



Good data really is the starting point on the absence improvement journey and is a prerequisite to empower all levels of management



There are few subjects in HR that cause such division in the workforce - the way businesses handle illness in the workplace is being held up to close scrutiny. David Prosser, Strategic Development Manager at AXA ICAS, describes the big challenge and the all-encompassing strategy required to tackle it.



Getting to the heart of the sickness culture

Absenteeism and the sick note culture is itself a crippling disease that can render business uncompetitive and often unable to operate and the monetary cost to business never fails to be eye watering. So what are the core causes of the sick note culture and how should HR be prepared when warning signs start flashing?

Sickness absence is widely regarded as the single greatest cause of lost productivity. There's no doubt that effective sickness absence management can have a measurable impact on both business performance and the bottom line. Assess the current position. You can't manage what you don't measure. AXA ICAS has developed an innovative sickness absence recording and notification system called 'SAM'.

Start by asking yourself the following:

- Is your sickness absence recording regime accurate?
- Do you have an acceptable rate of sickness absence?
- Do you know the cost of sickness absence to your organisation?
- Does your management information identify absence hotspots?
- Can you identify absence performance down to team level?
- Is management information readily and easily accessible for those who need it?
- Is absence managed consistently across all departments and/or locations?

Good data really is the starting point on the absence improvement journey and is a prerequisite to empower all levels of management. You either need to utilise more effectively what you already have, or look to an external provider for help. Although you cannot outsource absence management to a third party, they can help devise a sustainable solution that is managed from within your own business.

Beware of averages. While many organisations can quote an aggregated absence rate for the whole business, experience shows that traditional absence recording understates the scale of the problem by anything up to 20 percent. An aggregated rate does not identify the variance of absence performance that will exist between teams. Some teams with low absence rates come from departments with high overall absence levels. Conversely, some of the worst performing teams come from departments with low overall absence.

We are often told that the UK average rate of absence of 3.5 percent (or say seven days' absence a year) is 'acceptable'. But is this really acceptable? Given that between a quarter and a half of the workforce will have either no or minimal sickness absence, this means that some employees will be taking considerably more than the average. While it is impossible to eradicate all absence, it is arguable that a low level of absence can actually be an effective safety valve. It is possible to make a significant change to your absence culture by following best practice.

Set clear targets and objectives. It's all very well having data but you have to do something meaningful with it. Once you have good sickness absence 'intelligence' you need to identify priorities and objectives. Setting target rates for absence improvement over 12 months is a good starting point, but include other success criteria, such as reviewing all current long term absentees and conducting and recording return to work interviews after all absences. Setting key performance targets for managers is also very useful to ensure that an audit approach is instilled across the organisation.

Review your absence policy and procedures. Make sure that your absence policy is up-to-date and fits your overall business and operational strategy. Ensure that you have clear trigger points for managers to take action, for example, to identify employees with frequent short-term absences. Communicate your absence policy to all staff and make sure that it is followed consistently across your business. Try to create a supportive and sympathetic climate in which sickness absence is treated as genuine, attending work regularly becomes the norm and those who are frequently absent can expect to be accountable for their record.

Lead from the top. We strongly recommend that a senior person takes ownership of the issue and is seen to be doing so. This person, if not a board member, should provide regular updates on performance to senior management and act as an attendance champion to help motivate and inspire junior management.

Of course, senior managers need to understand that the management of absence is a complex issue with many factors which influence absence performance. These can include poor working conditions, bullying or harassment, poor training and supervision.

Involve all stakeholders. Ensure all stakeholders: employees, unions and other representatives, managers, health and safety representatives and occupational health professionals - understand that high levels of attendance is crucial to company success. The business (and therefore jobs) are more secure if your organisation is running at optimum efficiency. As the attendance culture grows, keep stakeholders involved with any new initiatives so that they continue to feel part of the decision-making progress.

Train managers to manage absence. Line managers should be given the responsibility for managing absence in their teams: but do not assume that they have the necessary knowledge and skills to do this. Invest in training for all levels of management on managing people, managing absence and your organisation's absence policy and procedures.

Managing attendance is core line management accountability and it should be tackled as part of the bigger picture of people management; employers should therefore train and support line managers to undertake this potentially challenging role. Despite claims to the contrary, absence management cannot be outsourced, although outside support may well be needed in the less straight forward cases, as well as for training and systems. Above all, managers must adopt a positive approach and start from the premise that the majority of absence is genuine and most employees want to do a good job. The starting point to managing attendance positively is to train managers to differentiate between the different types of absence and the potential action required.

Short-term: occasional coughs, colds, and stomach upset etc. Nothing can or should be done if employees have a short-term absence on an infrequent basis. It can potentially alienate employees when it is suggested that their absence is inappropriate or that it could be shortened in some way. In essence: 'don't sweat the small stuff': even if an employee's 'cold' is

really a hangover, if it only happens once a year, then it's really not a problem.

Short-term: frequent absences such as coughs, colds, stomach upset etc. When frequent short term absenteeism arises (e.g. three or more times in 12 months), a clear cautionary process is required and managers need to be equipped to handle potentially difficult conversations.



Once you have good sickness absence 'intelligence' you need to identify priorities and objectives. Setting target rates for absence improvement over 12 months is a good starting point



With psychological problems, where the absence lasts six or more days, employees will probably need additional support from a trained counselor. For musculoskeletal problems, where the absence lasts six or more days, employees may need additional support from a trained physiotherapist.

Potential long-term absentees, where the absence is likely to last for 20 working days or more, need to be identified early and a decision on relevant intervention taken.

Manage the managers. Don't forget the importance of the top-down approach in making the effective management of sickness absence a highly visible and auditable business objective. Create an absence management key performance indicator for all managers and ensure that senior managers regularly discuss team absence rates with their line managers.

For example, it's well known that return to work interviews need to be meaningful and should move from a friendly discussion (first absence) to ultimate dismissal (several absences) through a range of clearly defined steps. Unless the outcomes are properly monitored by senior managers they can very easily become a 'tick box' exercise, with wide discrepancy between best and worst management performance. Monthly management meetings should ensure that the

David Prosser, Strategic Development Manager - AXA ICAS

management team knows who the absent employees are and what is being done to support or discipline them.

Managers should be able to name each absentee and what is being done to manage their absence - if that discipline and rigour is applied throughout the organisation, attendance levels will be optimised at a low level. Provide occupational health and other support. It is crucial that employees have



Some insist on a daily phone call while absent: it's probably best to play this on a case by case basis as it may actually erode employee/ employer trust



access to early healthcare intervention when they have a problem, especially those suffering from a musculoskeletal or psychological condition. It is no coincidence that the NHS is weakest at providing access to physiotherapy and psychological support as the waiting lists for both services are in excess of a month. By providing quick access to both physiotherapy and counselling, long delays waiting for treatment can be avoided. Couple this with the fact that effective therapy involving a rapid return to work can normally be provided with three or four treatment sessions it can be seen that solutions to two of the most common causes of longer term absence can be provided on a highly cost-effective basis.

Many organisations already provide support services for their employees and if you do, it is wise to review them regularly to ensure that they are as effective and efficient as possible. If you do not provide support, consider the business case for doing so and remember that many valuable services, such as Employee Assistance Programmes or Occupational Health support - can be provided at modest cost. Also consider

health promotion programmes. A well constructed prevention programme can lift morale and can support employee engagement and attendance management processes through activities designed to engage all, not just a few.

Maintain contact with sick employees. The importance of this is often underestimated but managers maintaining regular contact with sick employees fulfill two vital functions. It lets the employee know that they and their contribution to your organisation is important and that they being are missed. And managers can ensure that the employee is receiving support from either your own healthcare resources or their own GP.

So ask them what support they need and whether they plan to visit the doctor and if they have already done so, what the treatment plan is. Share with them how their work will be covered and agree to continue two-way communication. Some organisations go so far as to insist on a daily phone call while absent: it's probably best to play this on a case by case basis as it may actually erode employee employer trust. And don't forget to make a note of the conversation because if things go wrong and it ends up in a tribunal you will be pleased that you have a record.

Take your workforce with you. This brings us to possibly the most crucial aspect of managing attendance, creating excellent working environments with engaged workers and managers who understand how to manage people. It has been said that all an employee wants is a job that is interesting to do, a chance to get on in life, to be treated with respect and a boss who is some help and not their biggest problem. Try to give them those things - then they will follow you anywhere.

TIP - start with the HSE Management competencies for preventing and reducing stress at work - www.hse.gov.uk/research/rrpdf/rr553.pdf

For further information:

www.axa-icas.com

Sickening statistics

Whether in the form of intermittent 'sickies' or prolonged non-attendance due to serious medical complaint, employee absence plagues businesses of all shapes and sizes.

Worsening annual statistics for the UK suggests that employers may be failing to tackle this problem effectively. The annual cost to the economy is now reportedly £13.2 billion and average employee absence has rise. An alarming statistic accompanying NICE's March 2009 guidance on managing absence estimated that the annual cost of sickness absence and worklessness associated with ill-health is over £100 billion. Employers need not, however, accept absence as an unavoidable part of running a business. A comprehensive absence management strategy undoubtedly minimises the problem and its organisational impact. Such a strategy will comprise clear policies and procedures which distinguish between different types of absence. An absence policy should address reporting and certification requirements, medical examinations and reports and sick pay. In terms of procedure, short-term intermittent absence should be identified by proactive monitoring. After initial informal discussions, formal warnings should be given. Managing long term absence requires the employer to keep in touch with the employee and to obtain expert medical information. Dismissal can only occur if the employee is unlikely to return to work in the foreseeable future and efforts to facilitate a return are required.

In all cases, the employer must consider if the employee is disabled, in which case the duty to make reasonable adjustments will apply.

Pro-active ways of avoiding absence problems arising include, for example: incentives which reward good attendance; sick pay policies which discourage short-term absenteeism, for example by paying only statutory sick pay (which becomes payable from the fourth day of absence) visible investigation of and warnings for excessive absenteeism; and closer monitoring of employees' health and absence patterns via return to work interviews, rigorous enforcement of certification requirements and using occupational health where suitable. For organisations whose absence management strategy does not cover these various aspects, it may be time for a review. The results of a revised strategy may just be pleasantly surprising!

For further information:

www.dlapiper.com