

## Policy Changes Regarding Casual, FMLA and Disability Absences in Two Midwestern Plants and Their Implications for the Contemporary Workplace

### Introduction

In their article, “Outcomes of Absence Control Initiatives: A Quasi-experimental Investigation Into the Effects of Policy and Perceptions” in the May 2014 *Journal of Management*, the authors examine the impact that newly-established organizational policies regarding absence have on casual, FMLA (Family and Medical Act of 1993) and disability absences. By tracking 1,019 employees in two Midwestern manufacturing plants, they found that the policy changes reduced casual absence, but also increased the instances of FMLA absences: indicating that what probably would have previously been casual absences were now being re-classified as FMLA. Disability absences were not truly affected by the new policies.

### Hypotheses

The research was based upon six hypotheses:

1. Stricter absence policies designed to increase the penalties for casual absence would lead to reductions in casual absence. (Johnson 1078).
2. These same absence policies would lead to increases in FMLA absences (1079).
3. These absence policies should have no effect on reported disability absence. (1080).
4. Individual perception of the penalties/rewards for casual absence will have an effect on (a) fewer casual absences and (b) more FMLA absences after the policy change (1081).
5. If the new policies are perceived to be fair, there will be (a) fewer casual absences and (b) fewer FMLA absences after the policy change (1082).
6. FMLA absences will be easier to predict based on whether the perception of fairness of the policy is high, or the impact of the penalties is resented (1082).

## **Methodology and Sample Population**

1,019 employees in two plants of a large unionized Midwestern automobile parts manufacturer were studied over a 24-month period. 733 were in Plant A, with 74% being male. In Plant B, where 286 were studied, demographic information was not available. Twelve months after the study began, a new organizational policy was instituted at Plant A regarding tracking absences. Nine months later, Plant B implemented a similar policy change (1082-3). Absence data was obtained through company records and was divided into “casual,” “FMLA” or “disability” (1083).

Surveys were used to determine how the new policies were understood. Perceived “salience”(or strictness) of absence policy was measured to see how employees reacted to the rewards and punishments associated with absence. Perceptions of policy fairness were also measured using a survey (1084).

## **Results**

Included in the findings was the fact that demographic variables were important: women and younger people tended to be absent more than men and older workers. The tests revealed that at both plants casual absence was substantially lower following the policy change, while FMLA absence increased, thereby supporting Hypotheses 1 and 2 (1086).

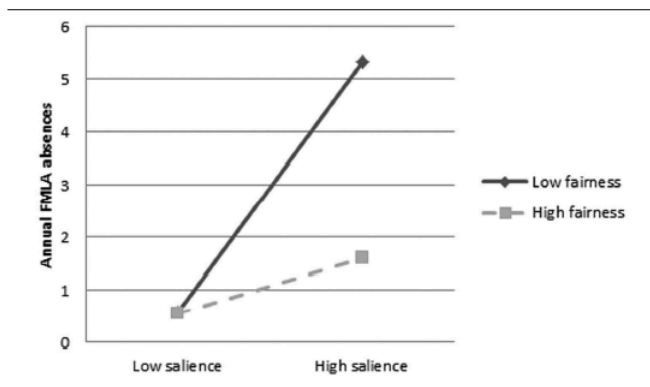
Regarding disability absence, it was not significantly different after the change than before at Plant A; but at Plant B, disability absence dropped from 1.8 days per quarter to 0.75, a small effect: therefore, Hypothesis 3 was only partially supported (1087).

Hypothesis 4 suggested that rewards/penalties of the stricter policy would lead to (a) decreases in casual — and (b) increases in FMLA — absences; while Hypothesis 5 predicted that policy fairness would reduce both types of absence after the policy change. The researchers found that the 4 (a) was not supported, but 4 (b) was; while the casual part of 5 was supported, but not the FMLA part. That is, the more the penalties for casual absence were perceived as strict by the employees, the more FMLA absence they took during the year, although there was no decrease in casual absence. Furthermore, the more the employees perceived the policy to be fair,

the less casual absence they were likely to take, although FMLA was not affected by this perception (see Fig. 1, below) (1088). This figure shows that the relationship between a stricter policy and

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Figure 1  
Interactive Effect of Policy Salience and Fairness on Family  
and Medical Leave Act Absence



Note: The figure is plotted at one standard deviation above and below the mean for both policy salience and policy fairness.

FMLA absence was positive only for employees who also perceived the policy to be unfair (1088).

After the research was completed, the authors further examined the evidence to see (a) how much difference there is in post-policy-change absences *versus* pre-policy-change absences; and (b) how the absence patterns of employees who thought the policy was both punitive and unfair compared to other employees (Table 4) (1090):

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Table 4  
Comparison of Employees on the Basis of Salience and Fairness

|               |                    | Low Salience |             |            | High Salience  |               |            |
|---------------|--------------------|--------------|-------------|------------|----------------|---------------|------------|
|               |                    | Casual       | FMLA        | Disability | Casual         | FMLA          | Disability |
| Low fairness  | Pre-policy change  | <b>3.89</b>  | 0.61        | 1.85       | <b>14.18**</b> | 2.31          | 3.60       |
|               | Post-policy change | 2.40         | <b>0.57</b> | 0.68       | 2.96           | <b>5.33**</b> | 1.42       |
| High fairness | Pre-policy change  | 4.77         | 0.00        | 0.00       | 5.64           | 0.61          | 0.00       |
|               | Post-policy change | 1.10         | 0.54        | 1.12       | 1.72           | 1.60          | 0.38       |

Note: FMLA = Family and Medical Leave Act. Numbers indicate the predicted number of days employees were absent at one standard deviation below and above the mean for both salience and fairness. Simple slopes were tested for salience at low and high levels of fairness. Values in bold indicate a significant simple slope for salience at that level of fairness.

\*\* $p < .01$ .

Thus, employees who found the policy to both “salient” (strong) had more pre-change casual — and post-change FMLA — absence, compared to those who believed the policy was unfair but not punitive. As women were much more likely than men to take FMLA absences after the policy change, and even more so in respect to negative perceptions of salience and fairness, the authors concluded that the attitudes of women toward the new policy had a greater impact on absences than those of men (1090-1).

The authors stated: “. . . when the absence policy was seen as both salient and unfair, it appears that employees may have ‘gamed the system’ by shifting the reporting of their absences from casual to FMLA absences” (1091). They also pointed out that in previous research, “low justice perceptions” have led to higher “CWB” (counterproductive work behavior), which seems to be supported (a bit obliquely) in this study (1092).

### **Practical Applications**

Johnson, *et al.*, suggest that organizations have to provide a workable strategy when implementing absence policies, even though strict policies may have the (misleading) appearance of being effective by lowering casual absences. FMLA absences may increase after such policies are instituted and, for this reason, organizations must closely monitor their employees’ perceptions of the new policies to see if they find the rewards/punishments to be salient or the policies to be unfair. This can be accomplished by giving the employees a say in the policy change itself (1092).

### **Limitations of the Study**

The authors found at least six limiting factors in their study and noted them, while simultaneously refuting them (1092, -3, -4):

1. Although they gathered a year’s worth of data both before and after the policy change at one plant, they only had three months’ of data after the change at the second plant. However, three months seems to them to be a reasonable amount of time for this study.
2. They took measures of the dependent variable over several periods with two

groups, and the treatment took place at different times. Thus, there could have been factors other than the policy changes that could account for the results.

However, it seems unlikely that other events would affect absences.

3. As they only gathered employee perceptions once, it is (remotely) possible that their perceptions would change in the future.
4. Even though only 250 employees were surveyed at one of the plants, they were randomly selected and they seemed to fairly represent the plant's overall population.
5. It is possible that FMLA absences were misreported in the past. However, it seems that, after thoroughly checking, that the plant managers had not misreported them.
6. Because FMLA is only a U.S. federal law, the study would not be relevant in most countries overseas.

Thus, even as the researchers outlined the limitations of their study, they largely refuted these limitations and pronounced the study valid.

### **Future Research**

The authors suggest six possible areas for future research (1095):

1. Future studies should build in measurements of policy fairness and strictness both before and after the absence policy changes.
2. Managers may be able to reduce absence by including the employees in the creation of the new policy; and/or by explaining in detail the need for it.
3. Using more detailed demographic data, studies should be done on which groups are most likely to react negatively to an absence policy change.
4. Absences could be tracked over a longer time period to see if it is better to institute change bit by bit; or if dragging out the process will cause more tension in the workplace.
5. If the policy has only been in place for a short time, will there be less resistance

to it than if it is a long-term policy that is being changed?

6. Studies could be done on the effect of policies on what the authors call “presenteeism.” That is, do employees not only take more FMLA absences after a policy change, but are they more likely to show up sick at work, reducing both their productivity and putting others at risk?

### **Conclusion**

This study uses meticulous procedure and analysis, including re-analysis of the data at the request(s) of an “anonymous critic” to ensure that the results are valid. Their citations, footnotes and references give additional credibility to their methods and conclusions. Furthermore, the authors list the objections that could be raised from their procedures and conclusions and nicely refute them, point by point. Finally, they make suggestions for both the implementation of the results in the workplace and subjects for future research. All in all, the article is both interesting and groundbreaking; and this study — along with further research along these lines — could have a real impact on absenteeism in the workplace.

### Works Cited

Johnson, Michael D., Holley, Erica C., Morgeson, Frederick P., LaBonar, Deborah and Stetzer, Adam. "Outcomes of Absence Control Initiatives: A Quasi-experimental Investigation Into the Effects of Policy and Perceptions." Thousand Oaks: *Journal of Management*, 2014. 1075-1097. Print. 8 April 2014.