Buyer's Guide:

The Tough Questions to Ask Prospective Leave Administration Solution Providers

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Introduction:
Effective Leave Administration is Critical to Your Success

Depending on the industry and size of your organization, you may be managing hundreds of employee leave events, or cases, at any given point. These leave events can be due to a variety of reasons including:

- Treatment and recovery of a serious health condition or injury
- Caring for a family member with a serious health condition or injury
- Bonding with a new child including the birth, adoption, or fostering of a child
- Military service deployment
- Bereavement
- Reasonable accommodations for employee with disabilities
- Support services or court proceedings for victims of a crime

There are hundreds of these laws in place that provide job protection for employees in these situations at national (i.e. the Family Medical Leave Act, FMLA, in the U.S.), state/provincial, and local levels and can vary widely across each law. Violations of these laws can result in considerable costs to the business should an employer have a misstep in how they apply the laws including the time, effort, and costs association with litigation claims, fines and penalties, and payments of back wages. Brand equity can be damaged and result in a negative impact on employee engagement as well as efforts to attract and retain top talent.

Without the right leave administration solution to manage each leave event, or case, it can be challenging for organizations that work across multiple geographic locations. For these reasons, managing employee leaves of absence keeps many HR professionals seeking out a trusted partner to help ease administrative burdens and mitigate the compliance risks makes sense. The options available include outsourcing to third-party administrators, software solutions, or a combination of both. However, it's important to remember not all options are created equal. The services and features can vary widely across the different providers in each category, and the key to success is exploring all your options to identify the right partner and fit for your company culture. That's why we've compiled this comprehensive buyer's guide of critical information you need to consider along with some tough questions for you to ask when evaluating your options for a leave administration solution.

Business Value
Adding Value with the Right Leave Administration Solution Provider

It is important for employees to be able to take time off during major life events and know they have a job to return to when the situation is resolved. However, when employees are away from work, the costs to the employer can be high. These costs can vary and depend on several factors including:

- Whether you are required to continue to pay the employee their full or partial wages
- Depending on how long the employee will be away or if the employee's job is essential to operations, you may have to temporarily backfill the position

- Disbursement of work to other team members can result in overtime costs, and if the work becomes too much, higher levels absenteeism and/or turnover may result
- Manual processes or spreadsheets can be time-consuming and error-prone increasing the time it requires to administer a leave and the risks of non-compliance with applicable laws

When selecting a leave administration solution provider, be sure to understand how they are going to help you minimize these costs AND mitigate risks.

Business Value
What to look for

Compliance Simplified

You are not only required to maintain compliance with the hundreds of leave laws in the books, but you must prove it. With ongoing refinement of these laws as well as the introduction of new laws, keeping up can feel a lot like navigating a minefield and hitting a moving target at the same time. The addition of union, or collective bargaining, agreements as well as benefits sponsored by your organization including short- and long-term disability, workers' compensation, and personal time off, the battle to remain in compliance intensifies.

The good news—it doesn't have to be that way. With the right partner, you can simplify compliance and extend your team with their dedicated staff and consultants responsible

for monitoring the laws, updating processes and documentation, and communicating any changes to your organization. This partner should also have comprehensive audit trails that help you prove compliance in the event an employee makes a claim against you for unfair practices. Ask your prospective leave administration partners how they safeguard your compliance and mitigate risks—now and into the future

Managing Intermittent Leave

Employees don't always need continuous time off when taking leave for qualified situations, but it's important to remember that they are still eligible for job protection. When leave is intermittent, it compounds the complexity even further and requires other considerations such as accounting for mandatory or schedule overtime. Additional training is required for managers and supervisors to identify and alert HR when an employee may be eligible for intermittent leave or when an employee's usage does not align with the expected duration and frequency of the intermittent leave. This training must be thorough and effective to ensure employees' privacy and compliance is maintained, minimize the impact on operations, and prevent possible abuse due to misuse of intermittent leave. Your solution provider should minimize the need to rely on managers and supervisors to identify whether an employee might be eligible for leave or detect potential abuse of intermittent leave.

Administration Eased

No two employees' situations are the same. With the potential to qualify for multiple leave types, error-prone manual processes and spreadsheets to administer a leave of absence won't cut it. In addition to risks of non-compliance, administering complex leave events can be costly and distract HR from other strategic initiatives that contribute to employee development and engagement. The key to minimizing both legal and operational risks is consistency and automation. A solution provider should provide tools that can evaluate existing employee demographic data along with the details of the employee's request to make an initial determination of eligibility and detail the criteria used in the determination. It should also generate the workflow steps to confirm eligibility, including required documentation, deadlines for completion of the tasks, and criteria to return to work for each eligible leave type.

Employee Engagement Elevated

Key factors that impact employee engagement include trust, transparency, flexibility, and fairness within the company culture. The right approach to managing employee leave can be a contributor to these factors. Alerting managers or HR administrators when they might be eligible for leave and giving them access to easily request leave online while at work or from the comfort of their home can go a long way in promoting trust and providing flexibility in how they communicate their needs. Visibility into eligible benefits, the process used to confirm eligibility, and consistent application of leave policies go a long way to instill trust and transparency and show fair treatment of employees. Be sure the leave administration solution provider will contribute to your company culture and show your employees you value them and in turn, elevate employee engagement.

Third-party Administrator vs In-House Solutions

Outsourcing administration of leave to third-party administrators (TPAs) can have its benefits. For example, there can be a cost savings, and in a war for talent, it can be difficult to recruit individuals that have the required domain expertise to effectively manage leaves of absence in-house. Another benefit is having a neutral third party determine eligibility without partiality. However, there are drawbacks to outsourcing this critical HR function.

Often a request for a leave of absence is related to a major life event—from joyous to tragic. if the TPA does not understand the company culture and employee expectations, the experience can leave the employee feeling cold and undervalued. If communication is delayed or visibility into potential issues is lacking, this loss of control can put your organization at a disadvantage and introduce bigger problems such as the risk of litigation. That's right, outsourcing does not insulate your organization from liability. An employee could still sue your organization if the TPA incorrectly determines an employee's eligibility.

It is important for a solution provider to have a complete understanding of all benefits available to employees and how they work together to ensure your organization and your employees are fully covered and you minimize your risks. As changes to the legal landscape occur, a solution provider must be agile and effective in its response to those changes, and administrators have to be thinking about the impact on your organization's unique policies and benefits layered on top of the legislative requirements.

Be sure the solution you choose represents and enhances your company culture, promotes and facilitates timely communication, respond to changes quickly and effectively, and mitigates the risk of litigation.

Value-Add with Accommodation Administration

Additionally, there are laws to protect employees with disabilities and require employers to provide reasonable accommodations (i.e., the Americans with Disabilities Act, or ADA, in the U.S.). These accommodations can be for leave and for other reasonable modifications or adjustments to enable them to perform their job duties such as the configuration of their workspace or a screen reader. A solution provider should provide capabilities that support both leaves of absence and accommodations to provide employees with a consistent approach to job protection rights.

Maximum ROI

Your ROI is likely to be as unique as your business and your employees. Ask each vendor to build an ROI case for you that takes into account your organization's specific size, processes and other relevant factors, and expect the estimates you receive from vendors to vary, based on the specific capabilities of each solution. If a vendor can't construct a tailored ROI case ahead of time, there's a good chance they won't be able to provide good service tailored to your needs later on.

Questions to Ask

Ask these questions of prospective vendors to get a better sense of their capabilities and determine which solution is best for your organization.

Simplifying Compliance

1 Do you continually monitor for changes to existing laws or the introduction of new laws across all geographies where we have operations at the national, state/provincial, or local level?

2 Do you have legal expertise on staff or partner with organizations that are focused on workplace compliance concerns to ensure you stay up-to date with the latest laws?

3 Do you send alerts to your customers when new laws are introduced, or existing laws are changed, with detailed descriptions of the updated or new laws?

4 For software vendors, do you provide updates to your software to comply with new or updated leave laws before they go into effect?

5 Do you support management of leave benefits provided by our organization such as short- and long-term disability, workers compensation, or other paid or unpaid leave?

6 When allowed, if an employee wishes to use paid personal, sick, or vacation time in conjunction with their leave, how do you coordinate those benefits and gain access to the available balances?

7 Do you also support requests for reasonable accommodations (leave and/or modifications or adjustments) for employees with disabilities?

Easing the Administrative Burden

8 What are the available options for employees to submit a request?

9 How do you handle a leave request where the employee is not able to make the request on their own?
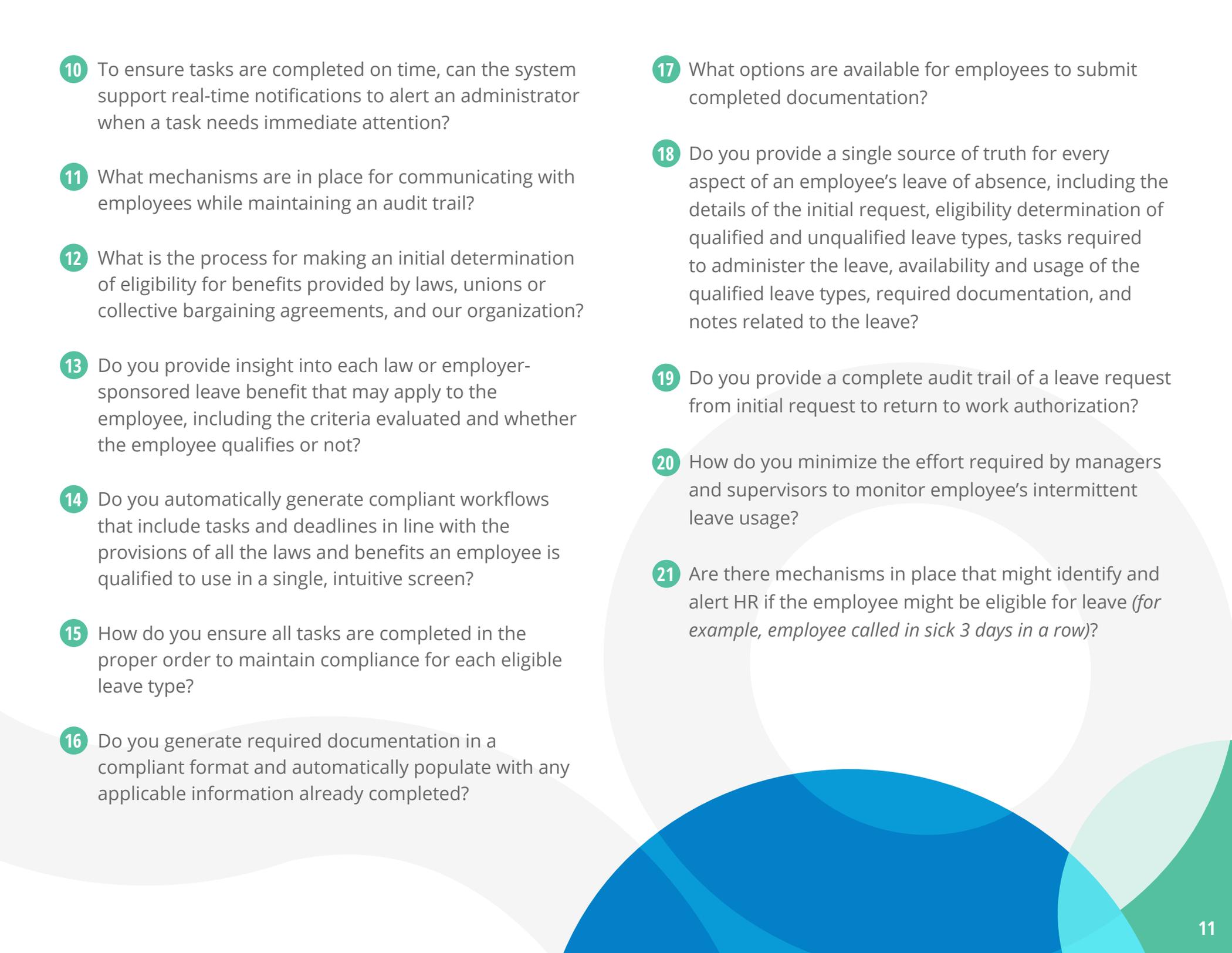
10   To ensure tasks are completed on time, can the system support real-time notifications to alert an administrator when a task needs immediate attention?

11   What mechanisms are in place for communicating with employees while maintaining an audit trail?

12   What is the process for making an initial determination of eligibility for benefits provided by laws, unions or collective bargaining agreements, and our organization?

13   Do you provide insight into each law or employer-sponsored leave benefit that may apply to the employee, including the criteria evaluated and whether the employee qualifies or not?

14   Do you automatically generate compliant workflows that include tasks and deadlines in line with the provisions of all the laws and benefits an employee is qualified to use in a single, intuitive screen?

15   How do you ensure all tasks are completed in the proper order to maintain compliance for each eligible leave type?

16   Do you generate required documentation in a compliant format and automatically populate with any applicable information already completed?

17   What options are available for employees to submit completed documentation?

18   Do you provide a single source of truth for every aspect of an employee's leave of absence, including the details of the initial request, eligibility determination of qualified and unqualified leave types, tasks required to administer the leave, availability and usage of the qualified leave types, required documentation, and notes related to the leave?

19   Do you provide a complete audit trail of a leave request from initial request to return to work authorization?

20   How do you minimize the effort required by managers and supervisors to monitor employee's intermittent leave usage?

21   Are there mechanisms in place that might identify and alert HR if the employee might be eligible for leave *(for example, employee called in sick 3 days in a row)*?

Intermittent Leave

22 How do you help us confirm that intermittent leave usage falls in line with the expected duration and frequency?

23 How can you help us prevent abuse of intermittent leave?

Maintaining Employee Engagement

24 How do you ensure our company culture is maintained and employees feel safe sharing personal information about themselves?

25 Are leave and accommodation requests assigned to a single administrator who will become the employee's single point of contact throughout the leave and accommodation request?

26 Do employees have online access to the documentation and workflow tasks required for final approval of a leave request?

27 How easy is it for employees to use available balances of employer-sponsored paid time off concurrently with unpaid leave?

Additional Questions for Third-Party Administrators

28 For outsourcing, do we have a dedicated administrator assigned to each leave and accommodation case for continuity and consistency?

29 For outsourcing, do you allow us to interview and approve leave administrators that will be working on our account?

30 For outsourcing, how do facilitate ongoing communication with our HR leadership related to potential issues?

Building and Proving a Business Case

31 Can you provide a sample of ROI forecasts for existing customers that have similar challenges?

32 What is the typical payback time in months for organizations of our size and complexity?

33 What hard benefits, beyond measures of cost control or reduction, does your solution provide?

34 What soft benefits does your solution provide and can you provide case studies from existing customers that quantify this?

Future Readiness
It's Not Just About the Here and Now

As changes to the legal landscape and your organization-sponsored benefits arise, your needs can change in an instant. You need a solution that's able to adapt to your emerging needs for the future. Your leave administration provider should be focused not only how they help you in the current environment, but how they are going to support you into the future. They need to be continually looking to innovation through emerging technologies increasing your quickly ability to adapt your changing needs. Your vendor should be able to offer a roadmap that meets your needs today and tomorrow without customization. For example, if your growth strategy includes acquisitions or organic growth into new regions, you need to be ready to comply with the legal requirements in those regions. You may also have to roll or merge legacy policies into your benefit offerings. When selecting a leave administration solution provider, look for a solution that offers adaptability regardless of the situation and allows you to effectively continue manage employee leave.

Future Readiness

What to look for

Commitment to Cybersecurity

According to IBM Security's annual study for 2019 across 16 countries or regional samples, the financial impact of a data breach now costs the average business 3.92 million USD. With personal employee information and other unique data at risk, it's crucial to select a solution that prioritizes data security, with regular security audits and software updates, established privacy routines, and strict authentication processes. For employers subject to General Data Protection Regulations (GDPR), your solution provider must log who and when anyone might have access sensitive information. Ask prospective providers to provide an in-depth explanation of their security measures.

Risk Mitigation

Given the prevalence of new and ever-changing absence regulations, it's important to look for an absence and leave management solution that monitors for changes in leave laws and provides alerts and updates when a change impacts the enforcement of leave and accommodation requirements. The right solution provider will also provide automated application of initial eligibility and provide tools confirm eligibility—whether driven by legislation, union or collective bargaining agreements, or benefits sponsored by your organization. In addition, maintaining electronic audit trails and storing your data in a completely secure, ISO 27001-certified, cloud-based solution will ensure that, regardless of future changes, your organization will be protected from unexpected regulatory shifts and hefty fines.

Rule-Based Flexibility

Absence and leave management solutions need to keep up with your ever-changing needs. Walk through some hypothetical scenarios to test if, and how, a solution could handle them. Then, discuss some of your more unique challenges or ask the vendor to recount some of the more unique absence and leave policies they've successfully automated.

When it comes to flexibility, there are two types of solutions. **Parameter-based solutions** can deliver economical absence and leave management, but with a limited set of capabilities that may not meet all of an organization's unique needs.

Alternatively, **rule-based solutions** allow any scenario to be captured by defining rules that can be configured to meet all of the organization's needs. The configuration is typically carried out during deployment of the solution and validated by the end user.

Any organization will benefit from the flexibility and future readiness that a rules-based solution provides.

Future Readiness

Questions to Ask

Ask these questions of prospective leave administration solution providers to learn how well they'll help you prepare for the future.

1 If we look to expand our organization to include new geographies, segments, products, or services, how will your solution support our growth strategy?

2 Is the solution rules- or parameter-based, and how could you automate the management of our more unique scenarios?

3 If our organization-sponsored benefits change in a way that is not supported by the parameters in your solution, how will you support our needs?

4 Are you willing to show us an in-depth product demonstration that includes absence and leave requirements specific to our organization?

5 How does the solution help address new audit requirements as they arise?

6 Does your solution conform to all current security and privacy standards and regulations, including ISO 27001 and GDPR?

7 How does the reliability of your solution compare to others in the market? Can you share any independent third-party research to support this?

8 How would your users rate the ease of integration of your solutions with other systems?

9 How would your users rate the ease of configuration of your solutions to match unique business scenarios?

10 How can we become self-sufficient in maintaining and growing our application?

Innovation

What to look for

Actionable Data

An absence and leave management solution should provide ample visibility into all aspects of employee leave—from high-level organization-wide analytics to granular detail of each request including related tasks and documentation. Your solution should ease administrative burdens and help maintain with compliance by collecting, aggregating, processing, and storing tasks and related data in an actionable, easy-to-understand interface that prioritizes the most urgent items first so that you can quickly analyze the data and act on it with urgency.

Trends such as departments with high levels of absenteeism or an employee's unique absence patterns should be easily identifiable so you can address any issues that could be a leading cause of the behaviors. Ask your vendor how they help ease administration, simplify compliance, and identify trends in an actionable, easy-to-understand interface, so you can quickly and effectively act on those items that need immediate attention.

Process Efficiency

Innovative absence and leave management solutions reduce inquiries from employees to their managers and HR administrators. They should also streamline the process for making requests, by putting the information at their fingertips so it can be easily accessible whether at work or home. The request and approval process should take any guesswork out of the equation and guide requesters and approvers through every step of the process—only allowing workflow tasks to be executed once all pre-requisites are completed. Any final documents required as part of the process should be stored with the request, and for leaves of absence that require documentation in a specific format, documents should be automatically generated and filled with information already collected before sending to employees for completion. A solution should support facilitation of all communications online. For employees who are not technically savvy, or circumstances prevent an employee from being online, administrators should be able to facilitate the request on the employee's behalf, and the solution should provide alternative communication methods. Ask your prospective solution providers how they help you improve efficiency for managing absence and leave requests.

Regular Updates

Choose a vendor who's committed to the future improvement of their platform, so that today's investment doesn't become yesterday's technology. Does the solution receive updates regularly through the year? If not, consider that a red flag which could hinder your ability to stay competitive in the future.

Simple Integration

Oftentimes, absence and leave management solutions need to work within complex software environments addressing specific functions. These third-party systems typically fall under the umbrella of a human capital management (HCM) systems. While most all-in-one HCM solutions have some level of absence and leave management capabilities, they often have functional gaps that limit the ability to support an organization's unique requirements to manage more unique absence and leave management requirements. Therefore, prospective absence and leave management vendors should also share data across these business-critical solutions and enable a seamless user experience. This way, employees don't feel the burden of working with multiple, unintegrated systems and your organization receives valuable and actionable insights to better manage the needs of the business and your employees.

Innovation

Questions to Ask

Ask these questions of prospective leave administration solution providers to learn more about their commitment to future innovation and improvement—theirs and yours.

1 Does your solution proactively alert users when time-sensitive matters need to be addressed?

2 Does your solution provide a prioritized view of tasks requiring action for absence and leave requests?

3 Do your options for integration with 3rd party systems include modern APIs?

4 Is your solution embeddable within 3rd party solutions for a seamless user experience with our HCM and workforce management solutions?

5 How often are the features and functionalities of the solution updated to improve usability?

6 Does your product team use a set of accepted design principles when considering user experience and the user interface?

7 What is your formal process for channeling product ideas from users to your product team?

8 Do you run a customer advisory board? If so, what is the criteria for membership?

9 How often is your solution updated each year?

10 Do you have a formal process for sharing and gathering feedback on your solution's strategic roadmap?

11 Does every upgrade require the solution to be fully re-configured and tested?

12 How would your users rate your culture of innovation, are you viewed as continually improving or stagnant?

13 Has the proposed solution been available in the cloud for more than 5 years?

Partnership
Selecting a Trusted Advisor

While a new absence and leave management solution should make your job easier, it won't make the important work of absence and leave management go away. That's why you want a partner who can help you navigate the new challenges, while easing the old ones.

Partnership

What to look for

Understanding Your Unique Challenges

Because one-size-fits-all solutions weren't designed with your business in mind, your vendor should have a dedicated team available prior to implementation, to identify your absence and leave management challenges, the applicable absence regulations, and the unique configuration needs that best fit your company. Are they investing in getting to know your business—from building an individualized ROI case to help you sell the solution to decision makers and to providing a product demo that addresses your specific scenarios?

Culture and Commitment

You want a company that stands behind the solution, not one that hides behind it. That means choosing a partner who is as interested in your challenges as they are in the product's features. Try to get an understanding of the team you'll be working with, and how you'll be working with them. Are members of the team available to talk to you in advance? If so, take advantage of the opportunity to get to know their approach to dealing with your unique absence and leave management challenges.

Support

Your vendor should offer multiple types of support, so you can work according to your preferences. Look for a team that can guarantee personal attention and service from the start of an issue to the resolution. Be sure to ask about other support options including managed services that help you keep your system up to date as your unique challenges or requirements evolve or new regulations are put into effect.

Trust and Transparency

Business relationships are built on trust, but that trust needs to be earned. A vendor should be get acquainted with your current processes, locations where you operate, and goals and objectives while providing best practice recommendations and the materials you need to fully understand the rewards, financial and otherwise, of working together. Ask for case studies, customer testimonials, and other materials to determine whether they meet your standards as a trusted advisor.

Partnership
Questions to Ask

Ask prospective vendors these questions to find out their potential as a partner.

1 How would you summarize your company's culture? How do your users rate your trust and transparency?

2 What is the vendor's approach to customer success?

3 How would your users rate your ability to negotiate contract terms in good faith and with the customer's interests first?

4 How would your users rate the fairness of your policies regarding charges for product enhancements vs providing them for free?

5 How likely are your users to recommend your solution, and do you have data to support this?

6 How would your users rate your overall services experience—frustrating or effective?

7 In the event of a disaster, do you offer a recovery point objective of less than 2 hours?

8 Have you had any security breaches in the past year? How did you help the customers involved?

9 What is your employee retention rate across the organization? What is your customer retention rate?

About WorkForce Software

We empower our customers to follow their own path. Built on 20 years of workforce management innovation including absence and leave management, the WorkForce Suite adapts to your organization, delivering a breakthrough employee experience in the cloud—no matter how unique your pay rules, labor regulations, schedules, and employee self-service needs are. Enterprise grade and future-ready, WorkForce removes the noise from your manager's busy day, protects your organization against compliance risks, provides leadership with strategic business insights, and delivers real employee engagement at the time and place work happens. Whether your employees are global, unionized, full-time, part-time, mobile, or seasonal, we make managing your workforce easy, less costly, and more rewarding for everyone.

To learn more about how the WorkForce Suite can help your organization cut labor costs and gain access to actionable metrics, organization-wide, visit www.WorkForceSoftware.com.