

What do paid leave policies mean for small businesses

What are paid leave policies?

Paid leave policies are the rules that extend job protection and paid time off to the workers for certain situations such as family emergencies or illness. There are different kinds of paid leave policies, including family leave, maternity, or parental leave, and paid sick leave.

Implementing paid leave policies for your company

The key to implement a paid leave policy is to ensure that your paid leave policy aligns with the requirements. Organizations should define the time limits of paid leave and if necessary, stipulate “blackout periods” for the employees in which the company will not consider further paid leave unless the vacation is protected under the state leave laws or Family Medical and Leave Act.

Employers have to establish a procedure regarding when employees must request leave, how they do it, and the process of approval or denial of paid leave.

If you are a business owner, you might think, what good does it do the company? But offering paid leave will retain your employees and will increase your business productivity. It also promotes the excellent behaviour of a business owner.

1. Employee Retention

Paid leave is one of the critical factors in employee recruitment and retention. A survey of 200 human resource managers found that offering paid leave policies to employees has increased their dedication to work. For mothers specifically, paid leave increases the chances that they will

return to work after having a child.

Benefits to small businesses in various other ways are :

- As a retention and recruitment tool to keep top talents, who desire flexibility in their work.
- More natural to track and record for your HR manager.
- Demonstrate the importance of work-life balance by allowing employees who don't utilize their sick days leave or vacation leave and work even on off days.

2. Increased Productivity and Performance

Paid leave can lead to increased productivity and performance, resulting in higher profitability. Companies that promote the work-life balance policies have shown increased company performance than those without such systems. Small business owners want to do right by their workers.

Small business owners know that most employees will need time off at some point to take care of their parents, families, children, or themselves. Yet, for the small business, the financial burden of providing paid leave is challenging.

A nationally administered program would allow small businesses to compete with the level of a larger company and ensure that all workers have access to paid leave policies, regardless of employee size. Not only do the employees benefit from it, but the company also has a kind of productive environment.