

Administering Family and Medical Leave by Covered Establishments

This chapter discusses covered establishments' practices in administering use of family and medical leave by their employees, and explores the impact of the Family and Medical Leave Act on a variety of outcomes. These include: administrative burden; business productivity, profitability, and growth; employee productivity, absenteeism, turnover, career advancement, and morale; and costs. It describes practices and impact for all establishments covered by the FMLA, makes comparisons between covered establishments of different sizes, and compares survey results in 2000 to those from the 1995 survey. Only establishments that reported they were covered by the FMLA were asked questions about administering the Act.³²

Differences between groups (including the 1995 and 2000 surveys) were analyzed for statistical significance by means of either chi-square tests or z-tests. These tests were computed taking into account the specific sample design and weighting of the data. An observed difference has been deemed "significant" if there is less than a 10 percent chance that the difference occurred by chance, given that the null hypothesis of "no difference" is true (i.e., $p < .10$). Furthermore, for all significant differences it is noted whether the significance is at the 10 percent level ($p < .10$) or the 5 percent level ($p < .05$).

6.1 Establishment Practices for Administering FMLA

The survey included a number of items about establishments' administration of FMLA. This section details these survey results. First, it explores how establishments learn about the Act, and how they inform their employees about the

³² In addition, only establishments that were classified as covered (i.e., had 50 or more employees within 75 miles) are included in these analyses. This excludes about 16 percent of establishments that said they were covered but did not say they had 50 or more employees within 75 miles. For more discussion of this issue, see Appendix C.

Act. Second, it examines how covered establishments manage employee use of FMLA leave, such as requiring documentation and providing employees with information about their use of leave. In each of these areas, significant differences between establishments of different sizes are discussed, as well as significant changes in management practices compared to those found during the 1995 survey.

6.1.1 Learning and Informing About FMLA

Establishment respondents were asked to identify their sources of information about the Act. Existing company policies or practices were mentioned most frequently (Table 6.1). Among sources outside the company, 83.1 percent of establishments indicated that they obtain FMLA information from the Department of Labor (DOL). Other important sources of information include attorneys or consultants (77.9%), trade or business groups (68.3%) and the media (54.2%). Compared to 1995, establishments surveyed in 2000 were more likely to learn about the Act from the DOL. In 1995, 53.9 percent reported learning from DOL, while in 2000 the proportion had increased to 83.1 percent. In addition, significantly more establishments in 2000 get information about the Act from attorneys or consultants.

Table 6.1. Covered Establishments' Sources of Information About FMLA: 1995 and 2000 Surveys

| | Percent of Covered Establishments | |
|--|-----------------------------------|-------------|
| | 1995 Survey | 2000 Survey |
| U.S. Department of Labor** | 53.9% | 83.1% |
| The media | 66.4% | 54.2% |
| A trade or business group | 70.3% | 68.3% |
| An attorney or consultant** | 57.0% | 77.9% |
| A union | 3.0% | 3.2% |
| Employees | 3.3% | 10.0% |
| The Internet | NA | 48.8% |
| Existing company policies or practices | NA | 89.4% |
| Some other source | 20.5% | 12.4% |

** Difference between 1995 and 2000 is significant at $p < .05$.

NA - Indicates item not asked in 1995 survey.

Notes: Percents do not total to 100% because a respondent could answer "yes" to more than one source.

The 1995 survey asked about *initial* sources of information on the FMLA.

Source: 1995 and 2000 Survey of Establishments.

Respondents also answered questions about how their establishments communicate information to employees about their rights under FMLA. As Appendix Table A2-6.1 indicates, establishments most commonly communicate with employees about FMLA by posting information on a bulletin board (92.4%) or including information about FMLA in employee handbooks (91.9%).³³ Establishments also use oral notification (81.0%) and memos (62.5%). Nearly one in five establishments reported that they use some other method besides those specifically mentioned.

Methods differ little among establishments of different sizes. However, small establishments are significantly more likely than large ones to report including FMLA information in an employee handbook.

To obtain the employee perspective on workplace communication about the Act, the 2000 Survey of Employees asked respondents who had heard of the FMLA how they first learned about the FMLA. Table 6.2 shows that the most common source of information about FMLA was from the media (e.g., newspapers, television), followed by information given out by their employers.

Table 6.2. How Employees First Learned About the Family and Medical Leave Act: 2000 Survey

| | Percent of Employees Aware of FMLA |
|-------------------------------|---|
| Media (TV, newspapers, etc.) | 42.5% |
| Co-workers | 5.0% |
| Employer gave out information | 38.4% |
| Posters | 3.6% |
| Internet | -- |
| Family member | 2.7% |
| Union gave out information | 1.4% |
| Other way | 6.3% |

-- Indicates less than 10 unweighted cases.
Source: 2000 Survey of Employees.

³³ The Act requires businesses to notify employees about their rights under the Act by including information in employee handbooks and notices.

The 2000 Survey of Employees also asked respondents whether their company has a posted notice explaining the FMLA and their rights and responsibilities. Nearly 56 percent of employees who worked for covered establishments reported that their employer has a posted notice explaining FMLA (Appendix Table A2-6.2). About one in five employees reported they do not know whether a notice is posted.

6.1.2 Managing Employee Use of FMLA

To better understand the effort involved in administering FMLA, establishment survey respondents were asked how their establishments handle the application for and use of FMLA leave, and how they cover work while employees are on leave. This section describes these survey results. Where significant, establishment size differences are discussed. In addition, significant changes since the 1995 survey are also described.

FMLA Requirements and Record-Keeping

In addition to its requirements for employers, the FMLA allows employers some discretion in how they administer FMLA leave. For example, employers may require employees to provide medical documentation for a serious health condition. The survey included questions on whether establishments: (1) require employees to use paid leave before they took unpaid leave; (2) provide alternative work arrangements instead of leave; and (3) give employees written notice of how much FMLA leave they have taken and how the Act is coordinated with existing leave and benefit policies. These results are displayed in Appendix Table A2-6.3.

In describing employee requirements for leave, almost all of the covered establishments (92.0%) reported that they require employees to provide some kind of documentation in order to take FMLA leave for a serious health condition. (Appendix Table A2-6.3). Almost two-thirds of covered establishments reported that they require employees to use their paid leave before they can take unpaid leave. About 43 percent of establishments reported that at times they provide employees alternative work arrangements rather than leave. Another 33 percent never do this.

In describing what information they provide to their employees, about 82 percent of covered establishments give employees written notice of how much FMLA leave they have taken, and nearly 93 percent provide employees with written guidance on how the Act is coordinated with existing leave and benefit policies (Appendix Table A2-6.3).

Covering Work While Employees Are On Leave

A key consideration for administering leave, from the establishment’s perspective, is how work will be accomplished while the employee is on leave. Table 6.3 displays methods that establishments might use to cover work while employees are on leave. The most commonly reported method for covering the work of employees on FMLA leave is to assign work temporarily to other employees (98.3%). About 41 percent of establishments reported they hire an outside temporary replacement. Roughly 15 percent said they put work on hold until the employee returns from leave. Nine percent reported having the employee perform some work while on leave.³⁴ Among the establishments that mentioned more than one method used to cover work, 74.5 percent reported that assigning work temporarily to other workers is their most frequently used method (Appendix Table A2-6.5).

Table 6.3. Methods Used to Cover Work When an Employee Takes Leave for a Week or Longer: 1995 and 2000 Surveys

| Establishment Covers Leave By: | Percent of Covered Establishments | |
|--|-----------------------------------|-------------|
| | 1995 Survey | 2000 Survey |
| Assigning work temporarily to other employees | 97.1% | 98.3% |
| Hiring an outside temporary replacement** | 60.5% | 41.3% |
| Hiring a permanent replacement* | 11.8% | 4.4% |
| Putting work on hold until the employee returns from leave | 19.2% | 15.5% |
| Having the employee perform some work while on leave | 13.9% | 9.0% |
| Some other method | 1.9% | 10.6% |

* Difference between 1995 and 2000 is significant at $p < .10$.

** Difference between 1995 and 2000 is significant at $p < .05$.

Note: Percents do not total to 100% because a respondent could answer “yes” to more than one source.

Source: 1995 and 2000 Survey of Establishments.

³⁴ Respondents could say yes to more than one method, so percents do not add up to 100 percent.

Larger and smaller establishments do not differ in how they cover work while employees are on leave, with two exceptions. Proportionately more large establishments than small ones cover work by hiring an outside temporary replacement. Larger establishments also more frequently have the employee perform some work while on leave, compared to their smaller counterparts (Appendix Table A2-6.6).

Compared to establishments surveyed in 1995, establishments in 2000 are significantly less likely to hire an outside temporary worker or hire a permanent replacement, perhaps due to the tighter labor market in 2000 (Table 6.3). Establishments are also less likely in 2000 to have the employee perform some work while on leave (Table 6.3). However, they are no more likely than establishments in 1995 to report having the work covered by other employees.

6.2 Impact of FMLA on Establishments

An important concern expressed about the FMLA is the impact it may have on businesses. This section examines four areas of potential impact of the Act, which include:

- Usefulness of FMLA provisions for managing use of FMLA leave;
- Ease of administering FMLA;
- Effects on productivity and profitability; and
- Establishment costs.

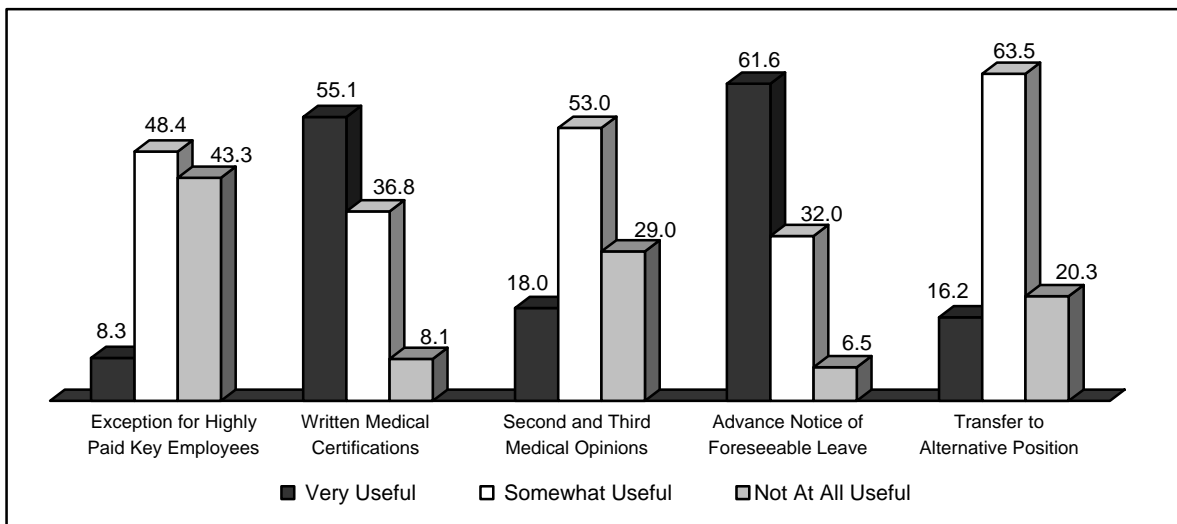
6.2.1 Usefulness of FMLA Provisions for Managing Use of FMLA Leave

The FMLA has a number of provisions designed to allow companies to minimize the impact of FMLA leave in mission-critical areas. Under limited circumstances, an employer may refuse to reinstate certain highly-paid, salaried “key” employees upon their return from leave. The Act allows employers to require written medical certification confirming that a serious health condition exists, and second and third medical opinions if needed to resolve uncertainties. The Act also allows employers to require that employees give advance notification of foreseeable leave. Finally, the Act allows employers to temporarily transfer an employee who needs

intermittent leave or leave on a reduced work schedule to an available alternative position that better accommodates the recurring periods of leave.

In general, establishments found most of these provisions at least somewhat useful, as Figure 6.1 shows (full results are displayed in Appendix Table A2-6.9). Establishments viewed as most useful the requirement to provide advance notification of foreseeable leave (61.6% very useful; 32.0% somewhat useful) and the requirement to provide written medical certification for serious health conditions (55.1% very useful; 36.8% somewhat useful). Respondents perceived as least useful the exception for highly paid key employees (8.3% very useful; 48.4% somewhat useful).

Figure 6.1. Usefulness of Provisions for Managing Employee Use of FMLA Leave: 2000 Survey



6.2.2 Ease of Administration

Establishments answered a series of questions about the ease of administering various aspects of FMLA leave. These included issues related to record-keeping, determining eligibility, and coordinating with other leave and attendance policies and state and federal laws (Table 6.4). Overall, a majority of respondents (57.7% to 86.0%) reported most aspects of administering FMLA are very or somewhat easy. However, a substantial minority of establishments reported that these tasks are somewhat or very difficult, including maintaining additional records (38%), coordinating with state and federal laws (42.9%), coordinating the Act with other

leave policies (40.1%), coordinating with employee attendance policies (34.5%) and determining whether a health condition is a serious health condition under the FMLA (42.3%). This pattern is reflected in the overall rating respondents gave for complying with the FMLA—63.6 percent find that complying with the Act is at least somewhat easy, while 36.4 percent reported it is at least somewhat difficult.

Larger establishments in general did not differ significantly from smaller ones in their perceptions of administrative ease (Appendix Table A2-6.10). However, there were two exceptions to this pattern. A majority of smaller establishments (63.4%) reported that maintaining the additional record-keeping required for FMLA leave is very or somewhat easy, while only a minority of large establishments (41.8%) reported the same way. Larger establishments were also significantly less likely than their smaller counterparts to report that determining employee eligibility is very or somewhat easy, although this difference is less striking (73.5% and 84.0%, respectively).

Establishment perceptions of administrative ease were also compared by standard industrial classification (Appendix Table A2-6.11). No statistically significant differences were found, with one exception. Retail establishments are significantly more likely than other types of establishments to report that coordinating the Act with other federal laws is very or somewhat easy.

Responses indicating administrative burden increased substantially in 2000, compared to 1995 (Table 6.4). Across the board, administrative issues are perceived to be more difficult in 2000 than they were in 1995;³⁵ this is statistically significant for all but one issue. The survey did not collect information that would explain this downward trend. It may be that as employees have used leave covered under the Act and information about it has become more widespread, establishments have experienced a greater need to understand the Act and follow its guidelines. This may have increased the number of establishments reporting greater burden.

³⁵ Questions on coordinating the Act with employee attendance policies, administering FMLA's notification, designation and certification requirements, and determining whether a health condition qualifies as serious were not asked in the 1995 survey.

Table 6.4. Effects of FMLA-Related Administrative Activities: 1995 and 2000 Surveys

| | Percent of Covered Establishments | |
|---|-----------------------------------|-------------|
| | 1995 Survey | 2000 Survey |
| Maintaining Additional Record-Keeping | | |
| <i>Very/Somewhat easy</i> | 76.0%* | 62.0% |
| <i>Very/Somewhat difficult</i> | 24.0%* | 38.0% |
| Determining Whether the Act Applies to the Organization | | |
| <i>Very/Somewhat easy</i> | 91.8% | 86.0% |
| <i>Very/Somewhat difficult</i> | 8.2% | 14.0% |
| Determining Whether Certain Employees are Eligible | | |
| <i>Very/Somewhat easy</i> | 92.0%** | 83.4% |
| <i>Very/Somewhat difficult</i> | 8.0%** | 16.6% |
| Coordinating State and Federal Leave Policies | | |
| <i>Very/Somewhat easy</i> | 81.1%** | 57.1% |
| <i>Very/Somewhat difficult</i> | 18.9%** | 42.9% |
| Coordinating the Act with Other Federal Laws | | |
| <i>Very/Somewhat easy</i> | 74.3%** | 47.2% |
| <i>Very/Somewhat difficult</i> | 25.7%** | 52.8% |
| Coordinating the Act with Other Leave Policies⁽¹⁾ | | |
| <i>Very/Somewhat easy</i> | 78.9%** | 59.9% |
| <i>Very/Somewhat difficult</i> | 21.1%** | 40.1% |
| Coordinating the Act with Employee Attendance Policies | | |
| <i>Very/Somewhat easy</i> | NA | 65.5% |
| <i>Very/Somewhat difficult</i> | NA | 34.5% |
| Administering FMLA's Notification, Designation, and Certification Requirements | | |
| <i>Very/Somewhat easy</i> | NA | 45.6% |
| <i>Very/Somewhat difficult</i> | NA | 54.4% |
| Determining if a Health Condition is a Serious Health Condition Under FMLA | | |
| <i>Very/Somewhat easy</i> | NA | 57.7% |
| <i>Very/Somewhat difficult</i> | NA | 42.3% |
| Overall Ease of Complying with FMLA | | |
| <i>Very/Somewhat easy</i> | 85.1%** | 63.6% |
| <i>Very/Somewhat difficult</i> | 14.9%** | 36.4% |

(1) In the 1995 survey, item wording was "pre-existing" rather than "other."

* Difference between 1995 and 2000 is significant at $p < .10$.

** Difference between 1995 and 2000 is significant at $p < .05$.

NA Indicates item not asked in 1995 survey.

Note: Column percents may not total to 100% due to rounding.

Source: 1995 and 2000 Survey of Establishments.

6.2.3 Effects of FMLA on Establishments and Employees

To gain a better understanding of how establishments perceive FMLA's impact on their business, the survey included a number of items about business and employee effects. These included business productivity, profitability, and growth, and employee productivity, absenteeism, turnover, career advancement, and morale.

Effects on Business Productivity, Profitability, and Growth

In general, a large majority reported that the FMLA has had no noticeable effects on their establishments' productivity, profitability, and growth. As Table 6.5 shows, this ranged from 76.5 percent for productivity to 87.7 percent for growth. Among those establishments that reported some kind of effect, however, two to three times as many reported a negative effect as reported a positive effect.

Larger covered establishments were significantly more likely than smaller establishments to report that FMLA has had negative effects on business productivity (26.1% vs. 15.7%, respectively) and profitability (23.5% vs. 9.0%, respectively; Appendix Table A2-6.12). Large and small establishments did not differ significantly in perceptions of the impact of FMLA on business growth.

The proportion of establishments in 2000 reporting positive effects on business profitability increased significantly, compared to 1995 (Table 6.5). Establishments surveyed in 2000 did not differ significantly from those surveyed in 1995 in terms of positive or negative effects on productivity or growth.

Effects on Employee Productivity, Absences, Turnover, Career Advancement, and Morale

Overall, a substantial majority of covered establishments reported that FMLA has had a positive or no noticeable effect on employee productivity, absences, turnover, career advancement, and morale (Table 6.5). More respondents reported FMLA has had a positive effect rather than a negative effect on employee morale (24.2% positive vs. 11.1% negative). Conversely, more reported a negative effect than a positive effect on employee absences (4.8% positive vs. 18.9% negative).

Table 6.5. Effects of Complying with FMLA on Business and Employee Performance: 1995 and 2000 Surveys

| | Percent of Covered Establishments | |
|-----------------------------|-----------------------------------|-------------|
| | 1995 Survey | 2000 Survey |
| Business Performance | | |
| Productivity | | |
| <i>Positive effect</i> | 6.4% | 7.1% |
| <i>Negative effect</i> | 7.2% | 16.3% |
| <i>No noticeable effect</i> | 86.4% | 76.5% |
| Profitability | | |
| <i>Positive effect</i> | 1.2%* | 2.6% |
| <i>Negative effect</i> | 6.3% | 9.8% |
| <i>No noticeable effect</i> | 92.5%* | 87.6% |
| Growth | | |
| <i>Positive effect</i> | 1.1% | 2.6% |
| <i>Negative effect</i> | 3.1% | 9.7% |
| <i>No noticeable effect</i> | 95.8% | 87.7% |
| Employee Performance | | |
| Productivity | | |
| <i>Positive effect</i> | 12.6% | 15.8% |
| <i>Negative effect</i> | 4.7%* | 17.2% |
| <i>No noticeable effect</i> | 82.7%* | 67.0% |
| Absences | | |
| <i>Positive effect</i> | 5.9% | 4.8% |
| <i>Negative effect</i> | 4.6%** | 18.9% |
| <i>No noticeable effect</i> | 89.5%* | 76.3% |
| Turnover | | |
| <i>Positive effect</i> | 4.9% | 5.7% |
| <i>Negative effect</i> | -- | 8.4% |
| <i>No noticeable effect</i> | 94.7% | 85.9% |
| Career Advancement | | |
| <i>Positive effect</i> | 8.3% | 3.9% |
| <i>Negative effect</i> | -- | -- |
| <i>No noticeable effect</i> | 91.0% | 95.6% |
| Morale | | |
| <i>Positive effect</i> | NA | 24.2% |
| <i>Negative effect</i> | NA | 11.1% |
| <i>No noticeable effect</i> | NA | 64.7% |

* Difference between 1995 and 2000 is significant at $p < .10$.

** Difference between 1995 and 2000 is significant at $p < .05$.

-- Indicates less than 10 unweighted cases.

NA Indicates item not asked in 1995 survey.

Note: Column percents may not total to 100% due to rounding.

Source: 1995 and 2000 Survey of Establishments.

Larger establishments were significantly more likely to report that FMLA has had a negative impact on employee absences, compared to smaller establishments (Appendix Table A2-6.12). Other employee effects did not differ significantly by establishment size.

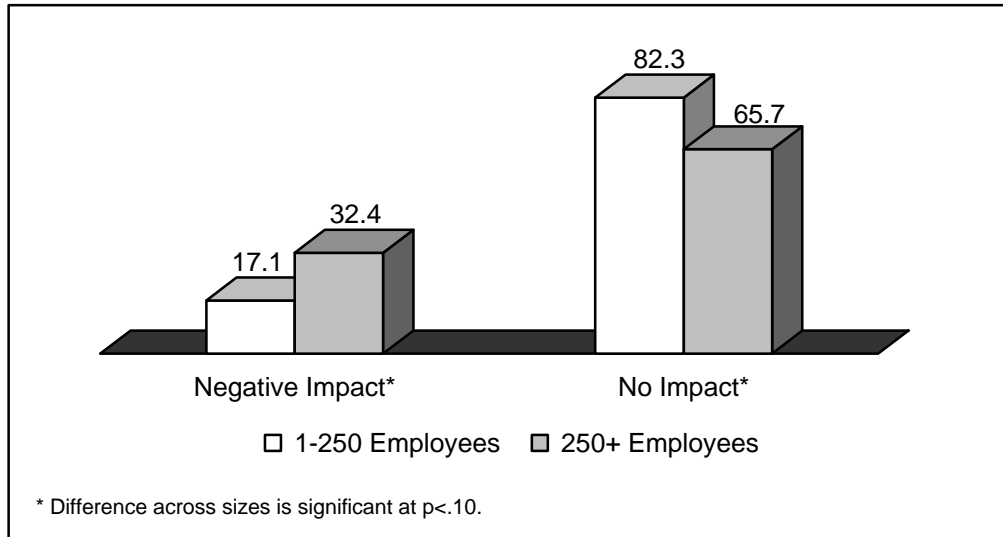
The proportion of establishments reporting no noticeable effects on employee productivity and absences decreased significantly between 1995 and 2000 (Table 6.5). While the proportion reporting both positive effects and negative effects increased, the only significant change was an increase in negative effects. No other significant changes occurred.

Effects of Intermittent Leave

The FMLA contains a provision to allow employees to take unpaid leave for a few hours or days at a time if necessary (e.g., to get chemotherapy treatments). Some establishments have expressed concern that the use of intermittent leave might pose a burden on them in terms of record-keeping and work disruptions. To explore these possible effects, the 2000 survey included items to assess the impact of intermittent leave on productivity and profitability (Appendix Table A2-6.13).

The majority of covered establishments reported that intermittent leave has had no impact on productivity (81.2%) and profitability (93.7%) (last column in Appendix Table A2-6.13). The impact of intermittent leave by the size of the establishment is illustrated in Figure 6.2 (Appendix Table A2-6.13). While establishments with 250 or fewer employees overwhelmingly report no impact of intermittent leave on productivity, significantly more establishments with more than 250 employees report that this kind of leave has had a negative impact. The reported impact of intermittent leave on profitability also differed by establishment size, with larger establishments reporting more negative impact.

Figure 6.2. Establishment Size Differences in Impact of Intermittent Leave on Establishment Productivity: 2000 Survey



6.2.4 Establishment Costs

Another measure of the impact of the FMLA is establishment costs related to the Act. These costs can be those associated with administering FMLA leave, the cost of continuing benefits during FMLA leave (e.g., health care benefits), and the costs associated with temporarily replacing employees (e.g., hiring or training costs). In addition to increased costs for these business aspects, the FMLA may reduce some costs (e.g., decreasing employee turnover, increasing employee morale).

The 2000 survey included items about costs since the establishment became covered by the Act. This period varies for establishments from as long as 6 years, for those who became covered when the Act went into effect, to as short as 6 months, for those who reported they became covered in 2000.

In addition to discussing the results from those items, this section discusses the cost savings related to the FMLA, and describes establishment efforts to recover health care costs from employees who do not return from FMLA leave.

Costs Since Becoming Covered By FMLA

The majority of respondents reported that their establishment costs have not changed since becoming covered by the FMLA (see Appendix Table A2-6.14). A

sizable minority reported increased costs, particularly for administrative costs (43.4%), but also for benefit continuation costs (28.1%) and hiring and training costs (22.5%).

Comparing covered establishments by size, larger establishments were significantly more likely than smaller ones to report that costs associated with continuing benefits during leave have increased (45.7% of large establishments vs. 26.9% of small establishments). Large and small establishments did not differ significantly in terms of administrative or hiring and training costs.

Cost Savings

Respondents were asked whether complying with the FMLA has resulted in any cost savings for their establishment. Analysis of these responses (Appendix Table A2-6.17) indicates that nearly 92 percent of establishments reported no cost savings. Although on most measures of impact large establishments appear to not have fared as well as their smaller counterparts, in terms of cost savings the larger establishments have benefited more. Significantly more larger establishments reported cost savings due to the FMLA, compared to smaller establishments.

Reported cost savings in 2000 compared to those in 1995 (Appendix Table A2-6.18) reveal an increase in costs savings. While less than 3 percent of establishments surveyed in 1995 reported any cost savings due to the FMLA, more than 8 percent reported cost savings in 2000.

Respondents who answered in the affirmative for cost savings were asked to name the specific cost savings (Appendix Table A2-6.19). More than 77 percent reported cost savings due to decreased turnover, and 21.7 percent reported some other cost savings.

Recovering Health Care Benefit Costs

For businesses that provide group health benefits, one cost associated with FMLA is that of continuing health care benefits for employees on FMLA leave. Presumably, this cost is offset by the benefit of retaining a trained employee. If, however, the employee chooses not to return to work for that employer, the establishment can ask the former employee to repay health benefit costs under certain circumstances.

Nearly 30 percent of establishments had leave-takers who did not return to work for the establishment (Appendix Table A2-6.20). This differs dramatically from the level of non-return reported in the 2000 Survey of Employees (see Table 3.9). Among establishments that had non-returning leave-takers, more than half had only one (Appendix Table A2-6.21). The proportion of establishments with two or more non-returnees increased significantly between 1995 and 2000.

More than 13 percent of establishments with non-returning leave-takers reported that they attempted to recover health care benefit costs from these employees. About 46 percent reported being successful (data not shown).

6.3 Summary

This chapter has discussed establishment practices for administering FMLA and establishment assessments of the impact of FMLA on their business. Establishment practices for administering FMLA, such as requiring documentation and providing employees with information about FMLA, indicate a high level of communication between establishments and employees. A large majority of establishments take advantage of the Act's provisions to help them manage employee use of FMLA leave, such as requiring employees to provide medical documentation for a serious health condition. By and large, establishments reported carrying out the record-keeping needed to administer FMLA.

A critical aspect of administering FMLA is getting work accomplished while the employee is on leave. Almost all establishments participating in the 2000 Survey of Establishments reported that they cover work by assigning it temporarily to other workers.

The FMLA's provisions for managing use of FMLA were perceived to be at least somewhat useful to establishments, particularly requirements to provide advanced notification of foreseeable leave and written medical certification for serious health conditions.

Three areas of impact on establishments were explored in this chapter. They include the ease of administering FMLA, effects on productivity and profitability, and establishment costs. Overall, establishments had mixed reactions to the

administrative burden. A majority of establishments find the Act to be very or somewhat easy to administer. Two exceptions are coordinating the Act with other Federal laws, and administering FMLA's notification, designation, and certification procedures, which a majority of establishments find very or somewhat difficult. On the other hand, a minority of establishments (between 35% and 45%) reported that many of the other administrative tasks are very or somewhat difficult. Furthermore, a noticeable increase occurred between 1995 and 2000 in the number of establishments reporting the administrative tasks to be very or somewhat difficult. Of the 7 administrative tasks included on both the 1995 and 2000 survey, 6 showed a statistically significant increase in the number of establishments assessing them as difficult.

In general, a large majority of respondents reported that FMLA has had no noticeable impact on business productivity, profitability, and growth, as well as no noticeable effects on employees. Further, an overwhelming majority of establishments reported that intermittent leave has had no impact on business productivity and profitability.

The costs related to implementing FMLA also provide a mixed picture. While a majority of establishments reported no cost increases due to FMLA, a substantial minority did report some type of increase in administrative costs, continuing benefits during leave, and hiring and training.

Important differences exist in the impact of the FMLA related to establishment size. Establishments with more than 250 employees were more likely to report difficulty maintaining the additional record-keeping of FMLA and determining employee eligibility for FMLA leave. They were also more likely to report more negative business and employee effects, and had somewhat more negative perceptions about the impact of intermittent leave. Further, the lack of change in costs among smaller establishments (i.e., with up to 250 employees) masks the moderate to large cost increases reported by establishments with more than 250 employees. In terms of cost savings, however, significantly more larger establishments than smaller establishments experienced cost savings due to FMLA. Nevertheless, it is still the case that the vast majority of establishments (over 90%) report no cost savings.