The role of HR in managing employee absence

A Vizual white paper
The role of HR in managing absence

Almost four in ten employers say the recession has increased their organisations focus on reducing absence levels and costs. The largest gaps and subsequent cost saving opportunities are in the areas of preventing absences and addressing the risks before they become more costly.

This is where HR can provide effective absence management and promote accountability. Providing accurate records and reports can illustrate trends and patterns with proactive assessment managers can recognise early indicators of an ineffective department.

Survey results show concern

Absenteeism in the workplace remains a challenge for employers, with the average cost of absence per employee rising to £692 in 2008 from £666 in 2007. Results provided by the 2009 survey by the Chartered Institute of Personnel and Development.

Minor illnesses are the main causes of short term absence which impact on a business harder than longer term, more manageable absences such as stress.

Only 41% of employers asked monitor the cost of absence, and of those employers that do monitor the cost the three most common types are occupational sick pay, statutory sick pay and rising cost of replacement labour.

Absence can be broken down into two main types, Short term and long term. Short term absence relates to minor illnesses such as colds, flu and stomach upsets and these form the main cause of short term illness. Other forms are musculoskeletal conditions such as RSI and back pain common among manual workforces.

Stress is the number one cause of Long term absence within non manual workers according to the CIPD survey. More than a quarter of employers have reported a rise in stress-related absence due mainly to long working hours and financial concerns.

Approaches to absence management

In order for employers to manage and monitor employee absence there is a need for a clear absence management system. This needs to enable organisation’s to set out the expectations in terms of attendance and absenteeism and highlight the procedures that should be applied in dealing with both.

The most commonly used approach to manage shorter term absences remains the return to work interview with a recorded 83% of companies opting for this approach, however the use of electronic ‘trigger’ systems is becoming more prevalent. These systems have the ability to record and highlight various kinds of holidays, sickness and absence. Allowing you to create variations and different allowance types, and record both full-day and part-day absences.

These Absence Management Systems enable companies to spot trends and patterns in employee absence and discover what the underlying causes of absence are for there organisation, this in turn can aid in the reduction of absenteeism.

Counting the cost of absenteeism

Based on the cost of absence per employee per year.
Employee wellbeing

Absence management is not only important to the employer but also the employees. Over recent years, awareness of health issues and the impact of lifestyle choices can have on productivity has shown a rapid increase. Employers have come to recognise the importance to business of building an actively engaged and healthy workforce, leading to investment in the wellbeing of their employees.

Through the analysis of absenteeism employers are much more likely to spot patterns in an individuals working life. This can then be brought to the employees’ attention making it easier for issues to be discussed and hopefully resolved. This not only aids line managers when broaching difficult situations but also makes the employee aware that there wellbeing is important to the company and that a resolution is mutually beneficial.

Counting the cost of absenteeism

Based on the average days lost per employee per year.

<table>
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<td>6.6</td>
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An organisation’s attendance policy is designed to minimise the business costs of absence by addressing the causes, whether genuine or not. While the existence of policies is one thing, what is important is whether they are applied in practice via methods such as an absence management system.

The results of the CIPD survey showed that employers believe 15% of absence is not genuine, costing the economy £2.52bn a year, they also recognise the importance of dealing with genuine absence. This is particularly true of work related absence.

It is important for employers to recognise if a member of their workforce is persistently absent so that they can use the data they have to aid in identifying what the key-drivers are.

Helping employees work through their absence can ensure that they are happy, working productively, reduce HR admin time and save the company money.

References: CIPD: Absence Management Annual Survey Report 2009
CBI: On The Path To Recovery: Absence and Workplace Health Survey 2010

For help managing your employee absence, go to www.time-attendance.co.uk
Recording absence data

An effective absence management system identifies and addresses absence causes via accurate recording and this means that casual absences, intermittent or patterned absences and disability are managed in an integrated manner to optimise risk avoidance. When unhealthy behaviour is identified early, it is far more likely that the behaviour can change.

Proactive attendance management systems are now widespread and have helped to reduce levels of absence over the past 25 years. Having the ability to track company holidays and notify supervisors or line managers when more than a set amount of people are off at any given time is particularly advantageous. It allows companies to plan what their core staff should be so that if an employee requests a holiday which takes their department below this base line they are notified immediately.

Monitoring attendance and absence of employees accurately and efficiently can save a company time and money. This is particularly true of large organisations where absence rates are proven to be higher. For example if you take a company who is using a manual method of tracking the attendance of employees the chances of those records being kept accurately are significantly lower than those adopting an electronic absence management system. The reasons for this could range from human error to the falsifying of timesheets.

Comprehensive reporting

A company using an absence system can input specific working hours, breaks, lunch periods and overtime rules making sure that every minute of an employee's working day is accurately recorded. This information can then be used to create a wide variety of reports not only for the company as a whole, but also specific departments and even down to individual employees.

These reports can then be used to spot company trends. Around half of employers (49%) in a recent survey said they believe there is a definite or possible link between employee absence and the start or end of the week, and a similar proportion believe there is a definite or possible link to summer, Christmas or school holidays.

By using absence management software a business can create a report to show absence rates for specific periods of time. A good example of this includes looking back historically and to see exactly what proportion of the workforce were off during a national event such as a sports tournament. This data can then be used to track must see matches to see whether certain individuals are specifically taking time off during their chosen games. Authorised absences can then be separated from the unauthorised absences.

This level of functionality not only helps employees to know exactly who should be working when, but it can also be used to back up any absence related disciplinaries, with accurate calendars and reports at the touch of a button.

Conclusion

There is no 'quick win solution' to managing absence, and one size does not fit all – but neither is it impossible to reduce absence nor technically difficult to find the right solution.

What is required is a system of initiatives, focused primarily on good quality leadership handling absences, linked to an absence and performance management system.

References: CIPD: Absence Management Annual Survey Report 2009
CBI: On The Path To Recovery: Absence and Workplace Health Survey 2010

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