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Paid Parental Leave: *Implementing Cosourced Programs to Boost Recruiting, Retention, and DEI*

Competitive pressures for attracting and retaining talent and an increasing number of state-mandated programs have contributed to increases in paid parental leave (PPL) benefit offerings. Over half of employers (55%) now offer paid maternity leave, 45% offer paid paternity leave, 35% provide paid extended family care leave, and more are considering these benefits.¹ However, we have found the broad scope of designing and implementing PPL can deter even the most organized of human resource (HR) teams.

This article takes you

Planning

Charting your course in the planning phase is of paramount importance to successful execution. Start with the 30,000-foot view and allow your overall benefits strategy to guide you as you solidify some key details. Identify and engage all key stakeholders early on to avoid duplicate presentations that waste time and to ensure a more holistic plan and process design later in the implementation. Navigating the planning phase strategically will help to reduce your overall timeline significantly.

The single most important question to

"What is the primary driver of your PPL conversation? Is it recruiting or retaining the best talent? Is it bringing resources to valued demographics in your diversity, equity, and inclusion mission?"



through a comprehensive framework of implementing PPL in a co-sourced program environment utilizing our handy mnemonic device, PADDLE.

The PADDLE framework is a six-phase process: planning, asking, drawing, deliberating, legislating, and executing. With your PADDLE in hand, let's dive into each phase, applying it directly to implementing PPL solutions.

answer initially is: "What is your strategic objective — your 'why'?" The answer to this question will shape later phases in this process, most notably the asking and drawing phases. What is the primary driver of your PPL conversation? Is it recruiting or retaining the best talent? Is it bringing resources to valued demographics in your diversity, equity, and inclusion mission?

Other key details to consider in this phase are:

- desired implementation date;
- whether you will need to appropriate new

budget dollars or can harvest funds from other programs;

- whether your organization has the people and tools to administer this new benefit;
- how you communicate with your population during this effort and leading up to the effective date; and
- what key stakeholders you need to engage to drive decisions on this project.

Now that you have a clearer picture of where you are going, when you want to arrive, and who is in your boat, start charting your course.

Asking

Be curious. In a PPL initiative, success hinges on asking the right questions of the right people. Output quality is dictated by input quality. Input quality is higher when it comes from (at a minimum) these two groups: corporate leadership and the employees central to your “why.” When engaging corporate leadership, ask if the organization needs to garner buy-in from additional internal stakeholders. Employers commonly need to engage with leaders in communications, legal, administration, finance, and HR to make key decisions along the way. How does your message need to be tailored to those groups?

Next, how do different departments currently interact to process leaves? These interactions will shape PPL leave process flows, benefit plan design, and PPL leave administration tools.

If you lack clarity on the budget, now is the time to get it. Can your organization absorb the cost of a new program? In our experience, employers that fail to answer this question early in the process can commit considerable time and resources to an initiative that was never viable. Does this benefit align with your core values and corporate strategy? Ask about your key populations and engage them. Consider the following items to ensure you can design your new program to hit the mark.

Demographic analysis. Data helps identify key groups of people who will be impacted by the program so you can obtain their inputs.

Survey data. You may already routinely gather this sort of data from employees. If not, consider it within the scope of this project.

Focus groups. Survey data often yields meaningful insights into employees’ perceptions of value in benefits but doesn’t provide the personal sentiments of the employees in your key demographic groups. Focus groups can be powerful tools for obtaining this information.

Leave utilization. Whether you track leaves on an Excel spreadsheet or a robust leave management tool, you will



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have to evaluate incidence rates and duration data from the last two to three years to estimate the financial impact of a PPL program, including on workforce productivity. If you have a third-party administrator, engage them now, if you haven't already done so.

Leave program gap analysis. Do a deep review of your existing leave programs to identify any synergistic opportunities to create value, improve outcomes, or reduce administrative cost. This is your organization’s chance to identify opportunities it could miss if it has a narrow focus on fixing one problem.

Drawing

Using the analogy of a river excursion to match our PADDLE process, by this point you have done your due diligence around weather and provisioning and pushed away from the shore. It is time to put your oar in the water by drawing up your PPL program.

Here again, input is critical. PPL benchmarking data on the broader marketplace and specific to your industry focuses your program design dialogue. During the planning phase, you may have had some general ideas about benefit amount and duration. Now you need to get a detailed image,

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This work is wonderfully and painfully intricate and is best done in partnership with a savvy benefits consultant and compliance expert. An ounce of prevention here is certainly worth a pound of cure. Model three to five permutations of all these factors, and compare them against your “why,” the goals you cemented in the planning phase, and the insights gleaned during the asking phase. More than one of these permutations may accomplish your goals well, and these require deliberation.

In our experience, clarity on your “why” is critical. To illustrate: Different leave combinations and more flexibility could accomplish a strategic objective of creating a longer leave for a new parent. However, we’ve seen that this needs to be weighed against the complexities this flexibility introduces when communicating and administering the benefits downstream. Employers that have been clear on their desire to provide maximum flexibility are better prepared to address the resulting complexities.

Deliberating

By this point, you have carefully curated a program that plays well with others you offer today, meets your organization’s goals, supports the proper demographic groups, and will propel you to the top of the heap as you compete for talent. Is it viable? Detailed forecasting and financial modeling will help your senior leaders assess the bottom-line impact.

Within these models, assertions should be made around impact to other programs. Areas to keep in mind here are reduced or altered utilization of other sick leave programs or paid time off banks, short-term disability plans, possible benefit integration, statutory benefit impact, and attrition. Using these insights, decision-makers can more deftly assess net spend impact, and you will identify the key policy documents that you need to update to accommodate your new PPL program.

You are also likely to have identified a preliminary direction regarding the tools and headcounts your organization will need to administer your new benefit. If harvesting budget dollars from other programs is central to furnishing this PPL program, a forensic audit of your benefits programs must be conducted. Our firm has helped many clients identify partial or comprehensive funding mechanisms for these programs. Here again, the shrewd eye of a top-caliber benefits consultant is critical. Also critical is that any identified funding mechanisms be analyzed through the lenses of utilization, spend, and perceived value. Avoid funding mechanisms that create lower aggregate perceived value across the suite of your program offerings.

Legislating

At this juncture, key stakeholders must come to decisions with senior organizational leaders around plan design, effective date, and funding mechanisms.

Executing

All the work done to this point has prepared you to bring your new program across the finish line. A few different work streams are set in motion on the heels of the legislating phase — chiefly, communication campaigns and legal review, which can often run concurrently. Monitoring the program after implementation is equally critical.

Communication. Good news is always fun to share. Pull together your communication team to discuss the timing, channels, and media that will be woven together to form your program’s comprehensive rollout communication strategy. Simplify the message around duration, compensation rate, and integration with other programs. Consider support resources to help employees with questions regarding the

The conversation continues

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new benefits during rollout. Expectant parents often have numerous questions about what their futures hold.

Legal review. Ensure the policy document governing your new program reflects the design solidified in the drawing phase. Clear language that reflects integration with any existing policies and state benefits will reduce question volume downstream. It is critical that your benefits consultant, your internal counsel, and any external counsel be engaged to review these points of integration. The goal is to mitigate liability and prevent legal challenges. This is a mandatory step in your implementation process due to the increasingly complex landscape of state-funded leave benefits. Employers that have invested in this step have been rewarded with better understanding of pay or time system issues they might encounter and have been better prepared to communicate about their new PPL benefit during rollout.

You've successfully navigated the tumultuous waters of PPL! The warm, grainy sand of the shoreline has never felt so good between your toes. If you successfully followed these PADDLE steps, you have rolled out a new

program to your people, made your organization more competitive in the battle for talent, reduced attrition rates, and bolstered your diversity, equity, and inclusion message. This effort, which has spanned many months of careful planning and focused execution, will be felt by all in your organization.

After the program has been running for six to 12 months, monitor any related qualitative and quantitative data to refine your PPL program over time. While you will have thought through many of the "what if" scenarios by applying this PADDLE method, inevitably, unintended consequences will surface. Fortunately, you have a well-organized framework to revisit for any optimization work you need to undertake.

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