

H.B. No. 63

AN ACT MANDATING EMPLOYERS PROVIDE PAID SICK LEAVE TO EMPLOYEES.

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Testimony of Scott D. Macdonald, Esq., SPHR

I, Scott D. Macdonald, respectfully submit the following testimony IN SUPPORT of passage of the above-referenced legislation.

By way of background, I have been a labor/employment attorney since 1987. Since 1993, I have worked in Connecticut representing employers. I served as the Human Resource Director for eight years for two organizations with 1,200 and 2,000 employees. Since 2004, I also have worked as a Human Resource Consultant servicing private and public sector employers with 10 to 1,600 employees. One of the key areas I provide consulting services in is total employee benefits (including health insurance, disability insurance, life insurance, paid leave, rewards and recognition, wellness programs).

I always urge employees to provide adequate paid leave (vacation, sick, and perhaps personal). The reason is simple: through my work with a multitude of employers in a variety of industries, my experience and extensive research has led to the unmistakable conclusion that progressive leave policies, including sick leave, actually have a positive effect on productivity, employee morale, employee satisfaction and engagement, and bottom-line success (i.e., profitability). The research is overwhelming that the most successful organizations are also typically chosen as national leaders in terms of "best places to work" as listed by the Society for Human Resource Management. One measure of what makes an employer a positive place to work is progressive and "family-friendly" leave policies.

There are those individuals and groups purportedly representing business interests who claim that this law would be viewed as "anti-business," or will be an added cost or burden for businesses, thereby driving businesses away from Connecticut (or keeping them from moving to the State or starting up). The trouble with those suppositions is that there is no empirical support for them in the available data. In fact, quite the contrary is true. What employer loses when an employee stays home sick is that employee's productivity (work output) for the day. Accordingly, the cost of a day of paid leave is not the amount of money the employer pays the employee for the day, but what the employee would have produced. Yet, employees who instead come to work sick—as they most often do if faced with the choice of taking unpaid leave cost an employer more than if the employer paid the employee to stay home. Those employees (a) are at less than optimum productivity, often as low as 50%; (b) take longer to return to full productivity; (c) get other employees at the worksite sick; and (d) are less satisfied and engaged. According to a survey of businesses by Harris Interactive for CCH, the number of organizations that view the problem of "presenteesim—when employees come to work even though they are ill and pose problems of contagion and lower productivity"—as a major area of concern

increased 20% (from 39% to nearly 50%) in one year. The report also indicated that the hidden, indirect costs of the presenteeism problem are "very high" for an organization, which causes lower quality, lower productivity, and increased absenteeism (or presenteesim) among other employees. According to the Center for Worklife Law, the cost of presenteeism is far greater than the cost of absenteeism. In fact, the total annual cost of lost productivity is \$250 billion, and presenteeism accounts for \$180 billion (72%) of that total. See Federal Register, Volume 73, No. 222 (November 17, 2008) at page 68071. In short, the bottom line dollar of the employer is highly likely to be impacted negatively by not providing some paid sick leave. Based upon the foregoing, the bill now pending in the State Legislature should be viewed as quite pro-business indeed, while at the same time providing a much needed benefit to employees.

Finally, there are some who may argue that if employers provide up to 40 hours of paid sick leave, employees will simply take that time off each year. That argument also is not borne out by available data. For example, In January 2007, I recommended that Corporate Translations, an employer in East Hartford with about 75 employees, add paid sick leave and they did so. As a result, the Company experiences enhanced employee morale with no negative impact on productivity. What's more, during the three years since the addition of the paid sick leave, the average number of paid sick leave take for the workforce as a whole has been about 1.6 days per employee per year, including sick leave take that also would qualify under FMLA. Thus, the argument that employees will simply use all of their allotted time off does not speak to the merits of the bill, but rather to the administration of leave policies by an employer. There are a number of tools at the disposal of employers both to provide incentives for employees to not use sick leave unnecessarily (including the bill's carryover provision), and to impose consequences for the abuse or misuse of available sick leave.

The legislature should define "child" as one under the age of 18, unless the individual has a disability, consistent with the FMLA. The legislature should also make clear that the sick leave provided in this bill will run concurrently with any applicable unpaid FMLA or Connecticut Family and Medical Leave, not in addition to such leave.

Thank you for taking the time to consider my testimony.

Respectfully submitted,

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