



THE COST OF EMPLOYEE ABSENCE

*Employment Law Advisory Services
White Paper 2019*

Part of the **ELAS** group of companies





Introduction

For every business, your employees are your biggest asset. They're the foundation of everything that your business will ever achieve and the reason for every success. So, it makes sense that as a business, you should invest heavily in the health and wellbeing of your staff. But not every business takes this view.

Implementing an absence management system allows your business to identify the actual cost of employee absences, all whilst providing real business benefits including increasing employee productivity. But most importantly it promotes the wellbeing of your employees. An absence management system allows your business to monitor all employee absences and complies with the formal procedures that ensure you are adhering to your legal responsibilities.

Overall, investing in a sound absence management process should save your business both time and money.

Definitions

Short Term:

Short term absences - those that last a day or two - are the most common cause of sickness absence. If an employee is unable to attend work they should let their employer know as soon as possible.

Long Term:

Long term absences are more serious in nature and often involve sick notes. Examples of long term absences include illnesses, operations (including recovery time) and mental health issues.

ABSENTEEISM TRENDS

Blue Monday

The powerful trend was first coined in 2005 to refer to aspects such as weather conditions, debt levels, time since Christmas as well as national motivation levels; all which contribute to that 'blue' feeling. More worryingly, a study by the University of Exeter shows that the third Monday of January has the potential to cost the UK economy £93 billion.

It's important that employers fully understand the effects that stress can have on both individual and workplace productivity.

AS MANY AS ONE IN SIX UK WORKERS WILL BE AFFECTED BY A MENTAL HEALTH CONDITION OR PROBLEM RELATING TO STRESS, WHICH EQUATES TO 70 MILLION LOST WORKING DAYS A YEAR.

Blue Monday is a time when unauthorised staff absences increase exponentially as employees try to get back into their normal routine after the busy Christmas break. Blue Monday, and indeed January as a whole, is a period during which many unauthorised absences, or sickies, occur. Employers should be aware of the pressures staff may be under and be proactive rather than reactive in their approach to the 'Monday Blues.'

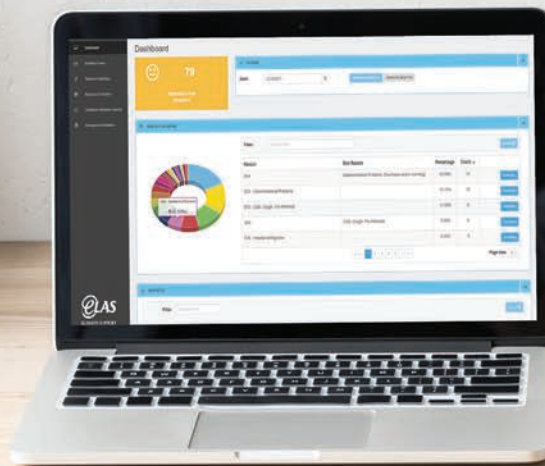


Adopt a responsive approach to identify those with issues and provide support to manage health problems effectively through early recognition and appropriate management (including early access to counselling or by providing advice on wellbeing).

Organisations that take the time to offer flexible working options are less likely to report "pulling a sickie" as one of their top five causes of absence and additionally find that employees are less likely to attend work whilst unwell, helping avoid presenteeism.

ATTENDANCE PRO

Highlight emerging trends before they become a problem



Reduce absenteeism by up to 60%*

*Figure taken from absence reduction recorded during 2016-2017

Attendance Pro

In January 2019, ELAS released an analysis of their Attendance Pro data for the previous year. The data was collected from a pool of over 130 companies and 9000 employees and detailed the most popular dates and times to call in sick to work from 2018.

Figures revealed that employees are most likely to call in sick between 7-8AM, with 7AM on Monday 15th January receiving the 'Sickie Hour' title, as employers received the most absence calls at this time across the entire year.

As a contrast, August was deemed the healthiest month across all companies, with the fewest number of absences across the country, both in total and the average rate per week. The reasoning behind this could be due to the fact cold and flu cases are at their lowest in the middle of summer, and those who suffer with S.A.D (Seasonal Affective Disorder) are least likely to suffer in the middle of summer.

National Sickie Day, which was once the first Monday in February, didn't reach the 'Top 30' most popular days for absences, which reinforces the fact that it's well and truly irrelevant within modern workplaces.

TOP 10 ABSENCE DAYS OF 2018!

Research data sourced from

ATTENDANCE PRO

2018 TOP 10 HIGHEST ABSENCES	
1.	Tue 2 nd January
2.	Mon 8 th January
3.	Mon 15 th January
4.	Mon 12 th March
5.	Mon 10 th December
6.	Mon 26 th February (storm)
7.	Wed 28 th February
8.	Mon 16 th April
9.	Mon 8 th October
10.	Mon 15 th October

Unhappy at Work

People spend a lot of their time in work, and the extent to which a job can affect personal wellbeing cannot be understated.

With one in four Brits unhappy at work, there is no denying that this will be spilling over into their personal life as well. Nearly two thirds of employees have experienced negative effects on their personal life including physical and mental health problems, poor relationships and poor home life as a result of being unhappy at work.

“I can’t come to work today as I’ve moved house over the weekend and now I live too far away”

“I’ve cut my hand whilst preparing an avocado, so I can’t drive to work”

“My cat has hiccups and I can’t leave her”

“My fingers are stuck in a bowling ball”

There are four simple steps which a company can take to help ensure their employees maintain a good work/life balance:

- Have defined working hours. Ensure that employee workloads are manageable within these time constraints and employees have proper breaks
- Encourage a culture of openness. Employees must feel able to speak up if the demands placed on them are too great
- Train managers to recognise the signs of stress and a poor work/life balance in employees. Know the effects that stress can have on a person and put preventative measures in place
- Put in place policies that acknowledge the links between work-related stress and mental health. Regularly monitor and evaluate policies against performance indicators i.e. sickness or staff satisfaction

“I won’t be in work today as I didn’t get a pay rise like my colleague”

(this colleague only got the usual NMW increase)

IMPACT ON THE WORKPLACE

Unplanned Absences

The Office for National Statistics calculates that employees in the public sector are likely to take more sick days than those working in the private sector. Public sector organisations experience a median of 3.5 per cent of working time lost due to sickness absence, equivalent to 8.1 days per employee. While private sector service organisations lost a median of 2.2 per cent of working time to sickness absence, translating to around 5.1 days per employee.

In a workplace environment flu can spread quickly, impacting the health of your employees, productivity and profitability. Small businesses can be particularly vulnerable as they will be impacted more when multiple staff are out ill.

The flu virus is extremely contagious and can spread up to 6 feet through droplets from sneezing or coughing - it can even be spread through talking. You can be infected with the flu virus before you start showing symptoms. You can also spread the flu up to 7 days after your symptoms have disappeared.

Employees need to know that fabricated reasons for missing work will not be tolerated. To minimise the impact 'sickies' have on businesses, it's important that employers take the issue seriously. Record all instances of lateness and absence. Conduct back-to-work interviews and crucially, have clear policies and procedures in place. You must regularly communicate these policies and procedures to your staff.

Dealing with Frequent Absence

Every modern business should have a robust occupational health programme, designed to protect the health and wellbeing of their staff. The role of occupational health within modern workplaces is becoming more and more important. Many businesses are starting to realise that the health and wellbeing of their employees is (partly) their responsibility.



THE BENEFITS OF PREVENTING ABSENCE

Being Proactive

While many companies record absences, they don't necessarily consider how they can take corrective steps to proactively prevent them recurring. When managing musculoskeletal absences for example, employers should consider the worker's activities, ergonomics and appropriate training.

By educating employees and making sure the correct training, equipment and strategies are in place to manage risks associated with the work your company does, you are more likely to reduce the long term absence rate due to injuries.

Employers should also put strategies in place to build a resilient workforce which includes appropriate consideration for stress, anxiety and other mental health related disorders. Managers should feel empowered to ask the right questions and offer support.

Research has shown a proven return on investment of between £2-9 for every £1 spent on proactively creating a healthy workplace, including private medical treatment for employees. Therefore, the benefits to be gained by having a healthy workforce greatly exceed the cost of putting a scheme in place.

The best solution is to have an occupational health provider that understands the needs of your company and can tailor their approach to getting your employees back to work. The benefit with an occupational health service is that they are an unbiased third party that can see the risks associated with the working environment and will ensure that the needs of both the employees and the company are met.



“ MANAGERS SHOULD FEEL EMPOWERED TO ASK THE RIGHT QUESTIONS AND OFFER SUPPORT ”

Recruitment and Retention

Your staff are integral to your success. Your ability to not only recruit the best available candidates but also to retain your existing top talent must be something you invest in. This could be by offering something as simple as a comprehensive employee perks package, free parking, on site gym or anything that sets your business apart from your competitors locally and nationally.

Many businesses are now promoting a healthy lifestyle internally and a simple way to do this is to invest in weekly fruit baskets for your staff. By providing something as simple as free, healthy snacks you could see improvements in many areas of your workforce.

First and foremost, if your staff are ditching the traditional snacks such as crisps, chocolate, sweets etc, in favour of fruit, over time they will experience overall positive health benefits. Additionally, it could also help combat compulsive lateness as employees are able to get a healthy breakfast in work which gives them extra time in the morning.

Increasing Productivity

Obviously, if your staff are more productive then your business will be more productive. But how can you increase productivity whilst also benefiting the overall wellbeing of your staff? As we've already mentioned, providing free fruit for your staff could be one way to look after their health but could this be taken a step further?



Whilst it's not always cost effective to provide a fridge stocked with brain boosting foods, encouraging staff to drink more water has been proven to help increase workplace productivity. This is because dehydration has been proven to impair your cognitive ability, so keeping your staff properly hydrated should lead to happy and productive employees.

Most workplaces provide a water cooler but with water coolers comes 'water cooler talk'. However, this time spent chatting with colleagues can often inspire fantastic ideas so next time you see your staff talking about last night's TV whilst grabbing a glass of water, maybe fight that urge to tell them to get back to work; you never know what ideas even the most mundane conversations could inspire.

“ **BY PROVIDING SOMETHING AS SIMPLE AS FREE, HEALTHY SNACKS YOU COULD SEE IMPROVEMENTS IN MANY AREAS OF YOUR WORKFORCE** ”


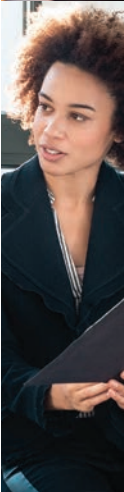



SUMMARY





When employees are not in work, they're costing your company money and if you don't offer sick pay, they're losing money themselves. Both situations are going to negatively impact your workplace, so anything that can be enhanced or brought in to reduce this will be a positive step towards a happier and more successful business.

THERE ARE TWO MAIN SCHOOLS OF ACTION TO TACKLE THIS: PREVENTION AND ANALYSIS.



Prevention looks at the ways in which the company can help reduce employee absence through factors that they can control. It may be making the workplace a happier and healthier environment, encouraging a healthier lifestyle, promoting mental health checks and openness and even recruiting and retaining staff. All of these methods prevent employees from taking time off when they're on the fence about whether they should come into work.



Analysis allows for employers to take a wider look at the trends for absence in their company. Using software such as Attendance Pro, employers can easily recognise trends within the workplace and might be able to talk to an employee about absence trends if a problem is to arise. This software and action enables employers to approach the situation with clear facts, rather than guess work and speculation.



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