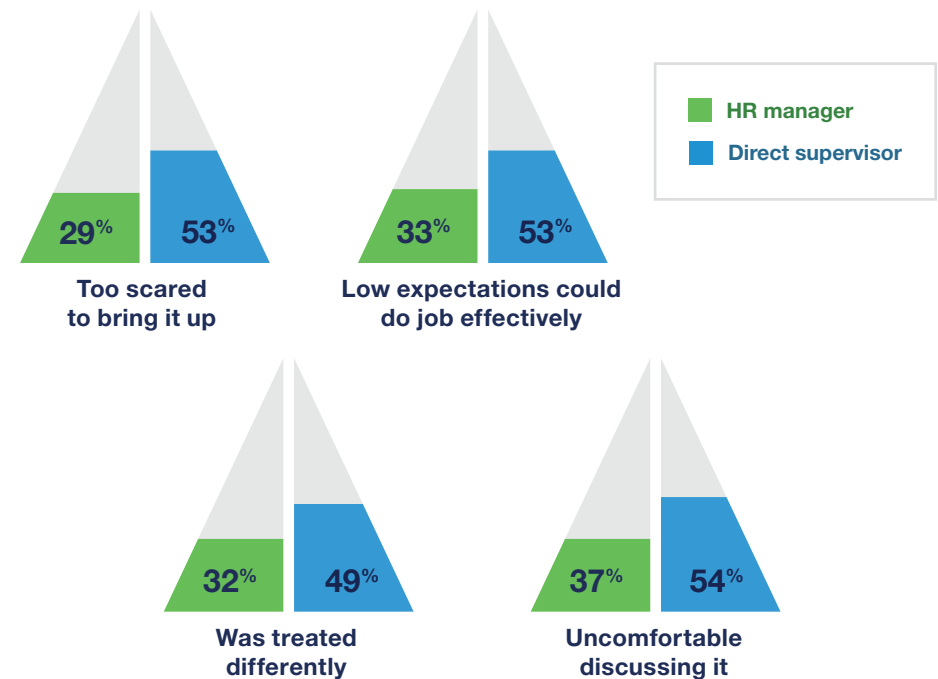- 47%
- 41%

Legend: ■ Chronic condition   ■ Non-chronic condition

Negative experiences can threaten productivity

Employees who worked with a direct supervisor tended to have a more negative experience. These employees felt negatively labeled by their condition. They were scared about how they would be treated at work.

Employees' concerns when working with a direct supervisor

| | HR manager |
| | Direct supervisor |

29% 53%
Too scared to bring it up

33% 53%
Low expectations could do job effectively

32% 49%
Was treated differently

37% 54%
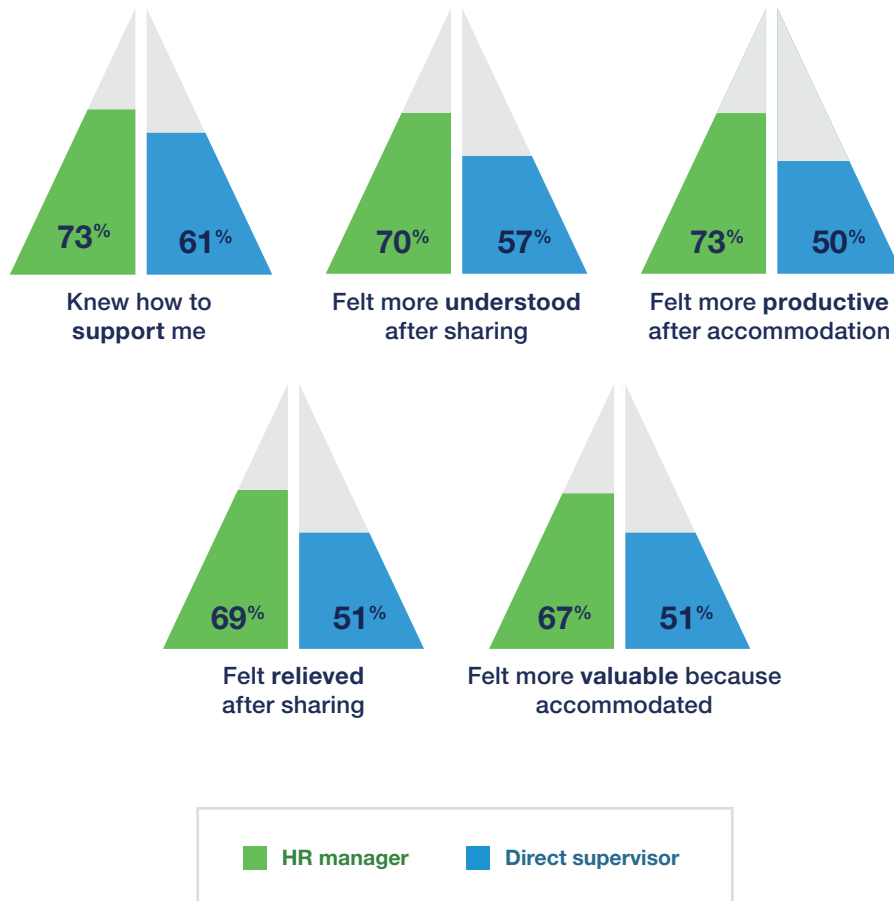**Uncomfortable discussing it**

Employees with chronic conditions were particularly uncomfortable talking about their health issues with their employer. These negative feelings may be potential barriers to receiving accommodations that will get them back to work sooner.

HR managers created a more positive employee experience

Employees who worked with their HR manager tended to have a more positive experience. They reported feeling more valued and productive after discussing their condition.

73% / **61%** Knew how to **support** me	**70%** / **57%** Felt more **understood** after sharing
73% / **50%** Felt more **productive** after accommodation	

69% / **51%** Felt **relieved** after sharing	**67%** / **51%** Felt more **valuable** because accommodated

■ **HR manager**   ■ **Direct supervisor**

HR helps employees return to work faster

44% Faster

Employees who worked with their HR department and received communication from their employer returned to work more quickly.

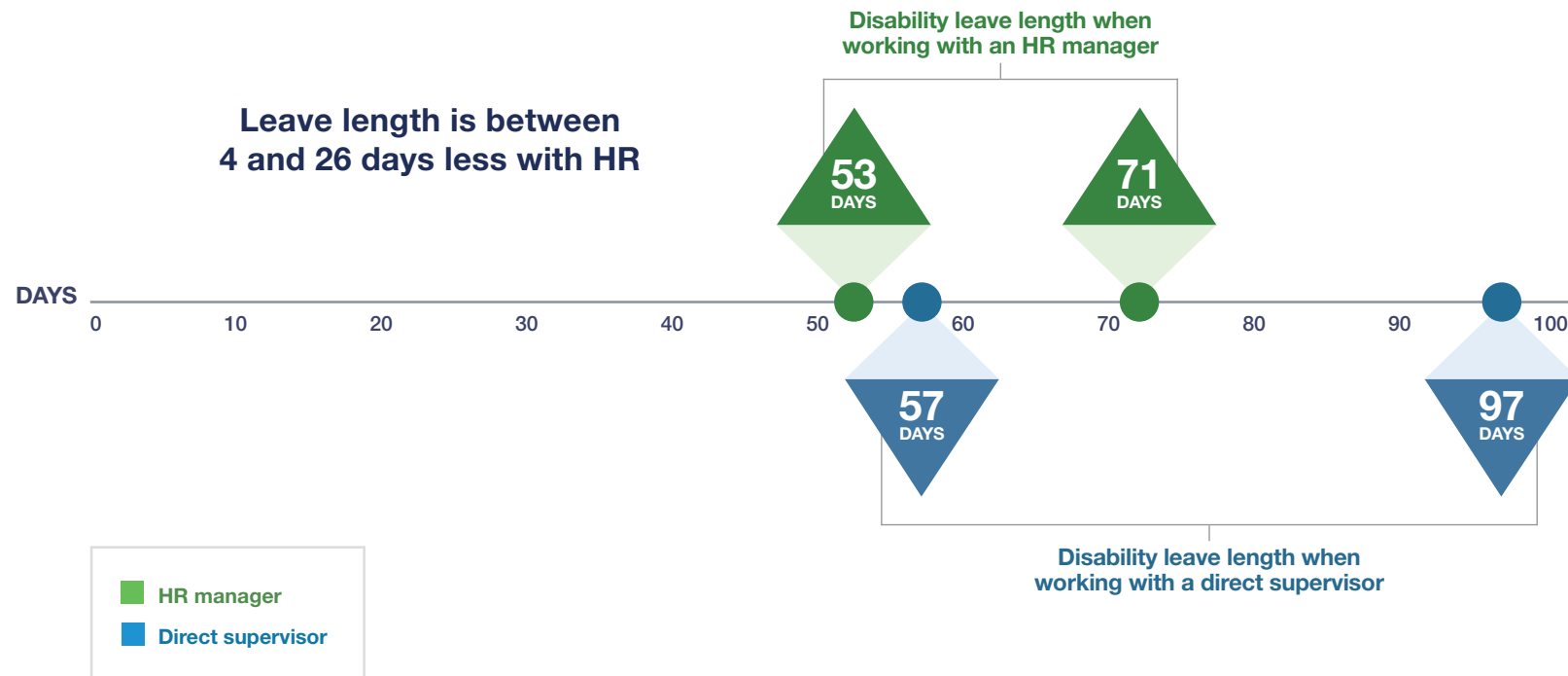# Working with HR leads to more communication while on leave

15%

Percentage of employees who were more likely to receive communication while on leave when working with HR.

Shorter leave time directly linked to communication with HR

Disability leave length when working with an HR manager

Leave length is between 4 and 26 days less with HR

53 DAYS

71 DAYS

DAYS

0   10   20   30   40   50   60   70   80   90   100

57 DAYS

97 DAYS

Disability leave length when working with a direct supervisor

■ HR manager
■ Direct supervisor

Employees who received communications from HR had a shorter leave duration than employees who worked with their direct supervisor.

17

TAKE ACTION:

Use consistency and communication to create a positive employee experience

A positive employee experience starts with a consistent disability management process. Start by letting employees know where to go for help. Here are two options:

- Establish HR as the point of contact and train supervisors to guide employees there.

- Assign direct supervisors to be the point of contact. Educate them about workplace resources, how to be sensitive to employees' needs and concerns, and when to seek HR assistance.

Communicating with employees who are on leave can reinforce their value and potentially help them return to work sooner. Our findings indicate you can improve results by:

- Effectively communicating the disability management process to ensure their understanding.

- Consistently communicating to create an experience that helps employees feel valued and supported.

INSIGHT 3

Connecting employees to resources can positively affect time out of the office

Workplace resources are programs available to employees that support their well-being and productivity. When used appropriately, these programs can help an employee return to work quickly, feeling valued and successful in his or her role.

Conversely, when an employee isn't connected to available workplace resources, their experience may be negatively impacted.

One reason employees who worked with their HR manager had a more positive disability management experience is that HR managers are often more aware of available resources and how they can provide support.
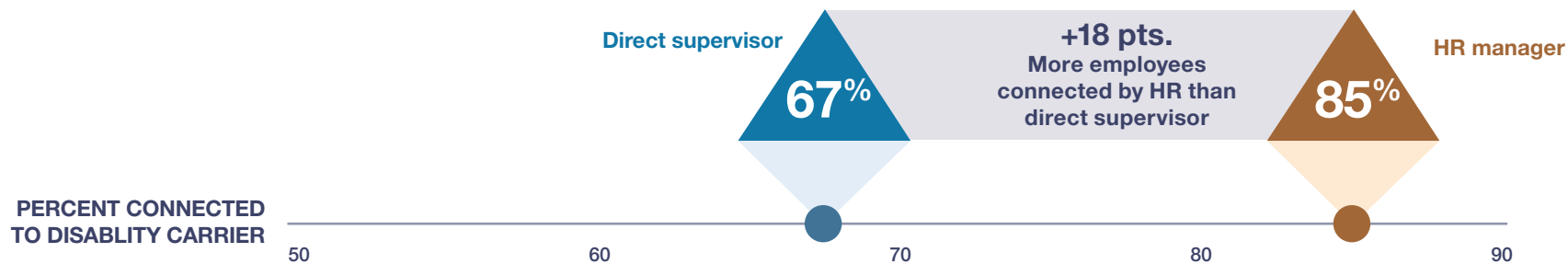
Workplace resources can include services from an employer's:

- Disability carrier

- Disease management program

- Employee assistance program (EAP)

- Wellness program

HR is more likely to connect employees to a disability carrier

Employees who approached HR were more likely to be connected to their organization's disability carrier than those who approached direct supervisors. A disability insurance carrier may be a source of support for employees with disabling conditions.

Direct supervisor

67%

+18 pts.
More employees connected by HR than direct supervisor

85%

HR manager

PERCENT CONNECTED TO DISABLITY CARRIER

50   60   70   80   90

> **When carriers are involved in disability management, more employees are being provided workplace resources that can improve their experience.**

Disability carriers boost workplace resource use

The percent increase in employees' use of workplace resources when a disability carrier was involved in an employee's return-to-work or stay-at-work plan.

↑**22%**
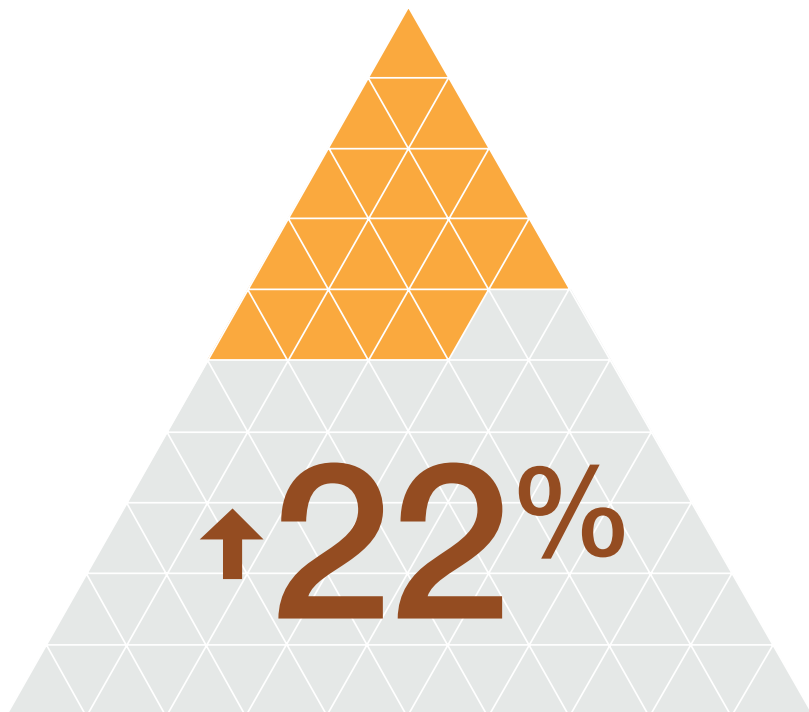
Disability carriers can help make the connection

77%

Employees helped by their employer's disability insurance carrier who also received workplace resources.

Disability carriers can help employers refer employees to the appropriate programs and help them understand how services from an EAP, disease management program or wellness program could help.

Missed opportunity: connecting employees to workplace resources

Nearly half of all employees, with chronic or non-chronic conditions, were not referred to any workplace resources
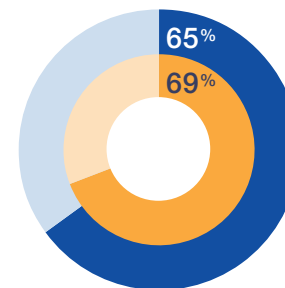
47%

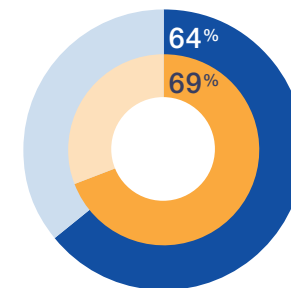of employees with chronic conditions are not referred to any workplace programs.

Nearly 75% of employees with chronic conditions — who were offered workplace resources — were not connected to a disease management program.

92%
74%
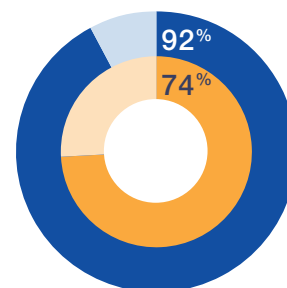
Not referred to Disease management program

65%
69%

Not referred to Wellness program

64%
69%

Not referred to EAP program

■ Chronic condition   ■ Non-chronic condition

Employees with both chronic and non-chronic conditions benefit from workplace resources. Employees with chronic diseases may find disease management programs particularly beneficial. Such programs may help employees manage their health conditions and enable them to return to work safely.

Employees with certain life-threatening conditions were less likely to be connected to workplace resources

HR managers should keep in mind that even an employee with a life-threatening chronic disease, such as cancer, can benefit from the support of a workplace resource program. These programs can offer solutions that may help an employee's productivity while also ensuring he or she has the time to focus on treatment and recovery.

Percent of employees connected to a workplace resource by condition

41% Cancer

63% Heart

80% Carpal tunnel

100% Diabetes

LESS LIKELY ———————————————— MORE LIKELY
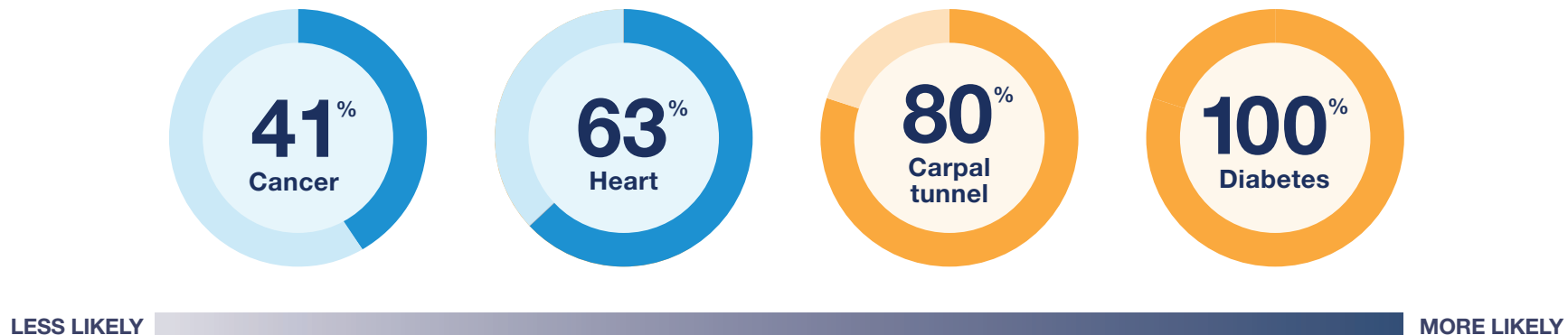
Employees experiencing cancer or chronic heart disease were less likely to be connected to a program. Whereas all employees experiencing diabetes and a significant number experiencing carpal tunnel were connected to a workplace resource.

Workplace resources can lead to greater stay-at-work potential

97% EAP + other programs

88% EAP only
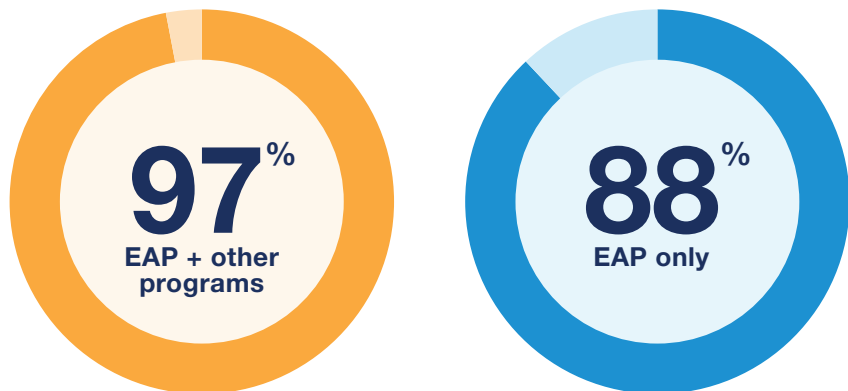
Among employees who received workplace resources, many were provided with accommodations that have the potential to prevent leave altogether.

Connection to workplace resources shortens leave duration

Among employees who required leave, our survey findings show that employees who were connected with workplace resources experienced shorter disability leave durations.
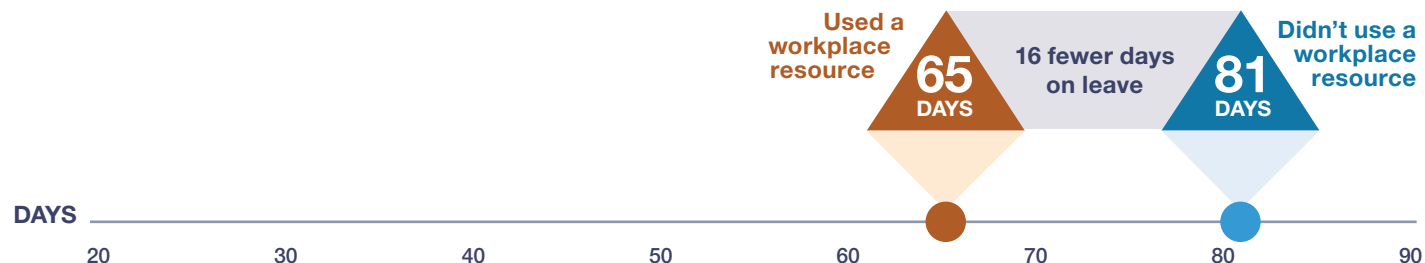
Leave length with workplace resources

Employees experienced shorter disability durations when connected with various workplace resources:

fewer days on leave

31		**Not connected with any program**
	16	**65** DAYS
	5	

DAYS

30 — 40 — 70

34 DAYS
Disease management program

49 DAYS
Wellness program

60 DAYS
EAP

Employees with chronic conditions

Workplace resources were especially helpful in reducing overall disability leave duration:

Used a workplace resource
65 DAYS

16 fewer days on leave

Didn't use a workplace resource
81 DAYS

DAYS

20 — 30 — 40 — 50 — 60 — 70 — 80 — 90
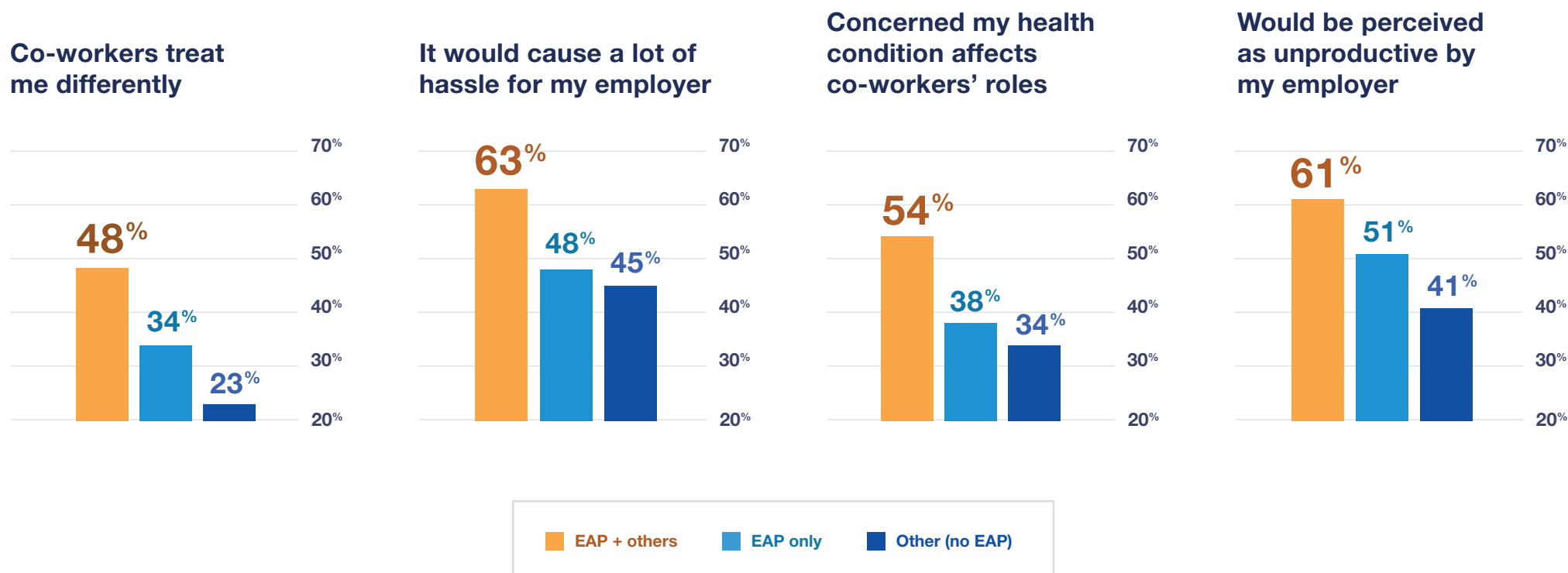
Ease concerns about perceptions through communication

In some instances, employees who benefited from workplace resources were still concerned about how they would be perceived because of their health condition — by both their co-workers and their employer.

Co-workers treat me differently

48%
34%
23%

70%
60%
50%
40%
30%
20%

It would cause a lot of hassle for my employer

63%
48%
45%

70%
60%
50%
40%
30%
20%

Concerned my health condition affects co-workers' roles

54%
38%
34%

70%
60%
50%
40%
30%
20%

Would be perceived as unproductive by my employer

61%
51%
41%

70%
60%
50%
40%
30%
20%

■ **EAP + others**   ■ **EAP only**   ■ **Other (no EAP)**

Employees may feel worried about being labeled unproductive, or being treated differently at work. In these situations, ongoing communication with the employee may ease their concerns.

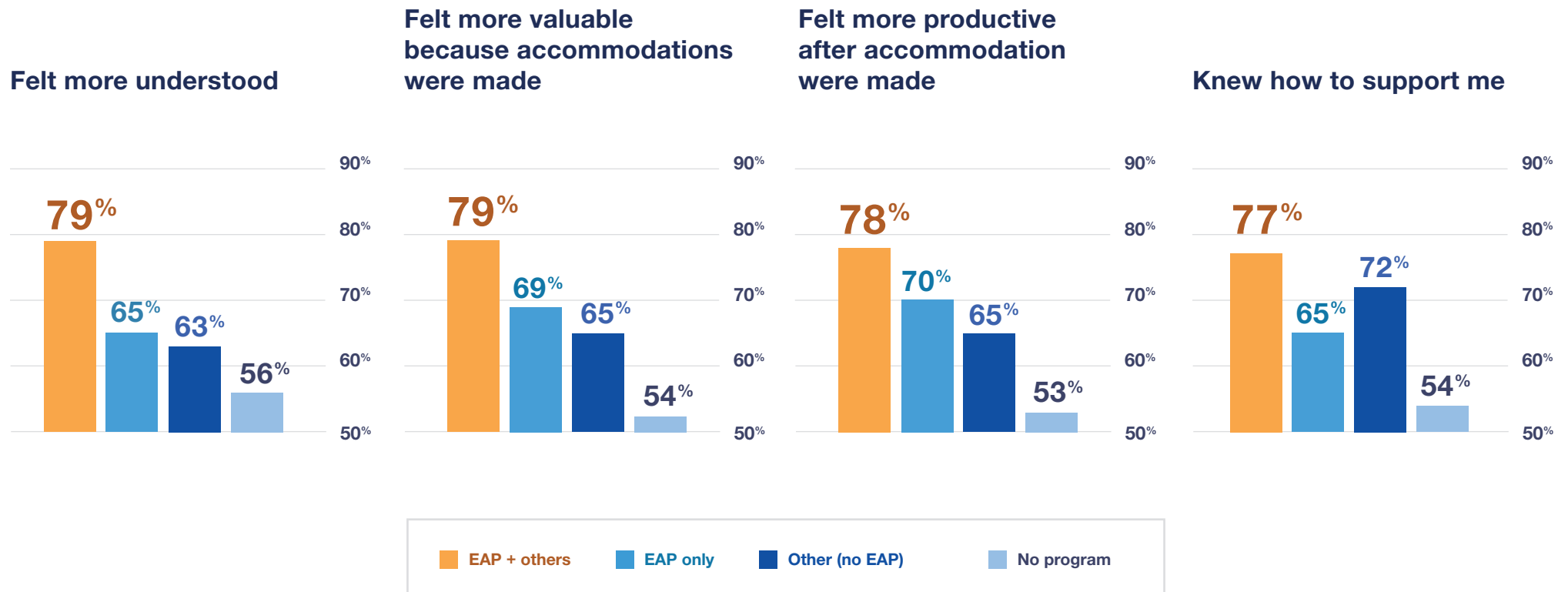## EAP + another resource: a powerful combination

When an EAP was used in combination with another workplace resource, employees were more likely to have:

- Higher awareness of short- and long-term disability coverage

- Shorter leave durations

- Increased job effectiveness

Benefits beyond returning to work: productivity, feeling valued

Felt more understood

Felt more valuable because accommodations were made

Felt more productive after accommodation were made

Knew how to support me

	EAP + others	EAP only	Other (no EAP)	No program
Felt more understood	79%	65%	63%	56%
Felt more valuable because accommodations were made	79%	69%	65%	54%
Felt more productive after accommodation were made	78%	70%	65%	53%
Knew how to support me	77%	65%	72%	54%

Employees who used at least one workplace resource felt more valued by their employer and more productive on the job than employees who did not use workplace resources.

Helping all employees feel successful

50%

More than 50 percent of employees with chronic conditions felt extremely effective when connected to workplace resources.

Regardless of their condition, surveyed employees reported feeling more effective at their job when connected with services from a workplace resource, particularly those with a chronic disease.
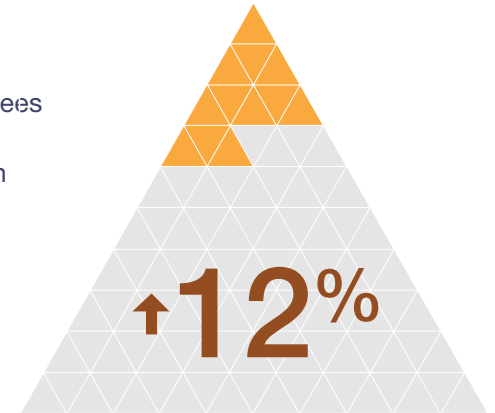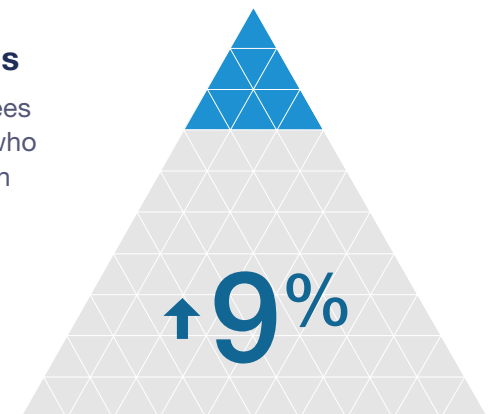
Workplace resources help employees feel effective

Employees with chronic conditions

12 percent increase in employees with chronic conditions who felt effective at their jobs when connected to a workplace resource.

↑12%

Employees with non-chronic conditions

9 percent increase in employees with non-chronic conditions who felt effective at their jobs when connected to a workplace resource.

↑9%

TAKE ACTION:

Engage workplace resources to help employees feel more valuable

Workplace resources can support employees while they work through an illness or injury. An employee connected to employee assistance programs and other services can feel more valued by the organization rather than feeling labeled by their condition.

These resources and the feeling of support they create often shorten disability leave duration or prevent an employee's leave altogether. That's why it's important that **both HR managers and direct supervisors** be knowledgeable about all available resource options and their benefits.

Commit to creating positive employee experiences by offering robust training opportunities that educate direct supervisors and HR managers on available resources, appropriate communication and other best practices for providing employees with everything they need to feel supported and productive.

Involve your organization's **disability insurance carrier** to further increase the likelihood that employees will receive the workplace resources they need.

INSIGHT 4

Workplace accommodations enable employees to return to work sooner

Even with the most effective disability management program in place, the simple truth is many health conditions require employees to take disability leave.

When we consider the high percentage of employees who required either short- or long-term disability leave, the importance of return-to-work efforts is clear.

Providing workplace accommodations that may help employees return to work quickly and increase their productivity should be a key component of your disability management strategy.

Many health conditions require employees to take disability leave

89%

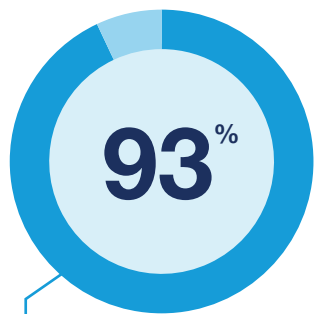Percentage of employees with a health condition who took a leave.

Accommodations lead to better results: increased productivity and shorter leave duration

Increased productivity

These accommodations can help increase employee productivity, too.
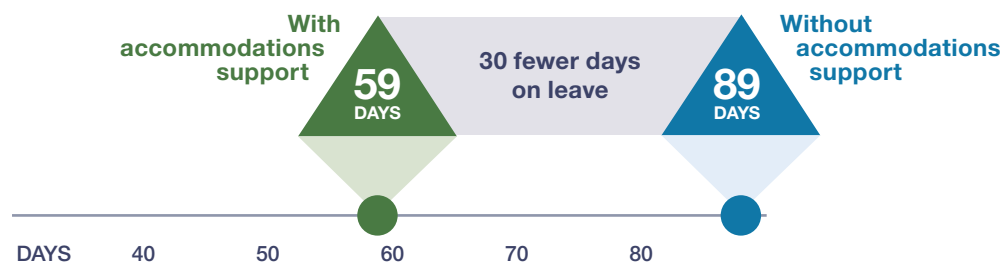
93%

72%

93 percent of employees said they could perform their job effectively after receiving support from their employer.
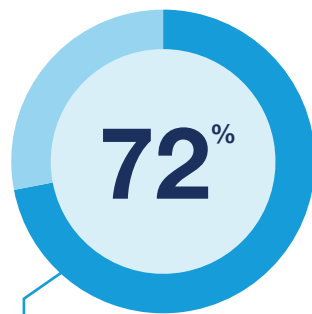
72 percent of HR managers agreed that connecting employees to accommodations or support increased employee productivity[1].

Shortened leave duration

For employees who took a disability leave, those who received accommodations had, on average, a shorter disability leave duration than those who didn't receive support from their employer.
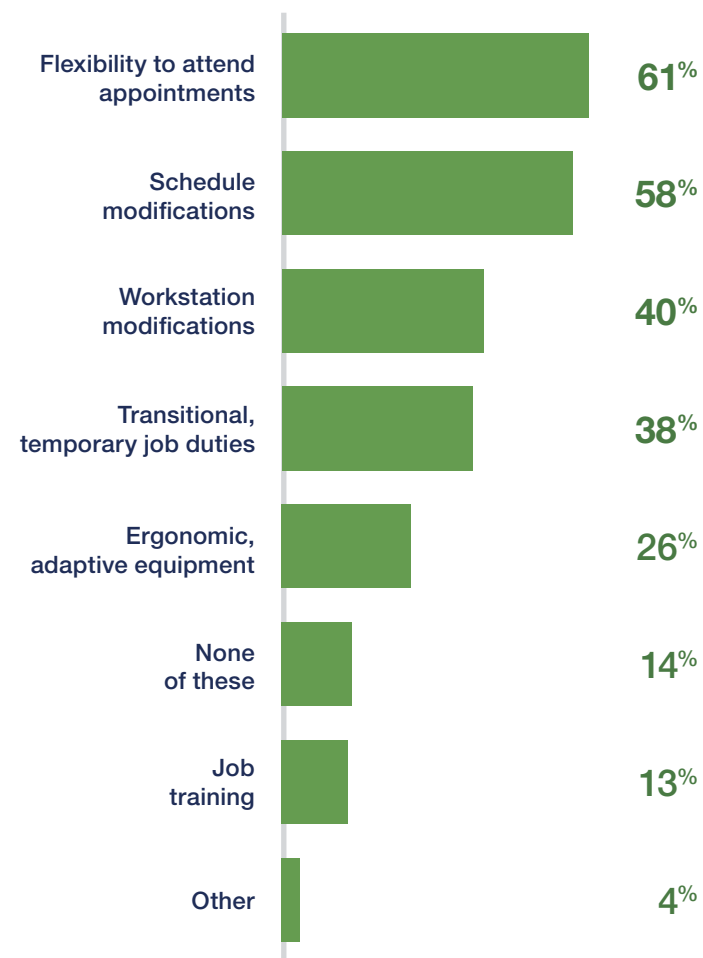
With accommodations support
59 DAYS

30 fewer days on leave

Without accommodations support
89 DAYS

DAYS   40   50   60   70   80

[1] The Standard's Erasing Labels Survey, SHRM, 2017

Most common accommodations

One of the key findings from our survey was that simple accommodations — which may not cost an employer anything — can be helpful in supporting an employee's health condition.

Accommodation	Percentage
Flexibility to attend appointments	61%
Schedule modifications	58%
Workstation modifications	40%
Transitional, temporary job duties	38%
Ergonomic, adaptive equipment	26%
None of these	14%
Job training	13%
Other	4%

TAKE ACTION:

Empower employees with the help of workplace accommodations

Recognizing the high number of employees who require disability leave, it's important to focus on helping them return to work quickly and be productive.

Workplace accommodations – from the very simple to the complex – can help you do just that. Even the simplest accommodations can help your employees return to work sooner. Those with chronic conditions especially benefit from modified schedules and the flexibility to go to appointments.

Start by identifying simple accommodations that your organization can manage. Then look to your disability insurance carrier for creative solutions to help you manage more unique conditions and complex needs.
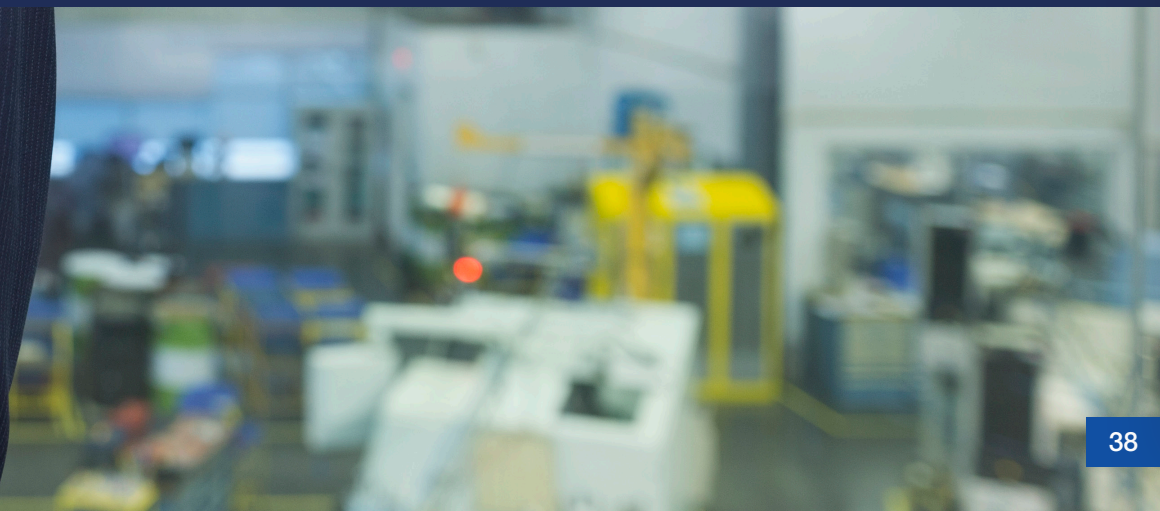
FROM INSIGHT TO ACTION:

Strengthen your disability management program with training

How can employers make the disability management experience better?

Start by recognizing factors that can negatively affect an employee's condition. Then reshape your process based on those factors.

Use these six key steps to build a robust training program in disability management:

- Identifying a potential health condition

- Understanding how a disability carrier can help

- Initiating a difficult conversation

- Recognizing an employee's sensitivity to special treatment

- Communicating regularly with an employee on leave

- Using accommodations as a tool to help employees and employers

See how each can help you adjust your current process. The goal is a better overall experience for your employees.

INSIGHT 1

Identifying a potential health condition

- Understand your employees' health conditions — the variety, severity and prevalence in your workplace.
- Avoid falsely labeling an employee as lazy or indifferent by helping your supervisors understand the signs and symptoms of an employee with a health condition. This will help ensure employees receive the right type of support.
- Learn more about the unique needs of employees with chronic conditions or mental illness to address their particular needs.

INSIGHT 2

Initiating a difficult conversation

- Recognize employees seeking out HR for support are nervous about elevating concerns to their direct supervisor.
- A direct supervisor is often hesitant to approach an employee with a health condition for fear of overstepping boundaries.
- Train supervisors on what they can and can't ask to help them be more supportive and confident when approaching an employee. It's important that HR and direct supervisors provide the same support, particularly when dealing with sensitive and personal topics.

INSIGHT 2

Communicating regularly with an employee on leave

- Regular communication can help an employee on a disability leave feel more connected and potentially result in a faster return to work.
- Talk with your disability carrier and HR manager about supportive ways to communicate with employees on leave that are compliant with regulations.

INSIGHT 3

Recognizing an employee's sensitivity to special treatment

- Ensure your employees are provided necessary support. But be aware this support may be met with reluctance.
- Be aware that an employee with a health condition is often concerned about his or her colleagues' perceptions — especially if it looks like they are receiving special treatment. This may be common among employees with chronic conditions who require ongoing absences from work.
- Provide training to help supervisors understand common concerns and ways they can minimize those perceptions.

INSIGHT 3

Understanding how a disability carrier can help

- There are multiple resources on hand to help provide assistance. Your disability carrier knows various workplace resources and programs available to your organization.
- They can help you educate supervisors on available resources and how they can provide unique support for specific conditions.

INSIGHT 4

Using accommodations as a tool to help employees and employers

- Identify the types of accommodations available to your employees. Low-cost or no cost options can provide helpful support to employees.
- Consult with your disability carrier to assess individual employee needs, identify accommodations, arrange communication and provide tailored support.
- Partner with your disability carrier to educate direct supervisors on how to work with employees needing accommodations and the positive impact they have in reducing lost productivity costs.

Glossary of terms

The following glossary provides additional information about terms included in this report as they pertain to the report's subject matter.

Acute condition

Acute conditions tend to have very sudden onsets, progress rapidly and typically last for only a brief period. Acute conditions may lead to a chronic condition if untreated. Conversely, chronic conditions may cause an acute condition.

Chronic condition

A chronic condition is a long-lasting health condition that generally progresses slowly over time. Various health-related states of the human body, such as syndromes, physical impairments and disabilities, as well as diseases, may be chronic conditions.

Chronic disease

A disease is called chronic if it persists for three months or more. Chronic diseases generally cannot be prevented by vaccines or cured by medication. Some leading chronic diseases include arthritis, cardiovascular disease such as heart attacks and stroke, cancer, diabetes, epilepsy and seizures, obesity and oral health problems.

Employee productivity

Employee productivity, also known as workforce productivity, is an assessment of the efficiency of a worker or group of workers. Productivity may be evaluated in terms of the output of an employee in a specific period of time and assessed relative to an average for employees doing similar work.

Mental illness

A mental illness is a condition that affects a person's thinking, feeling, mood or behavior, such as depression, anxiety, bipolar disorder or schizophrenia. Such conditions may be acute or chronic and may affect someone's ability to relate to others and function each day. The presence of chronic health conditions can increase the risk for mental illness.

Musculoskeletal condition

Musculoskeletal conditions affect a person's muscles, bones and joints. These conditions are extremely common and are more likely to develop with age. The severity of musculoskeletal conditions can vary and may become chronic. Some musculoskeletal conditions include arthritis, carpal tunnel and fibromyalgia.

Workplace accommodation

A workplace accommodation is a broader term for assistance or changes to a position or workplace that enable an employee to perform essential job duties despite having a disability. Accommodation needs are unique to the individual and his or her condition(s).

Workplace resources

Workplace resources are programs or services that address and support the well-being of employees. Workplace resources may include services provided by another benefits provider, such as an employee assistance program (EAP), disease management program or wellness program.

Research methodology

The Standard engaged an online survey provider, Qualtrics, to survey a sample of 528 participants in April 2017.

Survey participants were between the ages of 21 and 69, were employed full time, and had a household income of $50K or more per year. Among those surveyed, 23 percent (121) worked at a company of 10-249 employees, 36 percent (188) worked at a company with 250-2,499 employees and 41 percent (219) worked at a company of 2,500 or more employees.

To qualify for the survey, respondents had to be aware of STD and LTD insurance, have experienced a health condition resulting in a disability that prevented them from working or changed the way they were working for at least six to eight weeks and for which they requested and received workplace accommodations in the past year. The survey excluded those who had filed a workers' compensation claim exclusively as a result of their illness or injury, or took standard maternity leave.

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