



# INSUROPE'S GLOBAL STATE OF WORKPLACE ABSENTEEISM REPORT

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August 2024

# INTRODUCTION

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Helping employees balance their mental and physical health has grown into one of the biggest challenges employers are facing today. For multinational companies with employees around the globe, it's an even bigger challenge. To attract and retain top talent and maximize productivity, employers must offer wellbeing solutions that augment their employee benefit plans.

These programs are designed to help improve both physical and mental wellbeing, but can also help employers improve overall absenteeism, which not only has an impact on the employees who are unwell but can pose a significant strain on an organization as a whole.

Insurope's Global State of Workplace Absenteeism Report, is designed to help employers better understand absenteeism, its cost to an organization, how it varies globally and what can be done to prevent it.

We examine the latest global trends in absenteeism and provide practical insights that employers can draw upon while managing their global workforces.

Within, we discuss the disparity among sick leave policies by country, statistics on employee absences and whether there is a connection between regulation, strong social security systems, and cultural norms. We also highlight how this correlates to disability insurance.

Broadly, members of the Insurope Network are seeing disability claims on the rise in both frequency and severity following the COVID-19 pandemic. While during the start of the pandemic, we saw a reduction in claims because of lockdowns, once restrictions were lifted, the claims increased. However, in 2023 we are back to a more normalized level (pre-COVID), as COVID has less of an impact. There is, however, a trend that disability is on the rise because of mental health, the "catch-up" effect of people undergoing treatments they put off during the pandemic and other chronic diseases.

The report also discusses how global risk solutions such as multinational pooling are increasingly important tools as a cost stabilization for employers.

We hope this report provides new information and insights that will help you successfully navigate the shifting employee benefits landscape and better support your employees.

Sincerely,

A handwritten signature in blue ink, reading "Morten Unneberg". The signature is fluid and cursive.

**Morten Unneberg**  
CEO, Insurope

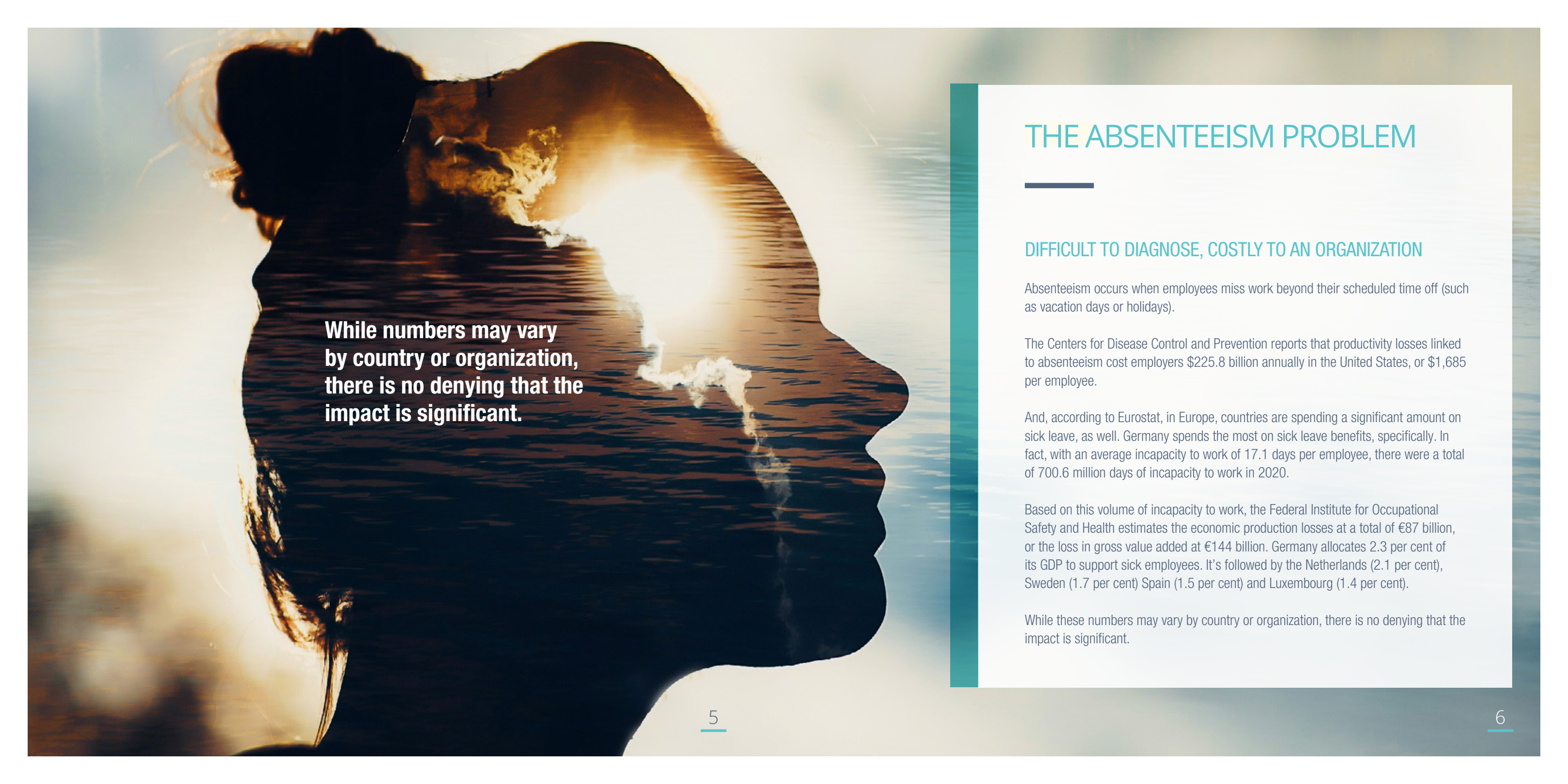


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**Insurope's Global State of Workplace Absenteeism Report, is designed to help employers better understand absenteeism, its cost to an organization, how it varies globally and what can be done to prevent it.**



**While numbers may vary by country or organization, there is no denying that the impact is significant.**

## THE ABSENTEEISM PROBLEM

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### DIFFICULT TO DIAGNOSE, COSTLY TO AN ORGANIZATION

Absenteeism occurs when employees miss work beyond their scheduled time off (such as vacation days or holidays).

The Centers for Disease Control and Prevention reports that productivity losses linked to absenteeism cost employers \$225.8 billion annually in the United States, or \$1,685 per employee.

And, according to Eurostat, in Europe, countries are spending a significant amount on sick leave, as well. Germany spends the most on sick leave benefits, specifically. In fact, with an average incapacity to work of 17.1 days per employee, there were a total of 700.6 million days of incapacity to work in 2020.

Based on this volume of incapacity to work, the Federal Institute for Occupational Safety and Health estimates the economic production losses at a total of €87 billion, or the loss in gross value added at €144 billion. Germany allocates 2.3 per cent of its GDP to support sick employees. It's followed by the Netherlands (2.1 per cent), Sweden (1.7 per cent) Spain (1.5 per cent) and Luxembourg (1.4 per cent).

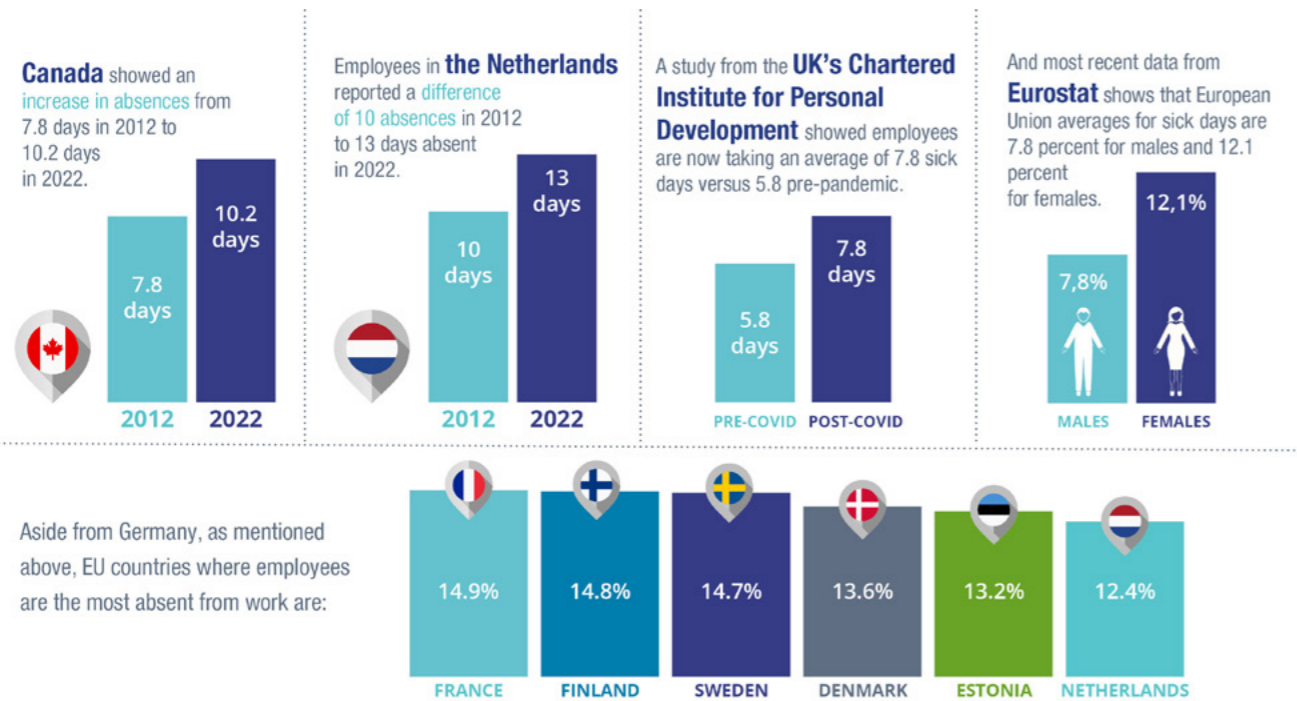
While these numbers may vary by country or organization, there is no denying that the impact is significant.

# MEASURING ABSENTEEISM

Organizations track absenteeism using metrics such as the absence rate (percentage of scheduled work hours missed) or the absence frequency rate (number of absences per employee).

Looking at the global data on the average number of self-reported employee absence from work and compensated absences from work due to illness (as reported by the member countries of the Organization for Economic and Co-Operation and Development) it's clear that the average number of days taken is on the rise.

Here are some interesting stats regarding sick days:



**Chronic absenteeism can reflect poorly on the organizational culture.**

Social benefits and sick days offered varies from country to country and employee absenteeism varies significantly by region, but it is evident that the costs associated with it are substantial and can affect an employer's financial performance. Absenteeism does not just impact those taking sick days; it can have widespread effects on the overall health of an organization. In fact, chronic absenteeism can be disruptive to a company culture causing:

- **Productivity Loss:** Chronic absenteeism leads to reduced productivity. When employees are absent, their work tasks often need to be redistributed among other team members or temporary replacements. This results in decreased efficiency and output.
- **Overtime Expenses:** Existing employees may need to work overtime to compensate for the absence of their colleagues. Overtime pay increases labor costs for the organization.
- **Healthcare Costs:** If absenteeism is related to health issues, the company may incur additional healthcare costs.
- **Negative Impact on Morale:** Frequent absenteeism can demoralize other team members who have to pick up the slack. It creates a sense of unfairness and can lead to resentment.
- **Disruption to Teamwork:** When team members are absent, it disrupts collaboration and teamwork. Projects may be delayed, and communication gaps can occur.
- **Increased Workload:** Employees who consistently cover for absent colleagues may experience burnout due to the added workload.
- **Stress and Anxiety:** Absenteeism can cause stress and anxiety for both the absent employee (due to missed work) and their colleagues (due to increased responsibilities).
- **Cultural Impact:** Chronic absenteeism can reflect poorly on the organizational culture. It may signal low employee engagement, lack of commitment, or poor management practices.
- **Norms and Expectations:** When absenteeism becomes the norm, it sets a precedent that affects overall work ethic and accountability.

# CAUSES OF ABSENTEEISM

It can be difficult for organizations to pinpoint the underlying causes of absenteeism. In fact, the causes can vary greatly and often fall within four broad buckets:



## Health Issues

Illnesses, injuries, mental health issues, work-related injuries or chronic conditions.



## Personal Reasons

Family emergencies, caregiving responsibilities, or personal stress.



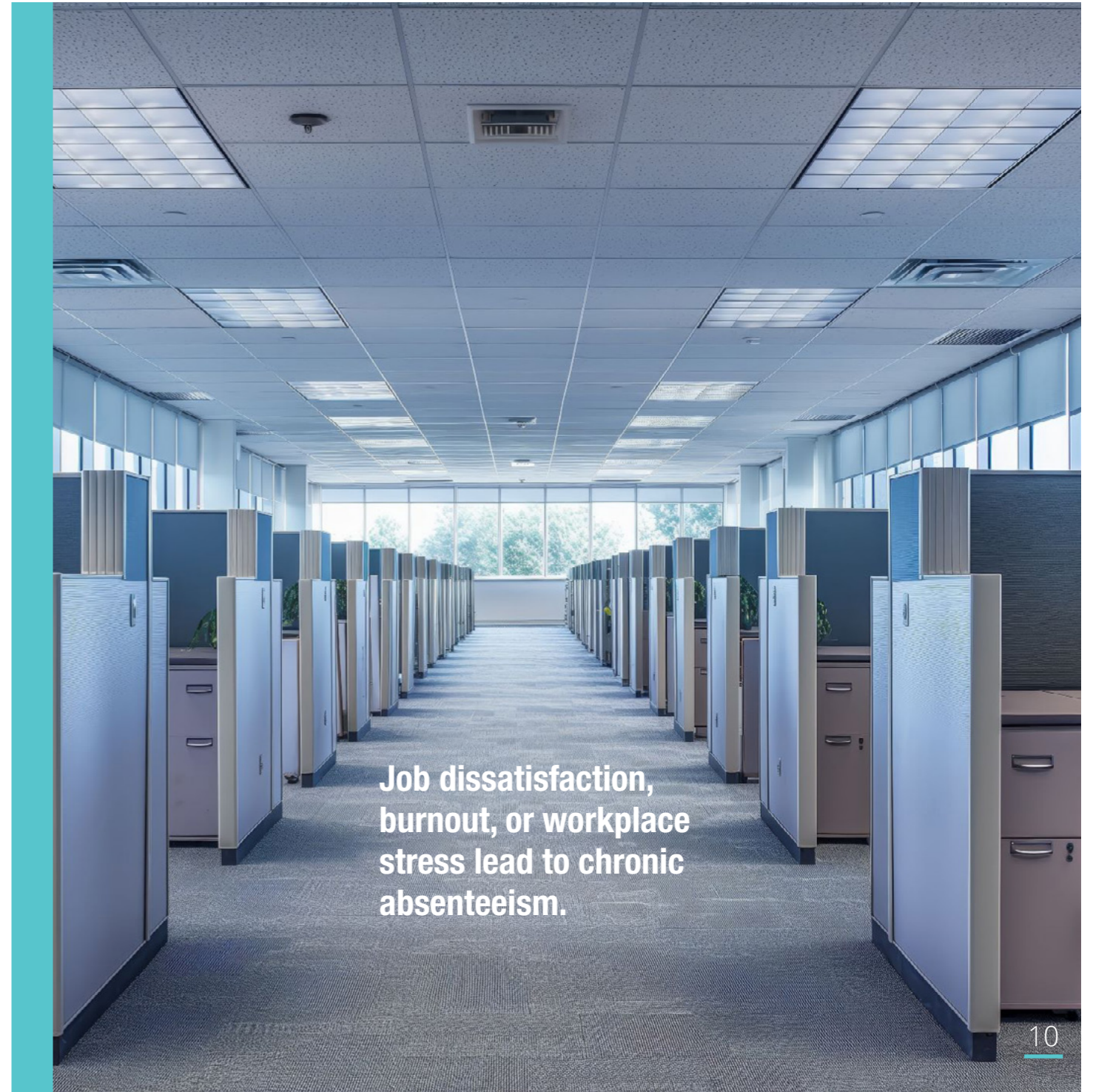
## Work Related Factors

Job dissatisfaction, burnout, or workplace stress.

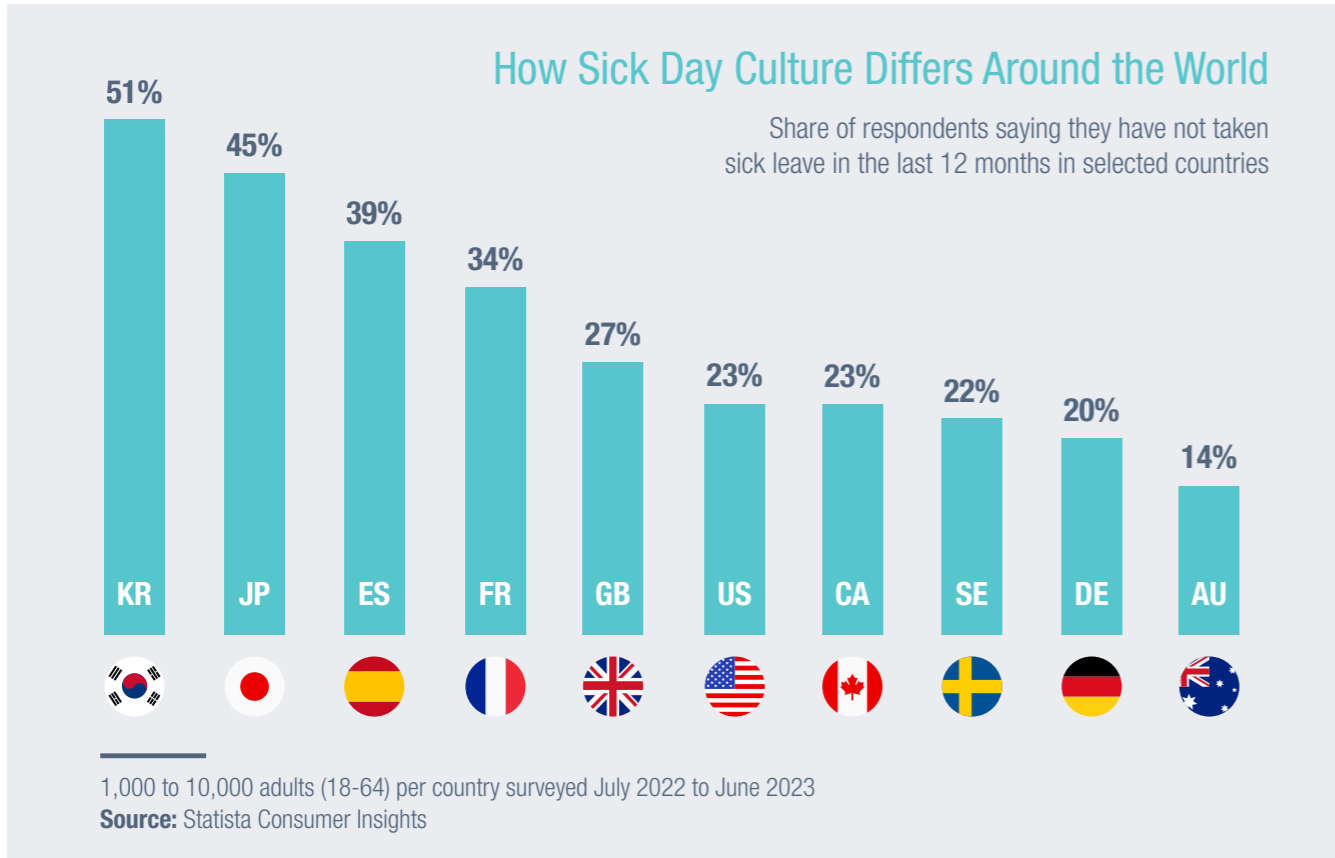


## Institutional Framework

Supporting employees returning from medical leave ensures a smooth transition back to work.



**Job dissatisfaction, burnout, or workplace stress lead to chronic absenteeism.**



And on the flip side, when employees come to work sick, their performance is compromised due to illness. They may be less focused, less efficient, and more prone to errors. Additionally, their presence can spread illness to colleagues, leading to more sick days overall. As such, there is a clear benefit for organizations to offering programs that help their workforce lead healthier lives.

When employees are sick, offering paid sick leave can ensure that they take the time they need to heal before returning to the office. Moreover, it is important to support policies with company culture—ensuring people are not made to feel bad for taking the time they need to heal ([Read Insurope article](#)).

## WORLDWIDE SICK LEAVE POLICIES

According to the WORLD Policy Analysis Center 181 countries guarantee paid sick leave, with the United States being one of only 11 countries that do not have such a guarantee. 73% of countries ensure paid sick leave from the first day of illness. 67% of high-income countries explicitly guarantee paid sick leave to self-employed workers. And 76% of countries guarantee at least 6 weeks of paid sick leave.

# EUROPE

In Europe, sick leave policies vary greatly across countries but overall tend to be more robust compared to other regions due to stronger state welfare traditions, with comprehensive legal frameworks, strong social security systems, and cultural norms that prioritize employee wellbeing.

- **Legal Framework:** European countries often have stringent labor laws that mandate certain sick leave entitlements, such as minimum durations of paid sick leave and requirements for continued payment of salary during sick leave. These laws provide a baseline level of protection for employees and ensure standardized sick leave policies across different companies and industries.
- **Social Security Systems:** Many European countries have well-developed social security systems that provide additional support to employees during periods of illness or injury. This may include sickness benefits paid by social security agencies, which supplement or replace employer-provided sick leave benefits. These systems ensure equal access to necessary healthcare services are financed by taxpayers and social contributions.
- **Cultural Norms and Values:** In Europe, there is often a strong emphasis on social welfare and solidarity stemming from post WW2 reconstruction, which extends to policies related to healthcare and sick leave. Employers are often required by Law to provide sick-leave benefits and can add on top of regulatory requirements as part of their extended HR policy.

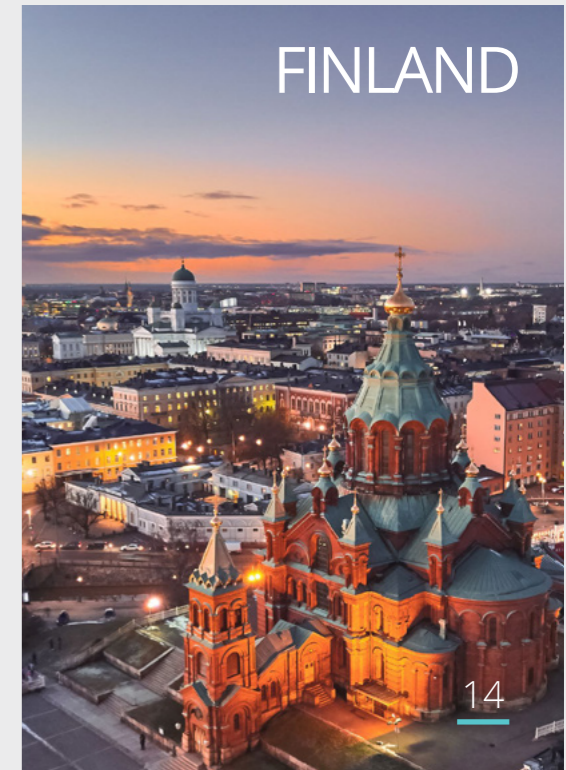


## SPOTLIGHT ON LUXEMBOURG AND

According to an article by Euronews Next the EU countries with the most generous sick pay are Luxembourg, and Finland. Businesses in Luxembourg are required to pay workers on sick leave their full salary for around three months, which is 77 days or until the end of the calendar month during which the 77<sup>th</sup> day of work incapacity occurs. Should the work incapacity last beyond this period, the health insurance body grants an extension for up to 78 weeks (1.5 years).

In Finland, workers can claim a sickness allowance nine working days after their illness begins. The employer generally pays the employee's wages during this waiting period, and many also pay the full salary during the first one or two months. At that time, the Social Insurance Institution of Finland (Kela) picks up the allowance, based on the worker's average annual income. The duration of the benefit is up to 300 working days.

## FINLAND



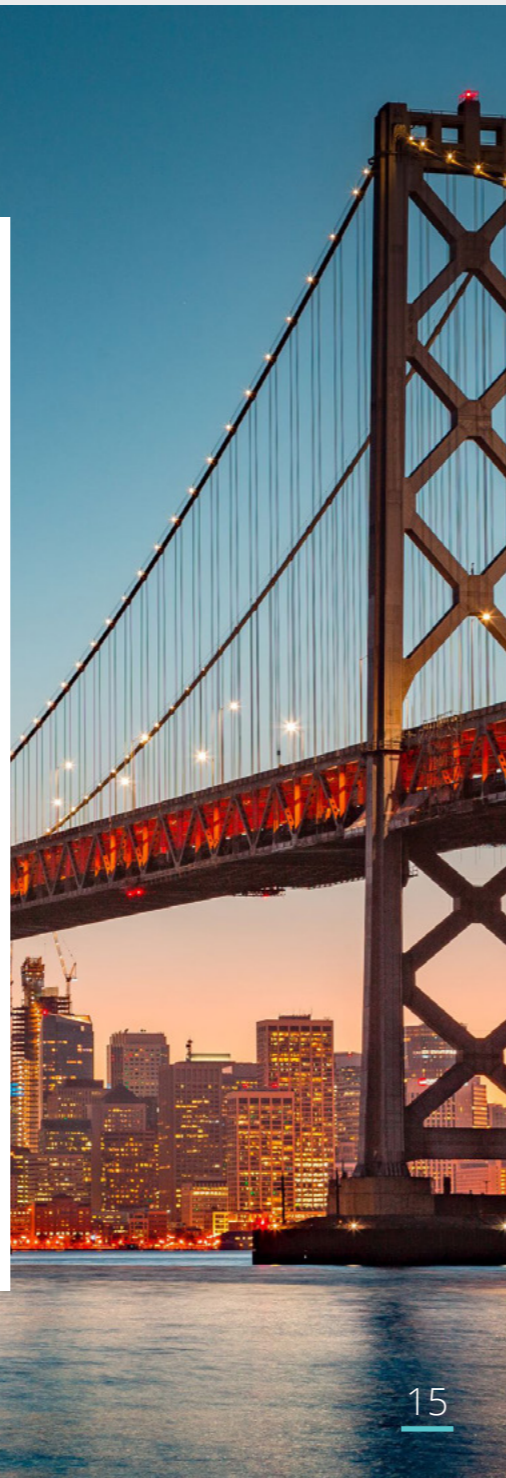


## THE AMERICAS

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In the Americas, sick leave policies vary widely from country-to-country and even states and provinces, but overall, they may be less comprehensive compared to Europe.

- **Legal Framework:** Some countries in the Americas, such as the United States and Canada, have labor laws that mandate certain sick leave entitlements, but these may be less extensive compared to European counterparts. These policies may also vary significantly among states or provinces, and there may be gaps in coverage for certain categories of workers.
- **Social Security Systems:** Social security systems in the Americas vary in scope and coverage among countries. While some countries, like Canada, have comprehensive social security systems that provide sickness benefits to employees, others may have weaker systems with limited coverage.
- **Cultural Norms and Values:** In some countries, there may be a strong emphasis on individual responsibility and a culture of presenteeism, where employees feel pressured to work even when they are sick. This can result in less generous sick leave policies and a reluctance among employers to provide paid time off for illness.



## ASIA

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In Asia, sick leave policies also vary widely among countries and regions, with differences in legal frameworks, social security systems, and cultural norms.

- **Legal Framework:** Some Asian countries, like Japan and South Korea, have labor laws that mandate certain sick leave entitlements, but these may be less comprehensive compared to European counterparts. Sick leave policies may vary among employers, and there may be fewer legal protections for workers in the informal sector.
- **Social Security Systems:** Social security systems in Asia vary significantly among countries. While some countries, like Japan and Singapore, have comprehensive systems that provide sickness benefits to employees, others may have weaker systems with limited coverage.
- **Cultural Norms and Values:** In countries with a strong work ethic and emphasis on productivity, there may be cultural pressure for employees to minimize absenteeism, leading to less generous sick leave policies and a reluctance among employers to provide paid time off for illness.



**In summary,** while Europe generally has more robust sick leave policies, the Americas and Asia exhibit greater variation in the extent of legal protections, social security systems, and cultural attitudes towards sick leave. Factors such as legal frameworks, social security systems, and cultural norms all contribute to differences in sick leave policies among regions and, of course, many companies institute individualized policies that go above and beyond the standard within their country, so policies can vary greatly.

## DISABILITY ON THE RISE

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Absenteeism can ultimately impact disability claims—both short and long-term. The global disruption caused by the pandemic has led to a noticeable surge in disability claims.

According to a study conducted by the Social Security Administration, there has been a significant increase in applications for disability insurance during this period.

This rise could be attributed to the pandemic exacerbating existing health conditions or causing new ones, an increased focus on health and wellbeing—both physically and mentally—as well as an increased awareness of the importance of having disability insurance coverage.

In a review of Insurope's portfolio there is a similar trend. We found that the demand for Disability insurance among multinational employers is indeed on the rise, with an increase in disability policies of 73% from 2019 to 2023.

As a result, in recent years, the disability insurance industry has also witnessed several noteworthy trends influenced by factors such as the COVID-19 pandemic, government policies, and regulatory requirements. These dynamics have prompted disability insurance providers to adapt their policies to address emerging challenges, resulting in significant shifts within the sector.

One prominent trend in disability insurance policies arises from a heightened emphasis on mental health issues and stress-related diagnoses stemming from the ongoing pandemic. In addition, some believe that while more hybrid and remote work can provide more flexibility to employees, not seeing colleagues can sometimes lead to more loneliness and mental health issues. Insurance providers are now placing greater emphasis on covering mental health conditions, responding to increased demand driven by heightened stress levels experienced by individuals amidst the global crisis.

In fact, in a recent post-COVID-19 survey, Insurope's Network Members reported increased demand for life, disability and medical insurance among employers due to heightened awareness of the importance of good protection. They also identified an opportunity to shift more focus on wellbeing initiatives and more preventative care.



**Multinational pooling is a financing mechanism that helps multinational companies optimize their employee benefits.**

## GLOBAL RISK SOLUTIONS

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Global Risk Solutions like Multinational Pooling for employee benefits can help organizations manage their risks around claims such as disability.

Multinational pooling is a financing mechanism that helps multinational companies optimize their employee benefits programs by combining policies in more than one country under a single multinational pooling program.

This approach offers advanced risk management and governance, centralized reporting, and can reduce the cost of employee benefits through multinational pool dividends.

Most of the Insurope pooling solutions have generated international dividends to the clients because of favorable claims experience. The dividend will depend on several factors, such as the type of pooling solution, risk tolerance, and client-specific data.

Employers can further protect themselves with solutions including Insurope's 2- or 3-year Stop-Loss products. It is a single employer pooling system in which a multinational dividend is paid annually. A first-year loss in the multinational account is carried forward. An accumulated loss is automatically fully cancelled by the Insurope Network every 2 or 3 years, depending on the policy.

# THE WELLBEING SOLUTION

Employees play a crucial role as the most valuable asset for any business. Ensuring their engagement, motivation, and wellbeing is essential for the long-term success of any organization.

Regardless of the provisions that are being made for employees regarding sick leave, organizations want to keep their workforce healthy mentally and physically—for the benefit of their people and the organization.

At the same time, in the current competitive landscape, employers who want to attract and retain the best talent must place a greater emphasis on employee engagement, benefits and wellbeing.

In addition, to an unhealthy workforce, the implications of doing nothing can run deep—from decreased productivity, increased workloads leading to burnout, higher accident rates, and high turnover.

Having employees across the globe adds an extra layer of complexity to addressing the needs of employees, as needs can vary based on the locality. The most successful multinational employers ensure that their employees are both happy and healthy in every region.

To improve absenteeism and maintain employee satisfaction, numerous organizations are enhancing their benefits packages by introducing or expanding offerings around wellbeing, mental health, and financial fitness.

**To improve absenteeism and maintain employee satisfaction, numerous organizations are enhancing their benefits packages.**



## Common tactics include:



### Wellness Programs

Companies invest in employee wellbeing through programs like fitness classes, mental health support, and stress management.



### Flexible Work Arrangements

Offering remote work or flexible schedules can reduce stress and improve work-life balance.



### Health Promotion

Encouraging preventive health measures (e.g., flu shots, health screenings) can minimize illness-related absenteeism.



### Return-to-Work Programs

Supporting employees returning from medical leave ensures a smooth transition back to work.

The results are clear. Those that succeed cultivate a reputation for being compassionate and supportive, leading to higher employee satisfaction as well as improvements in:

- Employee Wellbeing
- Unplanned Absences
- Productivity
- Health Costs
- Talent Attraction and Retention
- Organizational Culture

That's why Insurope's Network of premier insurers offers a wide range of health and wellbeing solutions tailored to the needs of an organization based on local market, size, and risk profile.

This program enhances and reinforces our established multinational employee benefits solutions. This enables organizations to promote the physical and mental wellness of their workforce—contributing to their overall productivity and engagement. It's one more way that Insurope champions innovative talent management strategies.

Learn more about Wellbeing at Insurope [HERE](#).

## CASE STUDY: FRANCE



In Europe's Network Member in France, Groupama Gan Vie, took a bold step to respond to the evolving landscape of employee wellbeing by launching its dedicated wellness subsidiary, **Welii**.

The goal is to help companies improve the quality of life of their employees and to gain commitment, productivity, and performance.

Welii's services are exceptionally versatile, thanks to the company's profound expertise and a network of esteemed partners.

No request is too complex, ensuring that Human Resources teams can elevate their employee benefits offerings to unprecedented levels.

These solutions encompass proven tools designed to streamline human resources management and enhance wellbeing programs within companies.

Crucially, Welii provides personalized support throughout the entire lifecycle of each program—prior to launch, during implementation, and post-launch—to ensure optimal outcomes.

Welii's solution to absenteeism is the perfect illustration of this target-based support.

One of the key benefits of Welii is Improving Employee Absenteeism. Welii's dynamic solutions address challenges such as employee absenteeism.

Through a proprietary absenteeism analysis, companies gain easy access to a range of automated absenteeism indicators, detailed monthly-updated reports, including benchmarking. Welii provides regular summaries (at least annual feedbacks) on these indicators and if appropriate, proposes a personalized action plan to HR teams.



**In France, long-term absenteeism has continued to increase since 2019, having a real impact on insurers' coverage.**

In addition to Welii, Groupama Gan Vie is taking action on the subject of absenteeism, with a recent study of around 1.8 million people in 2023 revealing the following:

- Absenteeism is down compared to 2022 due to a decrease in work stoppages of less than 30 days (-30%)
- Long-term absenteeism has continued to increase since 2019, having a real impact on insurers' coverage.
- Young people (under 35 years old) are strongly impacted, with psychological disorders accounting for the majority of pathologies observed in them.
- The absenteeism rate among the over-55s is the highest and has been rising sharply since 2019.

To learn more about Welii's broad solutions visit our website [HERE](#).

## CASE STUDY: BELGIUM



### IMPROVED ABSENTEEISM THROUGH A SYMPTOM CHECKER

In Europe's Network Member in Belgium, AG recently launched a Symptom Checker through its **My Care Premium**.

The Symptom Checker is one of the medical tools employers can offer employees to use 24/7 through the MyAG Employee Benefits app, if the employer chooses to offer them My Care Premium by AG. In the tool, users describe their symptoms using a smart questionnaire, after which they immediately receive reliable information on the potential causes, which they can also download as a pdf.

The tool is an evidence-based alternative to generic search engines, which do not take into account the individual situation, provide incoherent information and often make people even more anxious than they already are. The Symptom Checker combines artificial intelligence with over a decade of medical expertise and data, and is therefore able to provide more accurate and reliable information.

#### The Benefits

The Symptom Checker and the two included video consultations in My Care Premium by AG facilitate employees with health complaints to quickly get medical information that can reassure them.

Anonymized reporting gives your company valuable insights for your HR policy. Specifically for the Symptom Checker, employers will get, among other things, insight into the number of times the questionnaire was completed, and for which conditions.

My Care Premium's quality medical tools provide an answer to the current healthcare shortage and meet employees' need to be helped immediately, especially when it comes to health.

The effect for business? Less wasted time and fewer short absences. The 'digital doctor' also helps to reduce structural absenteeism in your organization. Finally, it is an asset in the war on talent. Indeed, research shows that more and more employees highly value employers who facilitate access to care.

## CASE STUDY: UNITED STATES



### TRANSITIONAL RETURN-TO-WORK PROGRAM

In Europe's Network Member in the US, Prudential, has a Transitional Return-to-Work Program that helps organizations sustain multi-generational productivity. It incorporates:

- Return-to-work and stay-at-work programs that leverage self-modifications
- Employee wellbeing strategy that promotes total health
- Flexible work environment that understands the needs of a multi-generational workforce

The results are proven as demonstrated by a recent review of an International Food Production Company.

Prudential's health and productivity experts conducted focus groups and thorough site analyses with two of the customer's U.S. manufacturing locations, which historically have had high short-term disability (STD) incidence rates, driven primarily by musculoskeletal claims among its aging population.

From the site visit findings, Prudential formulated a comprehensive set of recommendations for mitigating cost and positively impacting the disability claims experience. Its experts designed and implemented a customized transitional return-to-work (TRTW) program to help employees return to productive work earlier and productive aging strategies

to help workers bridge the gap to retirement in healthy and productive ways by leveraging self-modifications and applying best practice principles across the organization.

Some of the recommendations and strategies in addition to wellbeing programs included:

- Making Multiple Cuts to Reduce Load to help employees reduce the amount of weight they need to lift.
- Moving Loading Pallet Closer to Packaging Belt so employees could slide, rather than lift, the items off the belt onto the pallet.
- Slow Down Physically and Mentally enabling employees to spend more time planning how they would complete their tasks rather than just going and "doing" to reduce injury risk.
- Pre-work Stretching prior to shift start so employees could prepare their bodies physically for the day's demands.

Since implementing the programs at the pilot locations, average STD claim durations have trended down by an average of 11 days. In addition, the RTW rate has shown an increase. We continue to monitor program impact and look to expand the Multi-generational Strategy and TRTW program.

# CASE STUDY: GERMANY



## TACKLING ABSENTEEISM AND PRESENTEEISM: A MODERN WORKPLACE CHALLENGE

In Germany, AL-H Group focuses among other things on sickness, categorizing sickness into two types:

**Traditional Sickness Absenteeism and Sickness Presenteeism**, where employees work while ill (including “telesickness”). This phenomenon became more prominent during the COVID-19 pandemic, complicating efforts to maintain productivity and health.

**Sickness Presenteeism can be even more powerful to interrupt business.** The length of sickness leave remains a crucial indicator. However, presenteeism lacks standardized measurement tools, making it harder to track compared to absenteeism. The variability in absence rates across sectors complicates the issue. Data from the German Economic Institute show that sectors like water supply have the highest sickness levels, while information and communication have the lowest. Respiratory issues lead to absenteeism, followed by musculoskeletal problems and psychological disorders.

### Strategies to Combat Absenteeism and Presenteeism

**1. Implementing Health Systems:** A comprehensive health system, whether preventive or therapeutic, can reduce absenteeism.

- 2. Optimizing Workplace Conditions:** Fostering an employee-oriented culture and efficient processes alleviate stress and improve productivity.
- 3. Reviewing Work Policies:** Flexible hours, incentives, and effective leadership enhance recruitment and retention.

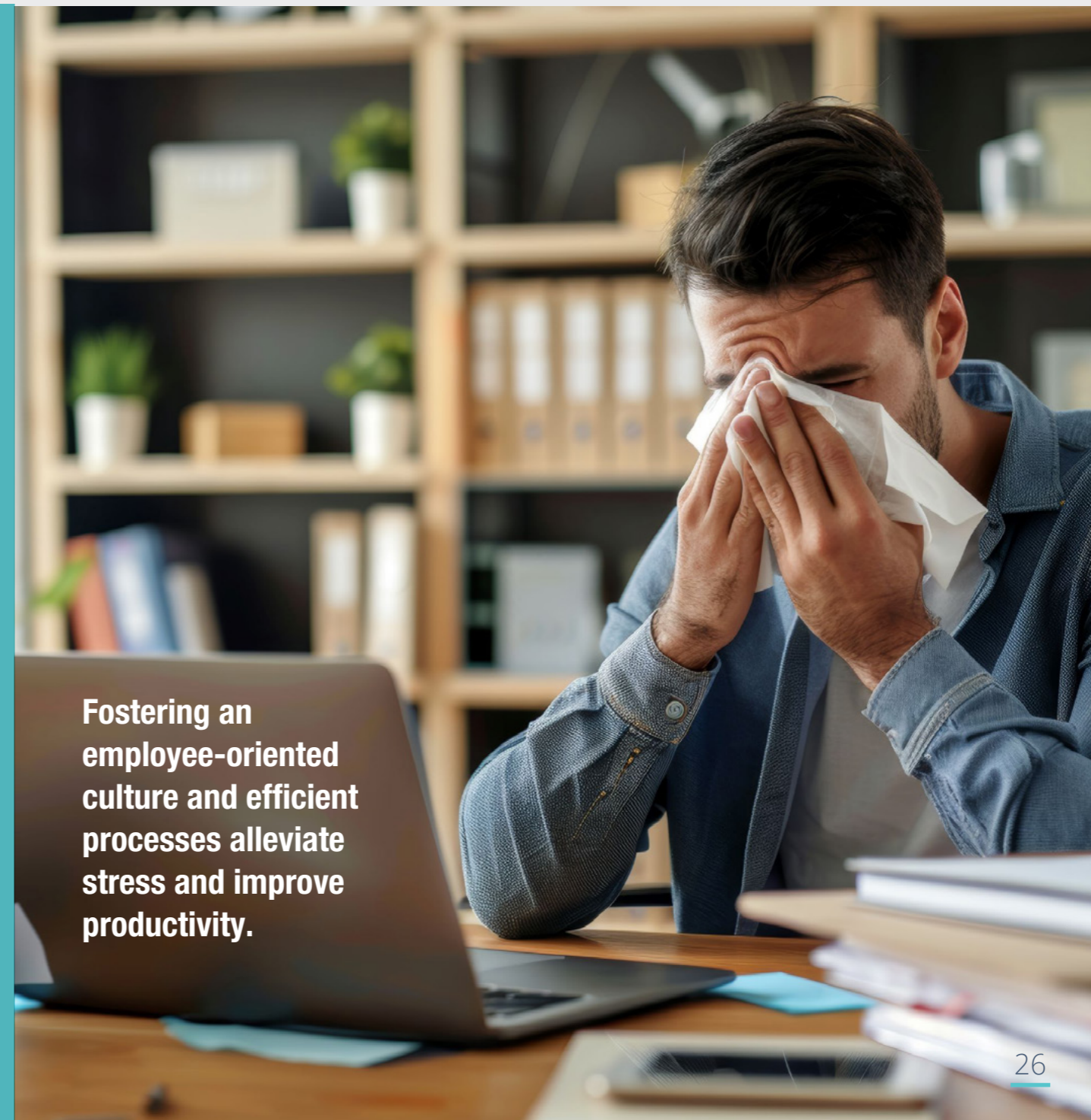
### Benefits of Occupational Health Insurance

Occupational health insurance provides treatments for musculoskeletal issues, faster specialist appointments, and 24/7 video consultations, ensuring quicker diagnosis and treatment.

### Addressing Caregiving Responsibilities

Balancing work with caregiving for dependent parents or children is also important and challenging. Organizations like Malteser offer support, allowing employees to focus on work while ensuring their loved ones are cared for.

Overall, Professor Dr. Claus Schnabel emphasizes the importance of health-oriented working conditions. Addressing health risks and improving workplace conditions can reduce both absenteeism and presenteeism, leading to a healthier, more productive workforce.



**Fostering an employee-oriented culture and efficient processes alleviate stress and improve productivity.**



For more information, please visit

[www.insurope.com](http://www.insurope.com)

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