



# Annual survey report 2010

in partnership with

A blurred, black and white photograph of a crowd of people walking away from the camera on a city street. The image is overlaid with a semi-transparent pink rectangular area that serves as a background for the title text.

# ABSENCE MANAGEMENT

# 2010



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# FOREWORD

Welcome to the eleventh edition of our annual *Absence Management* survey report. As in previous years, we provide useful benchmarking data for organisations on absence levels and the cost and causes of absence. Particularly interesting this year are the topical sections about employee well-being and the effect of the economic climate on absence. These sections highlight the vital need for organisations to manage employee absence effectively. Encouragingly we are seeing that organisations are taking a more proactive approach to doing so across the sectors and our findings suggest that investing in well-being is paying off. With increased pressure to cut costs, particularly in the public sector at the moment, these findings are particularly reassuring.

However, our findings show there is still more that organisations can do to reduce absence levels and this report points to some of the challenges for organisations in striking a balance between active health promotion and taking action against employees who may try to take advantage of an organisation's sick pay schemes.

We feature two case studies in this report, South Lanarkshire Council and Northern Ireland Fire and Rescue Service, who are both focusing on early interventions to minimise absence. They identify the key factors that have underpinned the success of their absence management policies and talk about their effective health promotion strategies.

**Dr Jill Miller**  
Research Adviser, CIPD

At Simplyhealth we believe health is the most important thing of all and that employer well-being strategies play a fundamental role in the management of absence. By taking this approach, employers can reduce absence levels by educating employees, introducing offerings which enable early detection of health issues, along with quick access to treatment and support. It's the balance between proactive well-being strategies and reactive absence management procedures which hold the key to both employee engagement and good organisational performance.

**Helen Dickinson**  
Head of People, Simplyhealth



## ABOUT US

### Chartered Institute of Personnel and Development

The Chartered Institute of Personnel and Development (CIPD) is Europe's largest HR and development professional body. As a globally recognised brand with over 135,000 members, we pride ourselves on supporting and developing those responsible for the management and development of people within organisations.

Our aim is to drive sustained organisation performance through HR, shaping thinking, leading practice and building HR capability within the profession. Our topical research and public policy activities set the vision, provide a voice for the profession and promote new and improved HR and management practices.

We know what good HR looks like and what HR professionals need to know, do and deliver at different stages of their career, be they specialists or generalists, working in the UK or internationally.

We offer:

- membership
- professional development including qualifications and training
- networking opportunities and world-class events
- expertise in HR capability-building and consultancy services
- topical insights and analysis
- a wealth of resources and a voice for HR.

[cipd.co.uk](http://cipd.co.uk)

### Simplyhealth

At Simplyhealth we have been helping people access affordable healthcare for nearly 140 years. We provide this support through our extensive range of health plans including cash plans, dental plans, private medical insurance and self-funded health plans which we offer to individuals, families and companies. Today we have 1.3 million customers and help 2.3 million people and 11,000 companies to access better healthcare. We demonstrate that we can be bothered about our customers by going out of our way to do the right thing, not just the easy thing. This commitment extends to our communities, where last year we donated over £1 million to local causes and national charities.

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# SUMMARY OF KEY FINDINGS

This report sets out the findings of the CIPD's eleventh annual survey of absence management trends, policy and practice. The analysis is based on replies from 573 organisations across the UK, employing a total of more than 1.5 million employees. This annual benchmarking survey relates to the period 1 January to 31 December 2009.

## Absence levels

- More organisations are recording their annual employee absence rate (82% compared with 70% last year).
- The average level of employee absence remains similar to last year's low figure at 7.7 days per employee.
- The average level of absence remains highest in the public sector at 9.6 days per employee per year.
- Absence is also relatively high in the non-profit sector at an average of 8.3 days per employee per year.
- Absence is lowest in the private sector. Manufacturing and production organisations reported an average of 6.9 days lost per employee per year, while private sector services organisations reported an average absence of 6.6 days per employee per year.
- Larger organisations have higher average levels of absence than smaller organisations.
- Organisations were twice as likely to report that their level of employee absence had decreased compared with the previous year (44%) than they were to say it had increased (22%). One-third (34%) reported it had remained the same.

## Length of absence

- Two-thirds of working time lost to absence is accounted for by short-term absences of up to seven days.

- As found in previous years, a higher proportion of private sector absence is due to short-term leave of up to seven days than in the public sector.
- Smaller organisations were more likely to attribute more of their absence to short-term leave than larger organisations.

## Cost of absence

- Fewer than half of employers monitor the cost of absence.
- The average annual cost of employee absence per employee varied considerably across organisations. The median cost of absence was £600 per employee per year.
- The average cost of absence is much higher in the public sector than in private sector organisations. The median cost per employee in the public sector is £889, more than twice that in the manufacturing and production sector (£400) and substantially higher than in private sector services organisations (£600) or non-profit organisations (£600).
- Occupational sick pay schemes are most generous in the public sector. Over two-thirds of public sector employers provide full pay for more than 20 weeks compared with about one-third in the manufacturing and production and non-profit sectors and just over a fifth in private sector services.



### Causes of absence

- Minor illnesses, such as colds, flu, stomach upsets, headaches and migraines, are by far the most common cause of short-term absence.
- Musculoskeletal injuries and back pain are the next most common causes of short-term absence for manual employees, followed by stress, home/family responsibilities and recurring medical conditions such as asthma, angina and allergies.
- Stress remains the second most common cause of short-term absence among non-manual workers, followed by musculoskeletal injuries, back pain and recurring medical conditions.
- Approximately one in five employers report that absences not due to genuine ill-health rank among the top five most common causes of short-term absence for both manual (23%) and non-manual workers (17%). Non-genuine absence is reportedly most common in private sector organisations.
- The most common causes of long-term absence are acute medical conditions (for example stroke, heart attack and cancer), musculoskeletal injuries, stress, mental ill-health and back pain.
- Musculoskeletal injuries and back pain were particularly common for manual workers, while stress was more common for non-manual workers.
- Stress and musculoskeletal injuries were particularly common causes of long-term absence in the public sector.

### Work-related stress

- Over a third of employers reported that stress-related absence has increased over the past year.
- The top causes of stress at work are workloads, external relationships, organisational change/restructuring and management styles.
- Eight out of ten public service employers are taking steps to identify and reduce stress in the workplace compared with about half of private sector employers.

- Popular methods to identify and reduce workplace stress include using staff surveys, flexible working options/improved work-life balance, training for managers and/or staff and risk assessments.

### Targets and benchmarking

- The majority of respondents believe it is possible to reduce employee absence (81%).
- Overall, just under half of employers (48%) have a target in place for reducing employee absence.
- As in previous years, the public sector is most likely to have a target in place for reducing absence. This year the difference between sectors is particularly marked due to a big increase in public sector respondents reporting they have a target in place (77%).
- More than two in five (44%) organisations benchmark their absence performance against other employers.

### Managing absence

- The findings suggest that organisations are employing more methods to manage absence.
- The most common methods used to manage short-term absence are return-to-work interviews, trigger mechanisms to review attendance, giving sickness absence information to line managers and disciplinary procedures for unacceptable absence.
- The most effective methods for managing short-term absence were return-to-work interviews and trigger mechanisms to review attendance, followed by disciplinary procedures for unacceptable absence, restricting sick pay and providing line managers with the information, responsibility and skills they need.
- Line managers take primary responsibility for managing short-term absence in two-thirds of organisations; however, in three out of ten of these, managers are not trained in absence-handling.
- The public sector is far less likely to restrict sick pay than either the manufacturing and production or private services sector. Along

with non-profit sector organisations, the public sector more commonly adopts procedures designed to reduce sickness absence through promoting good health and flexibility.

- The public sector is less likely to use disciplinary procedures for unacceptable short-term absence than the production and manufacturing sector, although the proportion of public sector employers using these procedures has increased compared with last year.
- Return-to-work interviews, disciplinary procedures for unacceptable absence and occupational health involvement are the most commonly used approaches to managing long-term absence.
- In line with last year's findings, the involvement of occupational health professionals was most commonly cited as one of the top three most effective methods for managing long-term absence.
- Return-to-work interviews and trigger mechanisms to review attendance were also rated highly for the effective management of long-term, as well as short-term, absence.

### Employee well-being

- Nearly half of employers have an employee well-being strategy in place, an increase on the previous two years (2009: 33%; 2008: 30%). They are particularly common in the public sector.
- The most commonly provided well-being benefit is access to counselling services, as was the case last year.
- Employee assistance programmes and stop smoking support are the next most commonly provided benefits.
- Despite the recession and consequent pressure on many organisations to cut costs, one-fifth (22%) of organisations increased and only 9% reduced their well-being spend this year.
- Looking forward to 2011, one-fifth expect to increase their well-being spend and 9% anticipate a decrease. The public sector are most likely to expect to reign in their well-being spend.

- Organisations that evaluate their well-being spend are more likely to have increased their spend this year and more likely to increase it in 2011 compared with those who don't evaluate.

### Employee absence and the recession

- One-fifth of organisations report they have increased their focus on employee well-being and health promotion as a result of the recession.
- Two-thirds of employers had made redundancies over the past year and nearly one-quarter were planning to make redundancies in the coming six months.
- About half of organisations use employee absence records as part of their criteria for selecting for redundancy. This figure rises to 72% in the production and manufacturing sector.
- Nearly one-quarter of organisations reported that they had noticed an increase in people coming to work ill in the last 12 months. The figure was slightly higher for organisations that were anticipating redundancies in the next six months.
- Over a third (38%) of employers noted an increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months, a big increase on the previous survey when one-fifth reported an increase.
- Organisations that had made, or were planning to make, redundancies were more likely to report an increase in mental health problems.
- An increase in mental health problems was also linked to an increase in people coming to work ill in the last 12 months.



# RATES OF EMPLOYEE ABSENCE

Absence rates are slightly higher than last year but remain low in comparison with previous years. More organisations are recording this critical information.

The average level of employee absence at 3.4% of working time or 7.7 days per employee per year has increased slightly compared with last year's 3.3% or 7.4 days, when the CIPD's *Absence Management* survey recorded its lowest ever level of employee absence. However, it remains low in comparison with previous years (2008: 3.5% or 8.0 days; 2007: 3.7% or 8.4 days). See Figure 1.

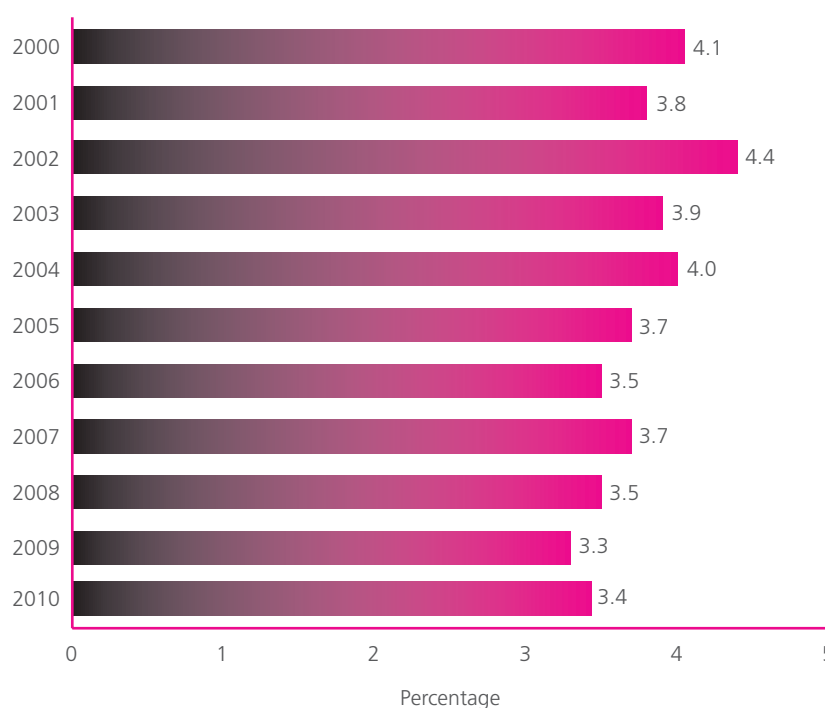
This year's survey noted a big increase in the proportion of organisations that record their annual employee absence rate (2010: 82%; 2009: 70%;

2008: 72%). Public sector employers were most likely to record this information (96%) and private sector services the least (76%).<sup>1</sup>

## Sector variations

Absence levels vary significantly across industrial sector.<sup>2</sup> As in previous years, the average level of absence remains highest in the public sector at 9.6 days per employee per year (2009: 9.7 days; 2008: 9.8 days). Possible reasons for this are discussed further below. Absence levels were also comparatively high in the non-profit sector. Private

Figure 1: Average working time lost per year due to employee absence (%)





sector organisations tended to have lower absence rates (Table 1), although one notable exception within this sector is call centres (Table 2). The six call centres in our sample who recorded their absence levels reported they lost an average of 10 to 23 days per employee per year to employee absence. Due to the small number of responses within each industry, comparisons made must be treated with caution.

### Manual and non-manual absence levels

Previous years' surveys have found that manual workers have a higher level of absence than non-manual workers. This year the difference was only found to be significant in the manufacturing and production sector (Table 1) where manual workers had on average 6.7 days' absence (or 2.9% of

their working time) per year compared with 4.3 days (1.9% of their working time) for non-manual workers.<sup>3</sup>

### The effect of workforce size

Table 3 shows a clear relationship between workforce size and levels of absence.<sup>4</sup> Larger organisations have higher average levels of absence than smaller organisations. This may be because people in smaller organisations tend to work in smaller teams and consequently their absence from work is likely to be more disruptive. Moreover, smaller employers are less likely to provide as generous occupational sick pay schemes as larger employers,<sup>5</sup> which may serve as an incentive to get back to work.

**Table 1: Average level of employee absence, by sector for all, manual and non-manual employees**

	Number of respondents	Average working time lost per year (%)		Average number of days lost per employee per year	
		Mean	Standard deviation	Mean	Standard deviation
<b>All employees</b>					
Manufacturing and production	97	3.0	1.9	6.9	4.3
Private sector services	152	2.9	2.0	6.6	4.5
Public services	119	4.2	1.6	9.6	3.7
Non-profit organisations	60	3.6	1.4	8.3	3.2
<b>Total</b>	<b>429</b>	<b>3.4</b>	<b>1.9</b>	<b>7.7</b>	<b>4.3</b>
<b>Manual employees</b>					
Manufacturing and production	52	2.9	1.6	6.7	3.7
Private sector services	28	3.4	2.9	7.7	6.6
Public services	17	4.6	4.1	10.5	9.5
Non-profit organisations	9	2.3	1.7	5.3	3.9
<b>Total</b>	<b>106</b>	<b>3.3</b>	<b>2.6</b>	<b>7.4</b>	<b>5.9</b>
<b>Non-manual employees</b>					
Manufacturing and production	51	1.9	1.4	4.3	3.3
Private sector services	40	3.0	2.4	6.8	5.5
Public services	28	3.5	1.5	8.0	3.4
Non-profit organisations	12	3.8	2.3	8.7	5.3
<b>Total</b>	<b>131</b>	<b>2.7</b>	<b>2.0</b>	<b>6.3</b>	<b>4.6</b>



**Table 2: Average level of employee absence, all employees by sector breakdowns**

		Number of respondents	Average working time lost per year % Mean	Average days lost per year Mean
<b>Manufacturing and production</b>	Agriculture and forestry	1	3.9	8.9
	Chemicals, oils and pharmaceuticals	14	2.5	5.6
	Construction	4	4.3	9.7
	Electricity, gas and water	1	1.7	3.9
	Engineering, electronics and metals	23	3.0	6.8
	Food, drink and tobacco	14	3.8	8.7
	General manufacturing	7	2.2	5.0
	Mining and quarrying	1	4.4	10.0
	Paper and printing	6	2.8	6.3
	Textiles	3	6.1	13.9
<b>Private sector services</b>	Other manufacturing/production	23	2.5	5.8
	Professional services (accountancy, advertising, consultancy, legal, etc)	31	2.1	4.7
	Finance, insurance and real estate	15	2.3	5.1
	Hotels, catering and leisure	3	2.8	6.4
	IT services	19	2.3	5.1
	Call centres	6	6.5	14.8
	Media (broadcasting and publishing, etc)	2	1.5	3.4
	Retail and wholesale	18	2.6	6.0
	Transport, distribution and storage	22	4.1	9.4
	Communications	2	2.2	5.1
<b>Public services</b>	Other private services	34	3.0	6.9
	Central government	11	4.2	9.6
	Education	14	2.7	6.2
	Health	32	4.7	10.6
	Local government	38	4.5	10.3
<b>Voluntary, community and not-for-profit</b>	Other public services	24	3.9	9.0
	Care services	6	4.1	9.3
	Charity services	19	3.5	8.0
	Housing association	22	4.4	10.1
	Other voluntary	14	2.9	6.6

**Table 3: The effect of workforce size**

No. of UK employees	Number of respondents	Average working time lost per year (%)		Average number of days lost per employee per year	
		Mean	Standard deviation	Mean	Standard deviation
1–49	29	1.8	1.0	4.2	2.3
50–249	133	3.0	1.9	6.8	4.3
250–999	142	3.3	1.7	7.6	3.8
1,000–4,999	61	3.9	2.0	9.0	4.6
5,000+	59	4.4	1.4	9.9	3.1
<b>Total</b>	<b>429</b>	<b>3.4</b>	<b>1.9</b>	<b>7.7</b>	<b>4.3</b>

**Public vs. private sector**

As noted above, on average employee absence continues to be much higher in the public than the private sector. The gap between public and private sector absence is likely to be of particular concern in the current climate, as policy-makers and the majority of public sector departments are tasked with making significant budget cuts while maintaining productivity and service levels. High absence levels obviously reduce productivity but also have knock-on effects as other employees may be placed under increased pressure and stress.

Various reasons for the gap between public and private sector absence have been presented. It has been suggested that one explanation for the difference is that, on average, public sector organisations are larger than those in the private sector and, as seen in Table 3, absence is typically greater in larger organisations. Our data, however, demonstrates that public sector employers generally

record higher levels of absence than their private sector counterparts, regardless of size (Table 4).

There are a number of factors that are more likely to account for the difference. One contributory factor may be the very nature of the types of jobs in the public sector, which has a high proportion of challenging and highly pressured public-facing roles, such as those involved in policing, nursing, teaching and social care. Stress is a more common cause of absence in the public than the private sector (see ‘Causes of absence’, page 17).

Differences in the workforce composition between the public and private sectors may also contribute to the gap in absence levels. Research by the Health and Safety Executive (HSE) indicates that public sector organisations typically have a higher proportion of female and older workers, groups that tend to record higher than average absence levels.

**Table 4: The effect of workforce size on absence levels in the public and private (manufacturing and production and private services sector combined) sectors**

No. of UK employees	Average working time lost per year (%)		Average days lost per employee per year	
	Private sector	Public services	Private sector	Public services
1–49	1.5	3.1	3.4	7.0
50–249	2.6	3.4	5.9	7.9
250–999	3.2	3.5	7.4	7.9
1,000–4,999	3.1	5.0	7.1	11.4
5,000+	3.8	4.7	8.6	10.6
<b>Survey average</b>	<b>2.9</b>	<b>4.2</b>	<b>6.7</b>	<b>9.6</b>

Base: private sector 247; public services 118



Other arguments for the difference between public and private sector absence levels point to differences in management culture. While public sector organisations more commonly adopt best practice in absence management procedures (in terms of training managers in absence management, ensuring the level of absence is a key performance indicator, having trigger points in place to identify high levels of absence, and so on), in the past we have found that they are less likely than their private sector counterparts to use disciplinary procedures to manage unacceptable absence and their sick pay schemes are generally less restrictive and pay out for longer. This year, as reported in the section 'Managing absence', we find that more public sector employers are in fact using disciplinary procedures than in previous years, perhaps to try to redress the balance between providing support for employees and taking firm action against the minority of people that seek to take advantage of their occupational sick pay schemes. Their sick pay schemes, however, remain far more generous than those of the private sector (see 'Occupational sick pay', page 14).

### Changes in levels of absence within organisations

Organisations were twice as likely to report that their level of employee absence had decreased compared with the previous year (44%) than they were to say it had increased (22%). One-third (34%) reported it had remained the same (Table 5). Manufacturing and production organisations were most likely to report improved absence levels<sup>6</sup> in that half the organisations from this sector reported that their absence levels had decreased

compared with the previous year and only one in six said that their rate had increased. While the public services sector had highest absence levels overall, half reported that their level had decreased compared with the previous year, although the trend was not observed by all and for a quarter absence levels had increased.

### Length of absence

The length of employee absence has changed very little over the past few years. On average, across the organisations surveyed, two-thirds of working time lost to absence is accounted for by short-term absences of up to seven days. Absences of between eight days and four weeks account for 16% of short-term absence, and a similar proportion is caused by absences of four weeks or longer (Table 6 on page 12).

As found in previous years, a higher proportion of private sector absence is due to short-term leave of up to seven days than in the public sector where, on average, over one-third of absence is long-term absence of more than four weeks.<sup>7</sup>

The length of absence is also related to workforce size. Smaller organisations were more likely to attribute more of their absence to short-term leave than larger organisations.<sup>8</sup> This relationship was observed for both private and public sector organisations.

Organisations' responses also indicated that a larger proportion of manual workers' absence is long term<sup>9</sup> and a smaller proportion is short term than their non-manual counterparts.<sup>10</sup>

**Table 5: Changes in levels of absence within organisations compared with the previous year (%)**

	Increased	Decreased	Stayed the same
All organisations	22	44	34
Manufacturing and production	17	50	33
Private sector services	21	38	41
Public services	24	51	25
Non-profit organisations	28	41	31

Base: 541

**Table 6: The average proportion of sickness absence attributed to short-, medium- and long-term absence by workforce size and industry sector**

	Number of respondents	Up to seven days (%)	Eight days up to four weeks (%)	Four weeks or longer (%)
All employees	376	66	16	20
Manual employees	99	71	14	18
Non-manual employees	115	77	13	13
<b>Industry sector</b>				
Manufacturing and production	96	69	16	17
Private sector services	166	74	15	13
Public services	79	49	19	36
Non-profit organisations	46	64	18	21
<b>Number of UK employees</b>				
1-49	26	81	13	11
50-249	140	73	14	16
250-999	129	65	18	19
1,000-4,999	51	60	19	22
5,000+	37	45	19	38



# THE COST OF ABSENCE

**Average annual absence costs per employee are considerably higher in the public than private sector. Fewer than half of employers monitor the cost of absence.**

Putting a cost on absence helps organisations identify the potential savings that can be made through investing in better absence management practices. Yet, fewer than half of the organisations surveyed (45%) monitor the cost of employee absence (Table 7). While this represents a slight increase on last year (2009: 41%), the figure is still low. Unsurprisingly, larger organisations are significantly more likely to monitor the cost<sup>11</sup> as are public services organisations.<sup>12</sup>

The average annual cost of employee absence per employee varied considerably across organisations. The median cost was £600 per employee, although the figures varied considerably across sectors<sup>13</sup> (Table 8 on page 14). The median cost of absence per employee in the public sector (£889) was more than twice that in the manufacturing and production sector (£400).

**Table 7: Proportion of organisations that monitor the cost of employee absence (%)**

	Does your organisation monitor the cost of employee absence?		
	Yes	No	Don't know
All organisations	45	49	7
<b>Industry sector</b>			
Manufacturing and production	38	55	6
Private sector services	43	52	5
Public services	55	34	11
Non-profit organisations	40	56	4
<b>Number of UK employees</b>			
1–49	24	74	3
50–249	32	63	5
250–999	43	49	8
1,000–4,999	59	32	9
5,000+	78	16	6

Base: 567

**Table 8: Average annual cost of absence per employee per year**

	Number of respondents	Cost (£) per employee per year			
		Median	5% trimmed mean <sup>a</sup>	Minimum	Maximum
All	155	600	693	25	36,000
Manufacturing and production	37	400	530	25	11,660
Private sector services	64	600	790	50	36,000
Public services	33	889	862	105	1,600
Non-profit organisations	21	600	581	60	1,900

<sup>a</sup> The 5% trimmed mean is used where there are some extreme outliers. The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results in a better estimate of central tendency when extreme outliers exist.

### Occupational sick pay

Occupational sick pay schemes are most generous in the public sector. Over two-thirds of public sector employers provide full pay for more than 20 weeks compared with about one-third in the manufacturing and production and non-profit sectors and just over a fifth in private sector services.

Most employers surveyed (86%) provide occupational sick pay to all employees. A further 10% provide it to some employees depending on their level in the organisation or the nature of their role. Only 4% report they do not provide occupational sick pay to any employees. Public sector employers are most likely to provide occupational sick pay to all employees (97%) and private sector employers the least (manufacturing and production: 78%; private sector services: 82%).<sup>14</sup>

Occupational sick pay schemes usually cover the first three days of absence (89%). Public sector and non-profit organisations' schemes are particularly likely to do so (public sector: 95%; non-profit sector: 94%; private sector services: 87%; manufacturing and production: 83%).<sup>15</sup>

The majority of sick pay schemes across all sectors provide payment at the same level as employees' full wage or salary (94% overall). Manufacturing and production organisations, however, are least likely to do this (88% compared with 94–97% in the other sectors).<sup>16</sup>

There is considerable variation in how long organisations provide occupational sick pay to an employee (with at least one year's service) who is on long-term sick leave (Table 9). Only 2% of those organisations who provide occupational sick pay don't pay it at the full rate at all. One in ten employers provide full sick pay for one to three weeks and just over a third of these also provide part or reduced sick pay after this for up to three weeks (Table 10). Over a third of employers provide full pay to employees on long-term sick leave for between 21 and 30 weeks. Most of these (71%) also provide part or reduced sick pay for a further 21–30 weeks. Only a small proportion of organisations (4%) provide full pay for absences of more than 30 weeks.



**Table 9: Number of weeks that organisations will provide occupational sick pay to an employee (with at least one year's service) who is on long-term sick leave (%)**

	Weeks							Mean	Standard deviation	Median
	0	1-3	4-7	8-12	13-20	21-30	31+			
<b>Full rate</b>										
All respondents	2	10	22	17	11	35	4	15.5	13.6	12
Manufacturing and production	4	8	22	17	14	27	8	15.4	12.8	12
Private sector services	2	16	29	17	14	20	2	11.7	10.7	8
Public services	0	4	13	13	2	64	4	21.3	17.4	26
Non-profit organisations	0	10	19	26	12	33	0	14.1	9.3	12
<b>Reduced rate</b>										
All respondents	39	5	9	12	6	27	2	10.7	14.3	4
Manufacturing and production	57	4	9	7	8	11	3	6.9	11.3	0
Private sector services	57	5	10	8	8	10	2	6.1	10.8	0
Public services	6	4	7	17	3	61	2	20.0	17.6	26
Non-profit organisations	25	9	10	22	4	30	0	11.4	10.6	8

Base: 507

**Table 10: Number of weeks organisations pay sick pay at a reduced rate by number of weeks paid at full rate (%)**

	Number of weeks paid at reduced rate (%)						
	0	1-3	4-7	8-12	13-20	21-30	31+
<b>Number of weeks paid at full rate (%)</b>							
0 (8)	–	–	38	13	25	25	–
1-3 weeks (51)	57	35	4	2	–	2	–
4-7 weeks (111)	46	6	32	11	2	3	–
8-12 weeks (87)	34	–	6	52	2	2	3
13-20 weeks (53)	55	–	–	–	38	2	6
21-30 weeks (179)	25	1	1	–	2	71	2
31+ weeks (18)	78	–	–	6	6	–	11

Number of respondents shown in brackets



Public sector employers are by far the most generous when it comes to how long they will provide absent employees with full pay and the private services sector the least (Table 9).<sup>17</sup> Nearly half of private sector services organisations provide full pay for less than eight weeks compared with about a third in manufacturing and production, 29% of non-profit organisations and 17% of public sector organisations.

The public sector is also most generous with how long it pays long-term sick pay to employees at a reduced rate,<sup>18</sup> although there is little difference between the manufacturing and production and private sector services organisations here (Table 9).

### **Changes to occupational sick pay arrangements**

Fourteen per cent of employers reported that they had recently changed, or were planning to change, their occupational sick pay arrangements. Of these, the majority (56%) were planning to reduce their sick pay, while one in five (19%) were planning to increase it. Eighteen per cent were planning to restrict it to certain categories of employees, while 7% were planning to extend it to more employees. There were no significant differences across sectors in plans to change occupational sick pay arrangements.



# CAUSES OF ABSENCE

The most common causes of long-term absence are acute medical conditions, musculoskeletal injuries, stress and mental ill-health.

Eighty-six per cent of employers record the causes of absence in their organisation. Public sector employers are most likely to do this (94% compared with 81–84% in the other sectors).<sup>19</sup> These respondents were asked to rank the five most common causes of short- and long-term absence, for both manual and non-manual workers.

## Short-term absence

The main cause of short-term absence (four weeks or less) for both manual and non-manual workers is minor illness, such as colds, flu, stomach upsets, headaches and migraines (Table 11). Among manual workers the next most common causes of short-term absence are musculoskeletal injuries, back pain, stress and work-related injuries/accidents.

Table 11: Common causes of short-term absence (%)

	Most common cause		In top 5 most common causes	
	Manual	Non-manual	Manual	Non-manual
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	80	87	98	99
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	9	3	66	53
Back pain	4	2	56	44
Stress	3	4	44	55
Home/family responsibilities	1	1	34	37
Recurring medical conditions (for example asthma, angina and allergies)	0	1	34	43
Mental ill-health (for example clinical depression and anxiety)	1	1	25	28
Work-related injuries/accidents	2	1	24	5
Other absences not due to genuine ill-health	1	0	23	17
Injuries/accidents not related to work	1	0	23	26
Acute medical conditions (for example stroke, heart attack and cancer)	0	1	18	22
Pregnancy-related absence (not maternity leave)	0	0	10	14
Drink- or drug-related conditions	0	0	3	2

Base: 369

The same conditions are among the most common causes of short-term absence for non-manual workers, although musculoskeletal injuries and back pain are more often rated as common causes of absence for manual workers, while stress appears to be more common for non-manual workers.

Approximately one in five employers report that absences not due to genuine ill-health rank among the top five most common causes of absence for both manual (23%) and non-manual workers (17%). Addressing such 'illegitimate' absences could have a significant impact on productivity for these employers.

### Sector differences

Public sector employers are particularly likely to cite musculoskeletal injuries, stress and mental ill-health as among the top five causes of short-term absence

for manual and non-manual workers (Tables 12 and 13). Along with non-profit employers they are less likely to cite home/family responsibilities as a major cause compared with employers from manufacturing and production and private sector services. This may partly reflect the typically better flexible working practices offered by public sector employers, and underlines the importance of providing good work-life balance opportunities to employees.

Private sector organisations are more likely to cite non-genuine absence as a common cause of short-term absence for manual and non-manual workers than public services or non-profit employers.

### Long-term absence

The most common causes of long-term absence (four weeks or more) among manual and non-manual workers (Table 14) are acute medical

**Table 12: Top five most common causes of short-term absence for manual workers by sector (%)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	98	98	97	98	100
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	66	66	57	82	68
Back pain	56	63	52	54	48
Stress	44	31	44	66	52
Mental ill-health (for example clinical depression and anxiety)	25	18	20	40	32
Work-related injuries/accidents	24	29	22	22	16
Injuries/accidents not related to work	23	23	27	14	29
Acute medical conditions (for example stroke, heart attack and cancer)	18	18	12	25	23
Recurring medical conditions (for example asthma, angina and allergies)	34	33	31	38	39
Drink- or drug-related conditions	3	3	4	3	0
Home/family responsibilities	34	42	44	14	16
Pregnancy-related absence (not maternity leave)	10	5	13	12	10
Other absences not due to genuine ill-health	23	22	37	8	13

Base: 321



**Table 13: Top five most common causes of short-term absence for non-manual workers by sector (%)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	99	98	99	99	98
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	53	46	50	69	50
Back pain	44	43	44	43	50
Stress	55	43	45	80	65
Mental ill-health (for example clinical depression and anxiety)	28	19	27	42	30
Work-related injuries/accidents	5	8	3	5	4
Injuries/accidents not related to work	26	29	29	21	20
Acute medical conditions (for example stroke, heart attack and cancer)	22	27	13	23	35
Recurring medical conditions (for example asthma, angina and allergies)	43	43	43	40	50
Drink- or drug-related conditions	2	1	1	4	2
Home/family responsibilities	37	51	45	20	15
Pregnancy-related absence (not maternity leave)	14	6	16	19	11
Other absences not due to genuine ill-health	17	16	26	11	7

Base: 368

**Table 14: Common causes of long-term absence (%)**

	Most common cause		In top 5 most common causes	
	Manual	Non-manual	Manual	Non-manual
Acute medical conditions (for example stroke, heart attack and cancer)	23	28	62	63
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	22	12	59	46
Stress	17	24	51	63
Mental ill-health (for example clinical depression and anxiety)	12	14	46	53
Back pain	12	5	48	35
Injuries/accidents not related to work	6	5	28	28
Recurring medical conditions (for example asthma, angina and allergies)	4	4	29	38
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	3	5	13	16
Work-related injuries/accidents	3	2	25	6
Pregnancy-related absence (not maternity leave)	1	2	8	13
Home/family responsibilities	1	1	13	13
Other absences not due to genuine ill-health	0	0	8	7
Drink- or drug-related conditions	0	0	2	1

Base: 312

conditions (for example stroke, heart attack and cancer), musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain), stress, mental ill-health and back pain. Musculoskeletal injuries and back pain were particularly common for manual workers while stress was more common for non-manual workers.

### Sector differences

More employers from the public sector reported that musculoskeletal injuries, stress and minor illness were a common cause of long-term absence for manual and non-manual workers (Tables 15 and 16). Manufacturing and production employers least frequently cited stress as a major cause, compared with the other sectors, but were most likely to cite work-related accidents.

**Table 15: Top five most common causes of long-term absence for manual workers by sector (%)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Acute medical conditions (for example stroke, heart attack and cancer)	62	65	61	67	45
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	59	59	49	73	61
Stress	51	35	48	73	61
Back pain	48	49	50	43	52
Mental ill-health (for example clinical depression and anxiety)	46	41	43	49	65
Recurring medical conditions (for example asthma, angina and allergies)	29	32	22	31	39
Injuries/accidents not related to work	28	29	27	19	42
Work-related injuries/accidents	25	35	25	10	23
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	13	6	10	25	16
Home/family responsibilities	13	19	9	9	10
Pregnancy-related absence (not maternity leave)	8	4	9	12	6
Other absences not due to genuine ill-health	8	7	12	9	0
Drink- or drug-related conditions	2	4	1	0	0

Base: 309



**Table 16: Top five most common causes of long-term absence for non-manual workers by sector (%)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Stress	63	50	60	79	68
Acute medical conditions (for example stroke, heart attack and cancer)	63	70	60	63	61
Mental ill-health (for example clinical depression and anxiety)	53	46	53	57	57
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	46	36	43	59	45
Recurring medical conditions (for example asthma, angina and allergies)	38	45	32	40	41
Back pain	35	30	34	40	39
Injuries/accidents not related to work	28	38	27	23	25
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	16	6	16	27	18
Home/family responsibilities	13	15	11	15	14
Pregnancy-related absence (not maternity leave)	13	10	17	11	11
Other absences not due to genuine ill-health	7	5	11	7	2
Work-related injuries/accidents	6	13	6	4	0
Drink- or drug-related conditions	1	1	1	1	5

Base: 311

# WORK-RELATED STRESS

The top causes of stress at work are workloads, external relationships, organisational change/restructuring and management styles. Sixty-one per cent of organisations overall are taking steps to identify and reduce stress in the workplace, a figure that increases to 81% in the public sector.

Over a third of employers reported that stress-related absence has increased over the past year, while 15% reported that it had decreased. Just over a third reported it had stayed the same and 14% didn't know.

There were no significant differences in responses across sectors; however, changes in stress-related absence were related to workforce size (Table 17). Larger organisations were more likely to report that stress-related absence had increased over the past year.<sup>20</sup>

Employers were asked to rank the top three causes of work-related stress. As in previous years, workload was the most common cause (Table 18). Non-work factors such as relationships and family were the next most frequently rated common cause of stress. As in previous years, organisational

change and restructuring was also a common cause of stress as were management style and relationships at work.

Organisational change/restructuring was a particularly common top cause of stress in the public services sector as has been found in previous years. Whether this is due to more ineffective management of organisational change in the public sector, or whether it is a result of being subject to more political changes is not clear. However, the proportion of public sector employers rating this as a top cause of stress did not change significantly compared with last year despite the May 2010 election and the change of government.

Three out of five respondents (61%) report their organisations are taking steps to identify and reduce stress in the workplace. Public services

Table 17: Proportion of employers reporting increases or decreases in stress-related absence over the past year (%)

	Increased	Stayed the same	Decreased	Don't know
All	35	36	15	14
<b>Workforce size</b>				
1–49	22	50	22	6
50–249	29	45	17	9
250–999	37	35	13	14
1,000–4,999	38	30	11	21
5,000+	51	15	13	21

Base: 554



**Table 18: The causes of work-related stress (top three causes, %)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Workloads/volume of work	51	44	52	58	48
Non-work factors – relationships/family	49	50	55	39	48
Organisational change/restructuring	39	31	34	56	36
Management style	38	38	33	39	49
Relationships at work	30	28	26	34	34
Pressure to meet targets	17	16	21	18	7
Lack of employee support from line managers	16	20	15	14	16
Job insecurity	15	24	14	10	12
Non-work factors – financial concerns	15	22	14	10	10
Lack of control over how work is carried out	9	7	9	10	12
Long hours	8	8	10	4	7
Lack of consultation	4	3	4	4	1
Poorly designed jobs/poorly designed roles	3	3	2	6	4
Lack of training	2	3	3	1	1

Base: 520

employers are most likely to be doing this (81% compared with 69% of non-profit employers, and about half of manufacturing and production and private sector services employers).<sup>21</sup>

taking steps to identify and reduce workplace stress, compared with about three-quarters of those with 1,000–4,999 employees and 88% of those with more than 5,000 staff.<sup>22</sup>

Larger organisations were most likely to be taking action to manage stress. Fewer than half of employers with fewer than 50 employees were

Organisations use a range of methods to identify and reduce stress in the workplace (Table 19). As in previous years, popular approaches include using

**Table 19: Methods used to identify and reduce stress in the workplace (% of employers)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Staff surveys	66	51	56	82	75
Flexible working options/improved work–life balance	62	36	61	77	69
Training for managers/staff	61	63	57	68	54
Risk assessments/stress audits	59	61	43	74	60
Written stress policy/guidance	48	39	41	66	40
Greater involvement of occupational health specialists	48	56	37	59	37
Employee assistance programme	47	37	47	51	54
Changes in work organisation	19	28	16	19	13
Focus groups	17	11	17	25	10

Base: 375



staff surveys, training for managers and/or staff and risk assessments. This year, more employers report they are providing flexible working options and improved work-life balance to reduce stress (62% compared with 55% in 2009 and 54% in 2008). This is mainly due to an increase in private services employers using this option. Not only can flexible working be a very cost-effective method of reducing stress but it is likely to bring other benefits such as reducing absence levels in general and even increasing employee engagement.

The data also suggests that employee assistance programmes are increasingly used to reduce workplace stress. This year nearly half (47%) of employers that were taking action to manage stress reported using these programmes compared with 38% in 2009 and 34% in 2008.

### **The Health and Safety Executive's stress management standards**

Respondents were asked whether their organisations were using or planning to use the Health and Safety Executive's stress management standards, which provide step-by-step guidance on conducting a risk assessment for work-related stress. Employers have an obligation under the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1999 to take appropriate steps to identify and manage stress at work.

Nearly one-third (32%) of respondents report they are already using the HSE stress management standards, just a slight increase on previous years (2009: 26%; 2008: 27%). A further 16% reported they were planning to implement the standards. About one in seven reported they were not using the HSE stress management standards and have no plans to do so, while one-quarter didn't know and 13% had not heard of the HSE's management standards on stress.

Public sector employers are most likely to be using the HSE stress management standards (53% compared with 29% in manufacturing and production and 20% in private sector services).<sup>23</sup> Larger organisations were also significantly more likely to be using the standards.<sup>24</sup>



# TARGETS AND BENCHMARKING

**Fewer than half of employers have a target in place for reducing employee absence or benchmark their absence rates against other employers.**

The majority of respondents believe it is possible to reduce employee absence (81%). Twelve per cent did not think it was possible while 7% reported they didn't know. The public and non-profit sectors, which have the highest levels of absence, were most likely to believe they could reduce employee absence (93% and 92% respectively compared with 78% in manufacturing and production and 71% in private sector services).<sup>25</sup>

Just under half of employers (48%) have a target in place for reducing employee absence, a similar proportion to last year. Table 20 shows that public services organisations are much more likely than

employers from other sectors to have an absence target.<sup>26</sup> While this sector difference has been noted in previous years, this year it is particularly marked as the proportion of public services employers with a target has increased from just under two-thirds (63%) last year (61% in 2008) to over three-quarters this year (77%). The current drive in the public sector to make efficiency savings may be contributing to an impetus in this sector to reduce costs while improving productivity through addressing typically high absence levels.

Just over two in five (44%) organisations benchmark their absence performance against

**Table 20: Organisations that have a target for reducing absence by sector (%)**

	Does your organisation have a target for reducing employee absence?		
	Yes	No	Don't know
All	48	48	3
Manufacturing and production	53	44	3
Private sector services	30	66	4
Public services	77	20	3
Non-profit organisations	40	58	1

Base: 561

**Table 21: Organisations that benchmark their absence performance against other employers by sector (%)**

	Does your organisation benchmark its absence performance against other employers?		
	Yes	No	Don't know
All	44	49	7
Manufacturing and production	34	60	6
Private sector services	30	65	5
Public services	64	24	13
Non-profit organisations	63	33	4

Base: 572

other employers (Table 21). The public services and non-profit sectors are almost twice as likely as private sector employers to do this.<sup>27</sup>

Among organisations that benchmark, 86% do so against employers in the same sector and 31% do so against organisations in the same region. Non-profit organisations were most likely to benchmark by sector only (89%, compared with 78% in private services, 58% in manufacturing and production and 58% in public services). Manufacturing and production (23%) and public sector organisations (23%) were most likely to benchmark by both sector and region (private sector services: 10%; non-profit sector: 7%).<sup>28</sup>



# MANAGING ABSENCE

The findings suggest that organisations are employing more methods to manage absence. Occupational health involvement is rated most effective for managing long-term absence, while return-to-work interviews and trigger mechanisms to review attendance were among the most effective methods of managing short- and long-term absence.

## Absence management policy

Almost all organisations surveyed (95%) have a written absence/attendance management policy. Overall, just over half have introduced changes to some aspect of their approach to absence management in the last year, with public sector organisations most likely to have made changes (74% compared with 45% of private sector organisations).<sup>30</sup>

The most common changes made (by about half of respondents overall) were to introduce a new or revised absence management policy and to introduce or revise monitoring procedures (Table 22). More than four out of ten employers had introduced well-being benefits, though this was less common in the manufacturing and production sector (32%). About a quarter of organisations in the public and non-profit sectors reported they had reinforced the existing employee absence policy.

Table 22: Changes made to employee absence management in the last year (% of employers who have made changes)

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Introduced a new or revised absence management policy	53	58	48	54	54
Introduced or revised monitoring procedures	48	51	40	54	49
Introduced well-being benefits	43	32	44	45	46
Absence rate has become a key performance indicator	29	30	21	31	44
Introduced return-to-work interviews	23	34	28	13	23
Introduced Bradford points or another trigger system	23	19	28	19	26
Involved occupational health professionals	18	23	13	20	23
Reinforced existing employee absence policy	18	6	14	27	23
Introduced an attendance strategy	9	9	7	11	10
Introduced an attendance incentive scheme	3	4	4	0	8

Base: 294

### Managing short-term absence

The most common approaches used to manage short-term absence are return-to-work interviews, trigger mechanisms to review attendance, giving sickness absence information to line managers and disciplinary procedures for unacceptable absence. As in previous years, these were used by over three-quarters of respondents' organisations (Table 23).

This year there has been an increase in the use of almost all the methods used to manage short-term absence listed in Table 23, suggesting that organisations are investing more in effective absence management. The use of employee assistance programmes (2010: 46%; 2009: 34%; 2008: 30%) and stress counselling (2010: 41%; 2009: 29%; 2008: 32%) has particularly increased, especially in the public services and non-profit sectors.

Line managers take primary responsibility for managing short-term absence in two-thirds of organisations; however, in three out of ten of these managers are not trained in absence-handling. Just over a quarter of organisations provide tailored support for line managers (for example online support, care conference with HR).

### Sticks and carrots

The proportion of public services employers reporting to use disciplinary procedures for unacceptable short-term absence has increased from around two-thirds in the past two years to just over three-quarters this year, in line with their use in private sector services organisations. These sectors still lag behind the manufacturing and production sector, however, where almost all (94%) of employers report the use of disciplinary procedures for unacceptable absence. The public and non-profit sectors are still far less likely to restrict sick pay than either the manufacturing and production or private services sectors (Table 23).

Conversely, public and non-profit sector organisations more commonly adopt procedures designed to reduce sickness absence through

promoting good health and providing flexible working. More organisations from these sectors than the private sector provide leave for family circumstances, make changes to working environments or patterns, use capability procedures, employee assistance programmes, stress counselling and well-being benefits. Private sector employers are more likely to offer private medical insurance and attendance bonuses or incentives than the public sector. Rehabilitation programmes are most common in the manufacturing sector. The same sector differences were observed in approaches to managing long-term absence (Table 25, page 34).

### Most effective approaches for managing short-term absence

Employers were asked to rank the top three most effective approaches for managing short-term absence. Return-to-work interviews and trigger mechanisms to review attendance were most commonly cited as among the top three most effective methods, highlighting the importance of monitoring absence proactively (Table 24, page 30).

The next most effective methods were disciplinary procedures for unacceptable absence and restricting sick pay, suggesting that employers see the need to take a tough stance against people who might take advantage of their occupational sick pay schemes. Private sector employers, particularly those in manufacturing and production, were most likely to report these methods were among the most effective for managing short-term absence.

Providing line managers with the information, responsibility and skills to manage absence were also among the most effective approaches for managing short-term absence.

In practice, organisations are likely to use a combination of approaches to manage short-term absence. It is important to strike a balance between approaches which proactively promote health and well-being and those which are concerned with taking action against unacceptable absence.



**Table 23: Approaches used to manage short-term absence (% of respondents)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Return-to-work interviews	88	94	80	92	96
Trigger mechanisms to review attendance	83	82	76	93	88
Sickness absence information given to line managers	80	80	74	87	86
Disciplinary procedures for unacceptable absence	79	94	75	77	74
Line managers take primary responsibility for managing absence	68	60	65	78	77
Leave for family circumstances	68	63	62	78	75
Managers are trained in absence-handling	60	62	50	74	58
Occupational health involvement	55	63	37	77	51
Changes to working patterns or environment	51	44	44	70	52
Flexible working	51	35	42	75	64
Capability procedure	48	41	40	62	57
Employee assistance programmes	46	35	40	56	62
Absence rate is a key performance indicator	45	48	29	64	49
Restricting sick pay	43	53	60	18	25
Stress counselling	41	25	27	72	49
Health promotion	38	32	28	60	36
Tailored support for line managers (for example online support, care conference with HR)	28	24	20	44	29
Well-being benefits	27	20	25	33	33
Risk assessment to aid return to work after long-term absence	27	35	20	32	23
Employees' absence records taken into account when considering promotion	27	35	26	25	17
Offering private medical insurance	25	31	38	4	17
Attendance record is a recruitment criterion	23	25	16	33	25
Rehabilitation programme	18	31	12	20	13
Attendance driven by board	15	12	10	25	17
Nominated absence case manager/ management team	12	9	8	21	12
Attendance bonuses or incentives	12	23	13	3	9
Outsourced absence management process	2	2	2	3	3

Base: 555

**Table 24: Most effective approaches for managing short-term absence (% of respondents citing as one of top three most effective methods)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Return-to-work interviews	68	71	69	61	73
Trigger mechanisms to review attendance	56	51	49	70	60
Disciplinary procedures for unacceptable absence	31	46	30	25	19
Restricting sick pay	20	20	32	6	8
Sickness absence information given to line managers	18	17	13	23	25
Line managers take primary responsibility for managing absence	18	16	15	21	21
Managers are trained in absence-handling	17	10	18	21	22
Occupational health involvement	10	15	7	13	10
Leave for family circumstances	6	3	7	6	3
Flexible working	5	2	0	6	11
Capability procedure	5	4	3	6	8
Attendance bonuses or incentives	4	8	5	2	2
Absence rate is a key performance indicator	4	2	4	6	2
Nominated absence case manager/ management team	3	2	2	6	3
Employee assistance programmes	3	0	5	3	3
Tailored support for line managers (for example online support, care conference with HR)	3	3	2	4	3
Changes to working patterns or environment	2	0	4	2	3
Offering private medical insurance	2	3	2	0	2
Health promotion	2	2	1	3	0
Attendance driven by board	1	0	1	5	0
Well-being benefits	1	1	1	0	3
Rehabilitation programme	1	2	1	0	0
Employees' absence records taken into account when considering promotion	1	2	1	1	0
Stress counselling	0	1	0	0	2
Outsourced absence management process	0	0	0	1	2
Attendance record is a recruitment criterion	0	0	1	1	0
Risk assessment to aid return to work after long-term absence	0	0	0	0	0

Base: 506



## Case study: Effective implementation of the attendance management policy at Northern Ireland Fire and Rescue Service (NIFRS)

The attendance management policy at NIFRS has been in place since September 2005. The policy marked a shift in focus from 'absence control', associated with presenteeism, to a more positive focus on managing attendance. This approach focuses on early interventions to minimise sickness and absence, facilitate early return to work (in modified roles where appropriate) and ensuring that the dignity of employees is maintained when return to work is not possible.

Since introducing the current attendance management policy, absence rates have halved, reducing from an average of 14 days per employee per year to 7.8 days (or 3.8% lost time rate – well below the target set by local government). Moreover, the policy has been particularly effective at reducing persistent short-term absence, which is more damaging to operational efficiency than long-term absence for which cover can be organised and planned.

Peter Brown, Attendance Management Officer, identifies six key factors that have underpinned both the success and future success of their drive to maximise attendance.

### 1 Full bottom-up and top-down support

The policy was discussed in full with trade union representatives prior to its implementation and received their full support. The chief fire officer of NIFRS also gave the policy his full and active backing and requests regular absence reports for the senior management team. Peter Brown suggests that the secret to their success in gaining support is 'a strong focus on our core purpose, remembering why we're here – to make sure the community is protected by ensuring we have the capacity to do that. Attendance is at the centre of our delivery.'

### 2 Clarity regarding procedures and each individual's role and responsibilities to the organisation, themselves and each other

The attendance management policy was drafted to be as comprehensive and transparent as possible in the interests of openness and fairness. The 46-page-long document begins with a values statement and then sets out in detail the responsibilities of all members of the organisation to ensure everyone knows what is expected of them. It goes on to set out details of the policy including notification expectations, certification requirements, occupational health referrals process, disability discrimination awareness issues and the actual processes for managing short- and long-term absence. The policy sends out a clear message by removing references to discipline, with the exception of one important sentence, which states that it is committed only to those who are genuinely ill and those who are absent for illegitimate reasons will be dealt with under NIFRS's disciplinary procedures.

Employees know that absence is considered a serious issue and is monitored centrally as well as by their own manager. All information regarding the attendance management policy, including the guidance for managers, is available to all staff on the service's intranet.

### 3 Managers who are willing, able and fully supported to implement the policy

Peter Brown believes in the importance of first impressions and, determined to get the policy off to the right start, developed a comprehensive training programme. This was attended by 300 managers in the three months before the policy was launched. Peter asserts: 'Ensuring the managers have a clear vision from the beginning was key. They are the people who are best disposed to manage attendance. They know what is normal and what is not so they are able to intervene when appropriate.'



The training is just the first step to ensure managers are able to put the policy into practice. Written guidance for managers appends each page of the attendance management policy and a workbook contains further guidance and covers matters relating to underpinning knowledge, including legal issues and regulations. Frequently asked questions (FAQs), guidance on managing a return-to-work interview and best practice relating to frequent persistent short-term absences can all be accessed on the service's intranet.

There are three mandatory requirements of managers. The first is that they must follow up all absences with a return-to-work interview. The second is that at a certain trigger point, which includes the Bradford Score, a full review of attendance should be conducted. Finally, a further trigger point, including Bradford Score, results in the case being referred to a formal process further up the chain of command. Managers are taught how to prepare for back-to-work interviews and also offered help and guidance regarding discretionary actions to support attendance, including support for early interventions, combating presenteeism and identifying patterns that might indicate non-genuine absence.

Managers are assured they will receive ongoing support in exchange for their commitment to work together to improve attendance. This support is provided through a phone helpline, email support system and a published list of frequently asked questions. Peter Brown reports that the integrity and high standard of the support provided has been essential for manager buy-in and the policy's success.

Managers are encouraged to practise implementing the policy (learning by doing) and gain 'confidence through competence'.

#### **4 Effective management information systems**

NIFRS has a sophisticated absence documentation system to ensure fairness and openness and to protect managers and employees. It is triggered by any attendance-related communication so, although the phone helpline is available, managers are encouraged to put queries in emails so that a full audit trail is in place.

All absence is monitored both locally and centrally. Locally, a self-calculating spreadsheet containing absence days and working days for each employee calculates Bradford points and notifies managers when a certain trigger is reached. The spreadsheet also sets out the year and managers can easily see when each absence has occurred against, for example, the shift pattern or annual leave.

Centrally the management information system also flags up all absentees, including persistent short-term absentees. Managers are informed when an employee has three episodes of short-term absence in any rollover year, using a 'frequency flag' so that they can check they have followed the attendance policy appropriately. Managers must also check whether the individual has hit any trigger points and inform the individual concerned that their absence level has been flagged by HQ and what further action will be taken. Further short-term absences will lead to a referral with a medical adviser to assess whether there is any underlying medical reason for the frequent absences. If there is not any underlying medical reason, a disciplinary investigation may be contemplated. Peter Brown asserts that knowing that absence is monitored by HQ as well as by individuals' managers has really had an impact on non-genuine absence.



### 5 Ongoing monitoring and action

Management reports breaking down the attendance statistics by location and fire station inform monthly meetings and track how each is measuring up against targets. Absence rates are also benchmarked against the ambulance and police service in Northern Ireland and with other Fire and Rescue Services in Great Britain. The data collected by the management information systems allows NIFRS to analyse absence by different variables such as age and length of service, to look at the reasons for absence and take appropriate action to reduce it.

Terms of reference are agreed with senior managers to conduct a regular schedule of attendance meetings with each watch (the lowest management unit in the organisation) and support staff unit. It is made clear that the purpose of these meetings is not to check up on managers but to ensure documents are completed as intended, management action is reviewed and data protection requirements are adhered to. These meetings also help identify training needs. Peter Brown stresses the importance of ensuring that skills are practised so managers with low absence rates and little opportunity to use their skills may need top-up training. In response to feedback from managers, top-up training sessions are typically conducted over two hours in the work unit to maximise efficiency.

### 6 Into the future

NIFRS have a contracted occupational health service supplier who works closely with the in-house occupational health and welfare department within the service. This service is proactive in providing health and well-being advice to operational personnel who have to attend a three-yearly health assessment as they progress through their careers. This is also available to non-operational and support services staff.

The health and well-being provision is supported by a requirement of all operational personnel to meet a recently introduced minimum fitness level. A full-time fitness adviser was appointed 18 months ago to implement fitness testing to ensure NIFRS adopted best practice and national guidelines for UK Fire and Rescue services and more importantly to improve the general fitness and well-being of employees faced with dangerous and dynamic situations on a daily basis. In addition to the appointment of the fitness adviser, the service have just completed a three-year roll-out of fitness equipment to every fire station in Northern Ireland. Currently every station has a minimum of a commercial grade treadmill, static training bicycle and a Concept 2 rowing machine. These steps reinforce the service's commitment to its employees in providing the right equipment to ensure personnel meet the required level of fitness to do their job safely while minimising the risk of injury.

The rigor and attention to detail with which NIFRS has implemented its attendance management policy, coupled with the commitment and drive of those leading it, has paved the way for its success. Absence, particularly non-genuine absence, has been significantly reduced. It is more difficult for managers to reduce absence due to long-term sickness or injury at work, particularly given the inherent challenges of the work carried out. Training to help managers identify potential issues and intervene early, self-referral counselling services, access to two rehabilitation centres and employee back-up services in relation to critical incidents all help reduce the length of absence and encourage a quick return to work. Feedback provided by the absence information systems on reasons for absence also plays a critical role in enabling the organisation to adapt health and safety or other procedures and practices to promote well-being and attendance on an ongoing basis.

*Information provided by Peter Brown, Attendance Management Officer, Northern Ireland Fire and Rescue Service*

### Managing long-term absence

Return-to-work interviews, disciplinary procedures for unacceptable absence and occupational health involvement are the most commonly used approaches to managing long-term absence,

used by over three-quarters of respondents' organisations overall, although occupational health involvement was less commonly used in the private services sector (Table 25). Risk assessments to aid return to work and giving sickness absence

**Table 25: Approaches used to manage long-term absence (% of respondents)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Return-to-work interviews	85	84	77	92	94
Disciplinary procedures for unacceptable absence	80	94	76	77	73
Occupational health involvement	77	84	57	94	89
Risk assessment to aid return to work after long-term absence	74	76	67	84	70
Sickness absence information given to line managers	73	69	64	85	80
Trigger mechanisms to review attendance	66	60	58	80	79
Changes to working patterns or environment	63	59	56	76	69
Flexible working	63	43	57	83	79
Capability procedure	56	52	47	70	67
Managers are trained in absence-handling	52	49	41	70	54
Line managers take primary responsibility for managing absence	51	44	42	67	61
Rehabilitation programme	46	57	40	52	37
Employee assistance programmes	46	35	41	56	61
Stress counselling	45	31	32	74	54
Restricting sick pay	42	45	53	27	36
Leave for family circumstances	42	41	35	52	49
Absence rate is a key performance indicator	40	39	25	63	41
Tailored support for line managers (for example online support, care conference with HR)	36	28	29	54	37
Health promotion	35	31	23	59	36
Offering private medical insurance	28	34	42	7	17
Well-being benefits	27	21	24	33	34
Employees' absence records taken into account when considering promotion	27	35	27	25	17
Attendance record is a recruitment criterion	22	21	14	33	24
Nominated absence case manager/ management team	22	22	17	31	17
Attendance driven by board	14	11	9	25	16
Attendance bonuses or incentives	9	16	11	1	7
Outsourced absence management process	2	2	2	3	4

Base: 551



information to line managers are also commonly used, particularly in the public services sector.

This year there has been an increase in the use of almost all the methods used to manage long-term absence listed in Table 25, in line with our findings above on short-term absence. There has been a particularly big jump in the proportion of employers reporting they use disciplinary procedures for unacceptable long-term absence (2010: 80%; 2009: 44%; 2008: 49%), bringing the levels up to match the proportion using it for short-term absences. This increase has been observed across all sectors, while the use of this method (for long- and short-term absence) remains most common in manufacturing and production organisations.

In line with findings on managing short-term absence, the public and non-profit sectors are less likely to restrict sick pay for long-term absence than either the manufacturing and production or private services sectors (Table 25).

One in four public sector employers reported that attendance is driven by the board compared with only 9% of private sector employers.

### **Most effective approaches for managing long-term absence**

Employers were asked to rank the top three most effective approaches for managing long-term absence (Table 26, page 36). In line with last year's findings, the involvement of occupational health professionals was most commonly cited as one of the top three most effective methods for managing long-term absence, seen to be more effective for long-term than for short-term absence. Return-to-work interviews and trigger mechanisms to review attendance were also rated highly for the effective management of long-term, as well as short-term, absence.

Rehabilitation programmes, changes to working patterns or environments, flexible working and restricting sick pay were also seen to be among the most effective approaches for managing long-term absence. Disciplinary procedures ranked lower in importance for managing long-term absence than for short-term.

### **The Statement of Fitness to Work**

The Statement of Fitness to Work, or 'fit note', replaced the current 'sick note' in April 2010. The new fit note allows GPs to categorise employees as 'may be fit for work', as well as 'unfit for work', and its aim is to encourage more employees with health problems to agree with their employer a phased return to work (such as reduced hours or the use of varied duties) as part of their rehabilitation and recovery.

Communications regarding the fit note have obviously been effective as almost all respondents (99%) were aware that it had been introduced to replace the sick note. Nevertheless, many employers are not convinced it will help reduce absence levels. Nearly three out of five employers (58%) did not think it would help compared with one in five (22%) who did, while 19% were undecided. Private sector services employers were least likely to believe the fit note would help reduce absence levels (17%), while public services employers were most optimistic (29%).<sup>30</sup>

**Table 26: Most effective approaches for managing long-term absence (% of respondents citing as one of top three most effective methods)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Occupational health involvement	53	65	40	60	52
Return-to-work interviews	26	28	26	21	33
Trigger mechanisms to review attendance	23	20	21	29	24
Rehabilitation programme	21	26	20	23	13
Changes to working patterns or environment	17	15	19	15	21
Restricting sick pay	16	13	24	10	13
Flexible working	13	12	15	10	16
Managers are trained in absence-handling	13	9	13	16	14
Line managers take primary responsibility for managing absence	12	15	9	14	13
Capability procedure	10	12	8	10	13
Nominated absence case manager/ management team	10	7	10	13	6
Disciplinary procedures for unacceptable absence	10	9	9	10	10
Sickness absence information given to line managers	9	9	6	16	2
Tailored support for line managers (for example online support, care conference with HR)	8	8	5	11	10
Offering private medical insurance	6	6	11	1	5
Employee assistance programmes	6	3	9	6	6
Stress counselling	3	2	3	3	6
Absence rate is a key performance indicator	2	1	3	4	0
Well-being benefits	2	1	2	1	5
Attendance bonuses or incentives	1	3	2	0	0
Leave for family circumstances	1	0	2	1	3
Health promotion	1	2	1	2	0
Employees' absence records taken into account when considering promotion	1	2	1	1	2
Attendance driven by board	1	0	1	2	0
Attendance record is a recruitment criterion	0	0	1	1	0
Outsourced absence management process	0	1	0	0	0
Risk assessment to aid return to work after long-term absence	0	0	0	0	0
Other	1	1	1	1	2

Base: 494



## Case study: Focusing on early interventions at South Lanarkshire Council

South Lanarkshire Council prides itself on being one of the best performing councils in absence management in Scotland. The council has demonstrated high-level commitment to maximising attendance and it is a key work objective and focus for all members of the corporate management team. A number of years ago the council decided to take a holistic approach to promoting attendance. It established an overarching 'maximising attendance' policy, which, while incorporating a disciplinary route for unacceptable absences, focuses in particular on encouraging attendance rather than punitive measures. Eileen McPake, Personnel Officer, reports: 'We focus first on early interventions to ensure employees have what they need. If there is still an issue with absence we feel more comfortable proceeding down a disciplinary route as we have provided all the support we can as an employer.'

One of the main causes of absence among council employees is psychological ill-health (including depression and work- or home-related stress). The council focuses on early interventions to facilitate recovery and reduce the length of absence. Employees who are absent for psychological reasons are immediately visited or contacted by an early intervention officer in order to fully understand the reason for their absence and identify if anything can be done to help, including referring them to a counsellor if appropriate. Eileen McPake reports: 'We don't automatically refer people to the employee counselling service as it is not always what they need. The problem may be work-related, in which case the early intervention officer can make efforts to resolve it. They can act as a mediator between the employee and the manager. The process gives the employee an opportunity to say what would be helpful for them and enables us to provide support as an employer.'

The council also offers employees cognitive behaviour therapy (CBT). There is an average nine-month waiting list to receive this on the NHS in their area, whereas council employees can start CBT in a couple of weeks, if it is recommended by the council's occupational health adviser. Over 60 employees accessed this service since it was launched last year and half of them remained at work during the treatment. Eileen McPake reports that while the numbers are small, the impact for those individuals is very significant.

The second most common cause of absence among council employees are musculoskeletal injuries. Waiting lists to see a GP-referred physiotherapist average six to eight weeks in the area. The council offers its own physiotherapy service through an external provider, which can offer treatment in as many days and this aids recovery and a more speedy return to work. Moreover, as with CBT, this service also prevents absences as many employees make use of it while continuing to come to work. The investment required for this service has proved very worthwhile in aiding attendance and reducing absence.

Managers are trained to spot signs that may signal all is not well with an employee, in order that absences might be avoided through the provision of appropriate support. As part of this drive, the council is making use of training for managers offered by its local NHS to conduct what it calls a 'brief intervention' interview. These interviews are short, structured conversations around particular health topics. For example, a manager who suspects an employee has an alcohol problem may approach that employee, advise they have noticed them coming in late or changes in their behaviour, and ask what the employee can tell them about that. Eileen McPake suggests that in the past some managers were too keen to offer help. The structure of the 'brief intervention' interviews gives employees the chance to have their say and take responsibility for improving their well-being. Consequently it is more likely to lead to longer-term benefits.

Managers are also required to conduct return-to-work interviews for every absence. Three absences in a year act as a trigger for a more formal meeting with the manager. Any underlying health issues or support required are discussed. If there are no underlying health issues, managers advise the employee that their attendance is being monitored. If there is a fourth absence within a year, disciplinary procedures may be instigated, although cases are dealt with on an individual basis.

In June 2009, Suzanne Brown, Personnel Adviser, led the launch of the council's employee assistance programme (EAP). Suzanne Brown explains: 'We identified that by pulling together current employee supports and enhancing employee assistance the council could offer an overarching support mechanism in the form of a tailored EAP.' Enhancements include, for example, the introduction of CBT as mentioned above, providing greater access to counselling through self-referral and a confidential 24/7 helpline. The introduction of the EAP has provided a vital communication tool to create awareness of supports available to employees. It also presents consistent information for personnel teams, managers and trade unions to refer to. The EAP communications programme incorporated internal communication mediums and – to maximise contact with its 16,000 employees across different geographical locations – the council also organised four roadshow events supported by trade union representatives. The council has a formal partnership agreement with the trade unions, and the health and well-being of employees is a key area that they work on together to achieve positive outcomes.

The excellent attendance record of the council is facilitated by real commitment from senior leaders. Attendance figures are reported monthly and discussed at executive team meetings. Attendance policy and practices are regularly reviewed and improved upon. The council is justifiably proud of the progress it has made and of the efforts it makes to support the well-being of its employees.

*Information provided by Eileen McPake, Personnel Officer, South Lanarkshire Council*



# EMPLOYEE WELL-BEING

**Nearly half of employers have an employee well-being strategy in place. Organisations that evaluate the impact of their well-being benefits are more likely to report they increased their well-being spend this year and will increase it in 2011, suggesting the investment is shown to be worthwhile.**

Nearly half of employers (46%) have an employee well-being strategy (or similar) in place, a noticeable increase on the previous two years (2009: 33%; 2008: 30%). Public sector organisations are most likely to have an employee well-being strategy (public sector 66% compared with 38–44% in the other sectors).<sup>31</sup> Larger organisations were also more likely to have a strategy (5,000+ employees: 80%; 1–49 employees: 29%).<sup>32</sup>

The most commonly provided well-being benefit to all employees across all sectors is access to counselling services, as was the case last year (Table 27). This year, however, a greater proportion of organisations across all sectors are providing this benefit: nearly half of private sector employers (compared with just over a third last year), 87% of public sector employers (compared with 73% last year), and 78% of non-profit employers (compared with just over half last year).

Employee assistance programmes and stop smoking support are the next most commonly provided benefits to all employees. Employee assistance programmes are provided by half of employers overall. Stop smoking support was particularly common in the public sector (62%) and least common in private sector services (16%).

Some well-being benefits were commonly provided by organisations but were dependent on grade or seniority rather than available to all. Private medical insurance is provided by eight out of ten private sector organisations, but in the majority it was dependent on grade or seniority (see Table 27). Health screening was provided to all employees by about a third of employers but in 14% of manufacturing and production organisations and 17% of private sector services organisations it was dependent on grade. The public sector was most likely to offer health screening to all employees.

The public sector was most likely to provide well-being benefits within the workplace, such as advice on healthy eating, healthy canteen options, access to physiotherapy, walking/pedometer initiatives, in-house gym and personalised healthy living programmes for employees, whereas the private sector was more likely to provide insurances, including private medical insurance, long-term disability/permanent health insurance/income protection, critical illness insurance and dental illness insurance.



**Table 27: Employee well-being benefits provided by employers (%)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
<b>Access to counselling services</b>					
All employees	62	49	48	87	78
Depends on grade/seniority	4	4	4	5	3
<b>Employee assistance programme</b>					
All employees	51	42	48	59	63
Depends on grade/seniority	3	4	3	2	2
<b>Stop smoking support</b>					
All employees	36	39	16	62	32
Depends on grade/seniority	1	2	1	2	0
<b>Health screening</b>					
All employees	34	36	23	54	21
Depends on grade/seniority	12	14	17	6	8
<b>Subsidised gym membership</b>					
All employees	30	25	33	34	25
Depends on grade/seniority	2	3	4	2	0
<b>Advice on healthy eating</b>					
All employees	27	22	17	47	25
Depends on grade/seniority	1	0	1	2	0
<b>Healthy canteen options</b>					
All employees	27	25	21	43	13
Depends on grade/seniority	1	1	1	2	0
<b>Access to physiotherapy</b>					
All employees	26	25	18	41	14
Depends on grade/seniority	2	2	3	2	2
<b>Private medical insurance</b>					
All employees	22	24	38	5	10
Depends on grade/seniority	33	58	43	2	21
<b>Long-term disability/permanent health insurance/income protection</b>					
All employees	22	25	33	11	11
Depends on grade/seniority	10	18	13	0	6
<b>Healthcare cash plans</b>					
All employees	22	22	25	12	30
Depends on grade/seniority	2	4	3	0	3
<b>Self-funded health plans</b>					
All employees	15	14	16	14	19
Depends on grade/seniority	2	3	2	1	0
<b>Walking/pedometer initiatives</b>					
All employees	14	11	7	25	21
Depends on grade/seniority	0	0	0	0	0
<b>In-house gym</b>					
All employees	13	9	11	25	3
Depends on grade/seniority	0	0	0	2	0



Table 27: Employee well-being benefits provided by employers (%) (continued)

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
<b>Critical illness insurance</b>					
All employees	12	12	22	2	5
Depends on grade/seniority	11	15	18	1	3
<b>Free fresh fruit</b>					
All employees	12	7	19	3	17
Depends on grade/seniority	0	0	1	0	0
<b>On-site massages</b>					
All employees	12	7	11	15	14
Depends on grade/seniority	1	1	1	0	0
<b>Dental illness insurance</b>					
All employees	11	10	18	3	8
Depends on grade/seniority	6	9	9	1	3
<b>Personalised healthy living programmes for employees</b>					
All employees	8	6	5	15	5
Depends on grade/seniority	0	1	1	0	0
<b>Personal accident insurance</b>					
All employees	6	10	8	0	5
Depends on grade/seniority	2	1	3	0	3

Base: 491

Despite the recession and consequent pressure on many organisations to cut costs, one-fifth (22%) of organisations increased and only 9% reduced their well-being spend this year, reflecting the recognised importance of well-being for many organisations. Nearly half (48%) reported their well-being spend remained the same, while one in five didn't know if it had changed.

Looking ahead to 2011, the proportion expecting to increase or decrease well-being spend are similar to this year, with 18% anticipating increases, 9% anticipating decreases, 52% remaining the same and 20% reporting they don't know. While there were no significant sector differences in well-being spend this past year, the public sector remain most pessimistic about the future, in anticipation of the announced budget cuts required to address the UK deficit. They are least likely to predict that their well-being spend will increase (15% compared with 19% in the other

sectors) and most likely to predict it will decrease (18% compared with 4–9% in the other sectors).<sup>33</sup>

Overall, fewer than one in five employers (17%) report that their organisation evaluates the impact of their well-being spend. Sixty per cent report they don't, while 23% didn't know. Public sector employers are most likely to evaluate well-being spend (25%) and private sector services the least (12%).<sup>34</sup>

Interestingly, organisations who evaluate their well-being spend were twice as likely to have increased their spend this year (41% compared with 20%) and half as likely to have decreased it (6% compared with 12%).<sup>35</sup> They were also more likely to predict it would increase in 2011 (30% compared with 17%).<sup>36</sup> This implies that evaluations of well-being spend generally conclude that investing in well-being is worthwhile.

# EMPLOYEE ABSENCE AND THE RECESSION

One-fifth of organisations report they have increased their focus on employee well-being and health promotion as a result of the recession. Over a third (38%) of employers have noted an increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months.

## Redundancies and absence

The recession has clearly had a significant impact on the majority of respondents' organisations. Nearly two-thirds of employers (63%) had made redundancies over the past 12 months and nearly one-quarter were planning to make redundancies in the coming six months. While fewer public sector organisations had made redundancies over the past 12 months compared with the other sectors (52% compared with 60% in the non-profit sector, 63% in manufacturing and production and 70% in private sector services),<sup>37</sup> the proportion was substantially higher than in the previous year (2009: 32%). Moreover, the public sector was most likely to anticipate redundancies over the coming six months (32% compared with 21% in the non-profit sector, 16% in manufacturing and production and 24% in private sector services).<sup>38</sup>

About half (51%) of respondent organisations use employee absence records as part of their criteria for selecting for redundancy (Table 28). Of the

remainder, 39% reported they don't use absence records for this purpose and 10% didn't know if they did or not. The use of employee absence records as part of the criteria for selecting for redundancy was highest in manufacturing and production organisations (72%) and lowest in non-profit organisations (33%).<sup>39</sup>

## Presenteeism

Redundancies or anticipated redundancies in organisations often lead to increased employee concerns over job security and one possible response to this is an increase in the proportion of employees who struggle into work when unwell. Nearly one-quarter of organisations reported that they had noticed an increase in people coming to work ill in the last 12 months.

Organisations that were expecting further redundancies in the coming six months were particularly likely to report that they had noticed an increase in people coming to work ill (29%

Table 28: The proportion of organisations using employee absence records as part of the criteria when selecting for redundancy (%)

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Yes	51	72	55	35	33
No	39	21	40	45	60
Don't know	10	7	5	20	7

Base: 560



compared with 21% of those who were not expecting to make further redundancies).<sup>40</sup> Organisations that had made redundancies over the past 12 months were not, however, significantly more likely to report that they had noticed an increase in the proportion of people coming to work ill.

Presenteeism can have a damaging effect on organisations' productivity. Not only are ill employees likely to work less effectively than usual, but they may be more prone to costly mistakes or transmit their illness to colleagues, resulting in a larger fallout in work efficiency. Presenteeism is also a sign of anxiety. Failure by organisations to address employees' concerns may lead to mental health problems and costly longer-term consequences.

### Mental health

This year's results suggest there has been a big increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months. This year over a third (38%)

of employers reported an increase compared with one-fifth (21%) last year (Table 29). The increase in reported mental health problems was observed across all sectors.

Organisations that had made redundancies in the last 12 months were more likely to report an increase in mental health problems than those who hadn't (40% compared with 34%).<sup>41</sup> Similarly organisations that were planning to make redundancies in the next six months were also more likely to report an increase in mental health problems compared with those who weren't (43% compared with 33%)<sup>42</sup> (Table 30).

Employers who have noticed an increase in people coming to work ill in the last 12 months were significantly more likely to report an increase in reported mental health problems over the same period (54% compared with 33% of those who hadn't noticed an increase in people coming to work ill). While this association cannot confirm causality, it is in line with other research findings that link presenteeism to

**Table 29: Respondents reporting an increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months (%)**

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Yes	38	37	37	39	40
No	53	59	58	41	51
Don't know	9	5	5	20	8

Base: 561

**Table 30: Respondents noting an increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months according to whether they have made, or are planning to make, redundancies (%)**

	Made redundancies in past 12 months		Planning redundancies in next 6 months	
	Yes	No	Yes	No
<b>Noticed increase in reported mental health problems</b>				
Yes	40	34	43	33
No	49	60	44	63
Don't know	11	6	13	4

Base: 561

mental health problems and underlines the need for organisations to take pre-emptive action to address employees' concerns in times of difficulty. Line managers also need to ensure they are aware of changes in employees' performance and behaviour and not just their attendance for timely identification of potential issues.

Despite the findings described above that a large proportion of organisations that had made or were going to make redundancies, and the corresponding negative impact that can have on employees' well-being, only one-fifth (22%) of organisations report they have increased their focus on employee well-being and health promotion as a result of the recession. Three-quarters report they haven't increased their focus, while 4% didn't know. There were no significant differences across sectors.

Organisations that had made or were going to make redundancies were just as likely to have increased their focus on employee well-being as those who hadn't. Redundancies can be a cause of significant stress and anxiety in organisations, including for those who remain, as they often have to cope with increased workload as well as the loss of colleagues and, for some, feelings of guilt that they still have their job – the so-called 'survivor syndrome'. Ensuring the well-being of employees at difficult times is paramount to avoid further erosion of efficiency as staff are placed under considerable stress. Organisations need to come up with innovative, low-cost solutions to ensure the well-being of their workforce during difficult times.



## CONCLUSIONS

The comparatively low absence levels recorded in this year's survey coincide with several findings that point to more proactive absence management. This year more organisations report they are recording their absence rate and monitoring the cost and causes of absence. There has also been increased uptake of a range of methods to manage absence, including employee assistance programmes and counselling. In addition, we have seen an increase in the proportion of organisations attempting to promote employee well-being. More organisations have an employee well-being strategy (or similar) in place and there is greater provision of flexible working options/improved work-life balance to reduce stress.

One-fifth of organisations increased and only 9% reduced their well-being spend this year – despite the recession-related pressures to cut costs – reflecting the recognised importance of well-being for many organisations. Our findings imply that investing in well-being pays off. Organisations that evaluate their well-being spend are more likely to have increased their spend this year and are more likely to increase it in 2011 compared with those who don't evaluate, suggesting that evaluations of well-being spend generally conclude that the investment is worthwhile.

Of course, the fact that the lowest levels of absence recorded by the CIPD in the history of its survey coincided with the recent economic downturn is unlikely to be mere coincidence. Widespread redundancies, anticipated redundancies and rising unemployment levels often lead to increased

employee concerns over job security. Our survey shows that half of organisations take absence rates into account when selecting for redundancy and, even where this is not the case, employees may feel the need to demonstrate their full commitment, even if this means struggling to work ill ('presenteeism'). At the same time non-genuine absence has fallen.

Non-genuine absence is obviously undesirable as it clearly reduces an organisation's productivity. Presenteeism, however, can also have a damaging effect on an organisation's productivity. Ill employees are likely to work less effectively than usual, they may be more prone to costly mistakes, or transmit their illness to colleagues. Presenteeism is also a sign of anxiety.

Failure by organisations to address employees' concerns may lead to mental health problems and costly longer-term consequences. The survey reveals that over a third (38%) of employers noted an increase in reported mental health problems, such as anxiety and depression, among employees in the last 12 months.

Redundancies have a clear impact on anxiety and stress level, including for employees who remain. Despite a large proportion of our respondents having made or going to make redundancies, only one-fifth report they have increased their focus on employee well-being and health promotion as a result of the recession. Ensuring the well-being of employees in difficult times is paramount to avoid further erosion of efficiency as staff are placed under considerable stress. There is a limit

to how long people can work under excessive pressure before their health suffers. Clear signals need to be sent to discourage presenteeism and pre-emptive action taken to address employees' concerns. Line managers need to ensure they are aware of changes in employees' performance and behaviour, and not just their attendance, for timely identification of potential issues.

The public sector in particular is in for difficult times ahead, with organisations in this sector most likely to anticipate redundancies in the next six months as well as cuts to their well-being (and various other) budgets. With workloads and organisational change/restructuring the top causes of work-related stress in a sector characterised by the highest rate of stress-related absence, it seems that further budget cuts and redundancies will exacerbate the problems of many.

The increasing gap between public and private sector absence levels and the vastly higher absence costs in the public sector are also likely to be of particular concern in the current climate, as policy-makers and the majority of public sector departments are tasked with making significant budget cuts while maintaining productivity and service levels. High absence levels obviously reduce productivity but also have knock-on effects as other employees may be placed under increased pressure and stress.

Yet, despite having the highest absence levels, the public sector is currently (and historically) most proactive in its absence management. Organisations in this sector are most likely to record their annual employee absence rate, monitor the cost and causes of absence, have a target in place to reduce employee absence and benchmark their absence performance against other employers. They are more likely to train managers in absence-handling and involve occupational health professionals. They are most likely to have an employee well-being strategy and adopt procedures designed to reduce sickness absence through promoting good health and flexibility.

Importantly, they are most likely to be taking steps to identify and reduce stress in the workplace and to be using the HSE stress management standards. Their use of employee assistance programmes and stress counselling has increased compared with previous years.

How much greater their absence level would be without such procedures and policies is unclear. What we know from the survey is that most of the public sector believe they can reduce their absence rates, however, and there has been a big increase in the proportion of public sector organisations that have a target in place to reduce employee absence. There are signs that they are getting tougher, with a notable increase in the proportion using disciplinary procedures to tackle unacceptable absence. Half the public sector employers we surveyed reported their absence levels had decreased compared with the previous year, although the trend was not observed for all and for a quarter absence levels had increased.

Effective absence management involves finding a balance between providing support to help employees with health problems stay in and return to work and taking consistent and firm action against employees that try to take advantage of organisations' occupational sick pay schemes.

Faced with a large degree of uncertainty, the public sector workforce in particular will need to be supported and their well-being monitored. Organisations need to ensure managers are equipped with the ability to communicate consistently and openly about changes in a way that also enables them to empathise with and address employees' concerns.



## BACKGROUND TO THE SURVEY

In June 2010 we received 573 responses to the online survey questionnaire. The survey comprised 43 questions exploring absence levels, costs and causes, as well as how organisations attempt to manage absence and promote health and well-being at work. As with last year's survey, questions were also included to examine the impact of the recession on employee absence rates. A new section this year looks at occupational sick pay arrangements.

Three-quarters of respondents (77%) answered the questions in relation to their whole company/organisation, while 16% answered in relation to a single site and 5% in relation to a single division.

Respondents come from across the UK. A quarter responded in relation to employees across the whole of the UK, while others replied in relation to employees in specific UK regions (see Table 31).

**Table 31: Distribution of responses by region**

	Number of respondents	%
East Anglia	21	4
East Midlands	35	6
West Midlands	37	7
North-east of England	20	4
North-west of England	37	7
South-west of England	40	7
Yorkshire and Humberside	27	5
South-east of England (excluding London)	71	13
London	57	10
Scotland	37	7
Wales	16	3
Northern Ireland	22	4
Whole of UK	144	26

Base: 564

Most respondents work in small to medium-sized organisations, in terms of the number of UK-based employees, but larger organisations are also represented (Table 32). One in eight respondents (13%) have global responsibilities.

**Table 32: Number of UK employees in respondents' organisations (% of respondents reporting for whole organisation)**

	%
10–49	6
50–249	28
250–999	35
1,000–4,999	16
More than 5,000	15

Base: 429



Respondents predominantly work for private services organisations (39%), while one-quarter (25%) work in the public sector, 23% in

manufacturing and production and 13% in non-profit organisations (Table 33).

**Table 33: Distribution of responses by sector**

<b>Manufacturing and production</b>	<b>127</b>
Agriculture and forestry	1
Chemicals, oils and pharmaceuticals	16
Construction	5
Electricity, gas and water	1
Engineering, electronics and metals	38
Food, drink and tobacco	20
General manufacturing	10
Mining and quarrying	1
Paper and printing	6
Textiles	3
Other manufacturing/production	26
<b>Private sector services</b>	<b>222</b>
Professional services (accountancy, advertising, consultancy, legal, etc)	44
Finance, insurance and real estate	25
Hotels, catering and leisure	9
IT services	22
Call centres	7
Media (broadcasting and publishing, etc)	5
Retail and wholesale	24
Transport, distribution and storage	29
Communications	4
Other private services	53
<b>Public services</b>	<b>143</b>
Central government	13
Education	19
Health	37
Local government	43
Other public services	31
<b>Non-profit organisations</b>	<b>72</b>
Care services	8
Charity services	23
Housing association	23
Other voluntary	18

Base: 564



### Note on statistics and figures used

Some respondents did not answer all questions, so where percentages are reported in tables or figures, the respondent 'base' for that question is given.

'Average' in the report is used to refer to the arithmetic mean and the standard deviation from the mean is reported where appropriate. The median is used in cases where the distribution is significantly skewed and the 5% trimmed mean where there are some extreme outliers. The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results in a better estimate of central tendency when extreme outliers exist. When the median or 5% trimmed mean is used it is noted.

With the exception of average working time and days lost, all figures in tables have been rounded to the nearest percentage point. Due to rounding, percentages may not always total 100.

Different statistical tests have been used, depending on the type of analysis and the measures used in the questionnaire to examine whether differences between groups are significantly different than could be expected by chance and to examine associations between measures. Tests used include Chi-Square ( $\chi^2$ ), t-tests, Anova, Spearman's rho and Eta. We report on statistics at the generally accepted level of significance,  $p < 0.05$ .

## FURTHER SOURCES OF INFORMATION

Visit [cipd.co.uk/2010absencemanagementsurvey](http://cipd.co.uk/2010absencemanagementsurvey) to access related products and services and to view previous Absence Management survey reports.

### Absence measurement and management

Read our factsheet, which provides guidance on absence policies, measuring absence levels and managing short- and long-term absence.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

Acas have published an advisory booklet on how to manage attendance and employee turnover. Available at: [www.acas.org.uk/](http://www.acas.org.uk/)

Download the guidance produced jointly by the National Institute for Health and Clinical Excellence (NICE) and the CIPD, which offers advice to employers about *Managing Long-Term Sickness Absence and Incapacity for Work*.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

### Well-being

Read our change agenda *What's Happening with Well-being at Work?* which provides case study examples of how employers are introducing the concepts of employee well-being into their organisations and identifies the impact of well-being on individuals and organisations.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

### Stress

The CIPD factsheet *Stress and Mental Health at Work* provides advice on identifying the key indicators of employees' stress, and outlines steps that people management specialists can take to manage organisational stress.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

Read our research insight *Preventing Stress at Work: Promoting positive manager behaviour*.

This research insight is the result of ongoing collaboration between the CIPD, Investors in People and the Health and Safety Executive on research into management competencies for preventing and reducing stress at work.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

### Health and safety

The CIPD factsheet *Health and Well-being at Work* gives introductory guidance on employers' duties to provide a safe and healthy working environment. It introduces the law on health and safety at work and outlines employers' obligations.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

### Occupational health

Take a look at our factsheet *Occupational Health*.

[cipd.co.uk/atozresources](http://cipd.co.uk/atozresources)

To stay up to date with the latest thinking from the CIPD, visit [cipd.co.uk/research](http://cipd.co.uk/research)

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We hope that you find the research useful when considering your own absence management practices.

Please contact us if you have any questions or ideas based on our findings ([research@cipd.co.uk](mailto:research@cipd.co.uk)).

# FOOTNOTES

<sup>1</sup>Chi Square=25.7, df=3, p<0.001, n=558

<sup>2</sup>F=13.8, df=3, p<.001

<sup>3</sup>Chi Square=13.0, df=6, p<0.05, n=539

<sup>4</sup>Average number of days lost per employee per year: t=4.3, df=49, p<.001

<sup>5</sup>Percentage of working time lost by workforce size: rho=.41, p<.001, n=424.

<sup>6</sup>Rho=.20, p<.001, n=499

<sup>7</sup>F=20.6, df=3, p<.001

<sup>8</sup>Percentage of absence accounted for by short-term leave by UK workforce size: rho=-.39, p<.001, n=372

<sup>9</sup>Paired sample t=2.5, df=66, p<.05

<sup>10</sup>Paired sample t=-3.2, df=78, p<.01

<sup>11</sup>Eta (dependent: does your organisation monitor the cost of employee absence?)=0.69, n=557

<sup>12</sup>Chi Square=21.2, df=6, p<0.01, n=564 (1 cell has expected count less than 5 reducing robustness. The minimum expected count is 4.72.)

<sup>13</sup>F=6.6, df=3, p<.001 (The top 5% outliers were removed prior to conducting the Anova to remove the extreme outliers and improve normality and homogeneity of variance. This resulted in 7 cases being excluded from the analysis and 144 included.)

<sup>14</sup>Chi Square=35.8, df=9, p<0.001, n=562 (4 cells have expected count less than 5 reducing robustness. The minimum expected count is 2.82.)

<sup>15</sup>Chi Square=15.1, df=3, p<0.01, n=528

<sup>16</sup>Chi Square=16.1, df=3, p<0.01, n=528 (1 cell has expected count less than 5 reducing robustness. The minimum expected count is 4.03.)

<sup>17</sup>F=14.1, df=3, p<.001, n=503

<sup>18</sup>F=34.2, df=3, p<.001, n=503

<sup>19</sup>Chi Square=10.1, df=3, p<0.05, n=543

<sup>20</sup>Rho=-.20, p<.001, n=469

<sup>21</sup>Chi Square=39.7, df=6, p<0.001, n=553

<sup>22</sup>Chi Square=23.1, df=4, p<0.001, n=506

<sup>23</sup>Chi Square=58.2, df=12, p<0.001, n=548

<sup>24</sup>Chi Square=60.7, df=16, p<0.001, n=541

<sup>25</sup>Chi Square=34.7, df=6, p<0.001, n=560 (1 cell has expected count less than 5 reducing robustness. The minimum expected count is 4.89.)

<sup>26</sup>Chi Square=81.4, df=6, p<0.001, n=560 (3 cells have expected count less than 5 reducing robustness. The minimum expected count is 2.19.)

<sup>27</sup>Chi Square=76.2, df=6, p<0.001, n=569

<sup>28</sup>Chi Square=18.3, df=6, p<0.01, n=245

<sup>29</sup>Chi Square=35.6, df=3, p<0.001, n=563

<sup>30</sup>Chi Square=14.1, df=6, p<0.05, n=561

<sup>31</sup>Chi Square=33.1, df=3, p<0.001, n=532

<sup>32</sup>Chi Square=43.6, df=4, p<0.001, n=525

<sup>33</sup>Chi Square=38.4, df=9, p<0.001, n=525

<sup>34</sup>Chi Square=23.5, df=6, p<0.001, n=525

<sup>35</sup>Chi Square=154.1, df=6, p<0.001, n=521

<sup>36</sup>Chi Square=134.5, df=6, p<0.001, n=524

<sup>37</sup>Chi Square=11.1, df=3, p<0.05, n=558

<sup>38</sup>Chi Square=47.6, df=9, p<0.001, n=562

<sup>39</sup>Chi Square=62.5, df=6, p<0.001, n=557

<sup>40</sup>Chi Square=16.2, df=6, p<0.05, n=562

<sup>41</sup>Chi Square=6.9, df=2, p<0.05, n=558

<sup>42</sup>Chi Square=23.4, df=6, p<0.01, n=561 (1 cell has expected count less than 5 reducing robustness. The minimum expected count is 4.45.)

<sup>43</sup>Chi Square=86.5, df=4, p<0.001, n=559



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