A guide to
ABSENTEEISM IN THE
MODERN WORKPLACE
Absence in the workplace

The cost in numbers

Possible causes of Absenteeism

The indirect costs of Absenteeism

Absentee Management Programs

Measuring Absenteeism

Transparent triggers for action

Promoting a positive message of attendance

About Peoplevalue
1 - Absence in the workplace

Absence can take both legitimate and illegitimate forms. These legitimate forms can range from the authorised absence of Annual Leave, Compassionate Leave and Paternity Leave, legislated and controlled by HR to short and long-term illness, still authorised but less controllable or predictable. Organisations will traditionally have mechanisms in place to counterbalance these authorised absences with additional or re-focused resources to reduce any negative impact on productivity or the organisation’s performance. More damaging to morale, motivation and productivity are the illegitimate forms of absence that constitute Absenteeism. At its very core, Absenteeism is a bane for any organisation looking to run a professional and profit-making business and is described as the frequent or habitual absence from work, which massively disrupts an organisation’s productivity and overall levels of service. Unauthorised absences such as “sickies”, “duvet days”, the persistent lateness of employees or days taken off when annual leave has been exhausted are far more damaging not only in terms of direct costs, but in terms of the indirect costs that filter down through an organisation from unauthorised absence.

2 – The cost in numbers

In their most recent survey, the Confederation of British Industry (CBI) estimated that 172 million working days were lost to Absenteeism in 2007. This deficit, averaging at 6.7 days off sick per employee, cost British Industry a staggering £13.2 billion last year. What is more staggering, is that the Chartered Institute of Personnel and Development (CIPD) stated as recently as July 2007 that though 80% of UK organizations collect information on the cause of Absenteeism, only 46% actually monitor the monetary cost of absence to their business. This gap needs to be reconciled as Absenteeism costs an estimated £517 per employee per year and this is a figure that is hard to ignore, but UK companies continue to make just token efforts to reduce absenteeism and only then when it has been identified as being detrimental to overall productivity and performance. Even though the majority of organisations collect information on the cause of Absenteeism, one in three employers believe that over 20% of absence isn’t genuine. In fact, “pulling a sickie” cost the UK economy £1.6 billion last year alone and this was just the direct costs.
3 - Possible causes of Absenteeism

Looking at the possible causes of absence, 95% of employees cite a common cold or flu as the cause of their sick leave, and stress was responsible for 13.4 million sick days in 2007, but the possible causes of Absenteeism and unauthorised absence is a much more convoluted and contentious issue. Each employee will have their individual reasons for their unauthorised absence with varying degrees of validity, but factors such as low morale and loyalty, excessive pressure, poor motivation or working conditions and general dissatisfaction have certainly been shown to influence rates of absenteeism. All of these factors are preventable with the right solution in place and reward and motivation specialists like Peoplevalue can work with you to combat the root causes of Absenteeism.

4 – The indirect costs of Absenteeism

The full scale of the problem becomes clearer when the indirect costs of unauthorised absence are considered. While the CBI and CIPD respectively, can estimate the costs incurred directly by industry, it is harder to estimate the extensive indirect costs of absenteeism on businesses at all levels. Unauthorised absences are in almost all cases accompanied by little or no notice. Replacing resources or delegating the work load with such short notice is not only inconvenient, time consuming and costly, but it also places an additional strain on other employees. Every unauthorised absence in its very essence creates a void which needs to be filled if levels of productivity are to be maintained and an additional workload which is either absorbed by temporary or replacement staff or shared by other employees. Unauthorised absence also has a domino effect on the organisation internally as it has an invariably negative impact on morale, customer service, the continuity of knowledge management and a business’ overall productivity. Workplaces in the 21st century are more interconnected than ever which has exponentially increased Absenteeism’s potential to be a contagion. Exacerbated by the increased interconnectivity, the inability to control unauthorised absence carries the risk of absenteeism becoming habitual and setting a precedence which could damage the organisational culture of any business. It’s not just the employers who may experience the negative effects of Absenteeism it’s the customer as well. Unauthorised absence also disrupts the workflow and availability of information which underlie successful customer service and enduring customer relationships. Absenteeism detrimentally affects the overall level of service a business is able to provide and this has not only the
potential for a loss of productivity, but for a loss of business as well. It is therefore invariably an issue that must be addressed and actively engaged.

5 – Absentee Management Programs

The best remedy for reducing the ill effects of Absenteeism and unauthorised absence in particular, is a comprehensive and flexible Absentee Management Program. In any organisation, people are the most important asset. As an Absentee Management Program deals exclusively with people, absentee management message should come from the heart of an organisation, its HR department with the re-enforcement of line managers. The lynchpin of any Absentee Management Program should be an innovative system for the proactive management of absenteeism, the monitoring of absenteeism, its effects and the promotion of a positive message of attendance.

6 – Measuring Absenteeism

The first step of mitigating Absenteeism is measurement. Monitoring Absenteeism throughout an organisation allows you to examine the causes and measure the volume of unauthorised absence from the workplace. This not only allows an organisation to understand Absenteeism among its employees more clearly, but also determines the scale of the problem and sets a benchmark against which all remedial measures can be objectively assessed.

7 – Transparent triggers for action

Flexibility is essential in any Absentee Management Program as it lets an organisation determine the sophistication of their system depending on the extent to which Absenteeism affects their business. This is especially relevant with the issue of unauthorised absence. A flexible system allows an organisation to set very transparent triggers which initiate actions such as return-to-work interviews and the involvement of occupational health with recurring short-term absentees, among other reactive measures which clearly demonstrate that excessive unauthorised absences will not be tolerated. A total transparency with these absenteeism triggers reduces the risk of resentment among employees with a one-size-fits-all approach ensuring that all employees are identically treated when it comes to absenteeism.
8 – Promoting a positive message of attendance

The reactive measures only account for half of a successful Absentee Management Program as they are merely interventions in the event of absenteeism. If Absenteeism in an organisation is to be effectively combated and the domino effect avoided, an Absentee Management Program needs to pro-actively promote a positive and clear message of good attendance. This message needs to come primarily from HR and from the organisational culture and work ethos, but also needs to be re-iterated by line managers who have direct and personal contact with employees. The promotion of this positive message can take several forms. An organisation can incentivise attendance by granting privileges to employees such as access to benefits schemes that can then be revoked if unauthorised absence becomes an issue and the reactive measures of the Absentee Management Program are triggered. If Absenteeism is especially costly issue in an organisation, there are more emphatic methods of promoting positive attendance available. Employees can actually be awarded for their attendance if Absenteeism is particularly detrimental to productivity and levels of service. Reward systems can be utilised to proactively award employees who meet targets of attendance. The introduction of a benefit or reward scheme into any Absentee Management Program is both simple to administer and highly cost-effective. Organisations will see a significant ROI as Absenteeism is pro-actively managed and its domino effects are drastically reduced leaving productivity to prosper.

Peoplevalue are market-leading reward and benefit specialists with innovative, tailored solutions to tackle Absenteeism. Why not contact Peoplevalue today for a free, no-obligation consultation to see how they can help you combat Absenteeism in your organisation.

9 - About Peoplevalue

People Value Limited design and deliver inspirational employee solutions for UK Businesses. We provide advanced web and print based technologies that serve over 250,000 users. Customers include BP, Capita, Corus, Hyundai, Norwich Union, npower, RAC, Rank and many more. Our unparalleled experience allows us to tailor the technology to meet the individual customer’s needs.
The use of Peoplevalue’s advanced solutions reduces absenteeism in your organisation and improves employee retention and motivation.

Peoplevalue employ a team of experienced professionals drawn from the fields of HR, Sales, Marketing, IT and Business Management. Our unparalleled experience allows us to tailor our solutions to meet the individual customer’s needs, combining creativity, knowledge and proven technology with an indomitable determination to provide the best service possible.