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A Review of Current Research into Absence Management

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1. Introduction

This report reviews the most recent findings in absence statistics and attendance management. This will serve as a resource for researchers and HR managers attempting to understand what can be done to improve attendance management, and also to compare and contrast the various absence statistics amongst different business types, and job functions.

1.1 Structure

Building on the model set out by Silcox and Ballard in their report '*Sickness Absence -The Background Statistics*' (1998), this review will update the findings on absence and attendance management, and discuss general developments in each of the surveys included in the original. The reports and surveys summarised in this review are:

- THE CBI Annual absence and labour turnover survey (2002)
- THE CIPD Employee Absence (2002)
- The Work Foundation 'Maximising Attendance' (2002)
- Norwich Union's Managing Absence and Employee Healthcare (2001)
- Sickness Absence in Local Government, Employers Organisation (2001/02)
- Analysis of Sickness Absence in the Civil Service, Cabinet Office (2001)
- Social Services Sickness Absence Management Report, Employers Organisation (Summer 2002)

A summary of the findings from these reports and surveys can be found in the Appendix at the end of this report.

A brief description of the methodology used, and the nature of the data will be used to introduce each survey summary. This will then go on to provide the relevant absence data, and discuss the management practices and policies which have been employed, and/or recommended. Finally, the review of each survey will provide some overall conclusions combining the findings about absence data and attendance management policies.

1.2 Measuring absence

The methodologies used by the surveys reviewed in this report, vary as widely as the methodologies employed by organisations themselves. The collection and analysis of absence data, where conducted, differs considerably in three main ways:

- nature (the variables examined)
- quality (method of data collection and compilation)
- reliability (the accuracy of given indicators to portray a given subject).

Absence itself can be measured in many different ways. Most organisations use the number of days lost, either as a direct figure, or in relation to the total number of working days per year, to produce a percentage. In order to relate the impact of long-term versus short-term absence, other methods are employed such as the 'Time Lost' measure, and the 'Bradford Factor'.

While 'Time Lost' measures the percentage of shifts worked against those available, the 'Bradford Factor' weights absence to reflect the number of spells taken (which more accurately reflects the balance between long-term and short-term absence). The 'Bradford Factor' is calculated using the following formula: Absence = D (S×S), where D = total days absence over a set period, and S = spells of absence over the same period.

The collection of absence data, and the methods employed, also impacts on the findings. When researching the causes of absence, for example, various elements have the potential to completely alter the outcomes:

- who is being asked: is it the employee, the manager, or the GP?
- how are they being asked: is it cause as stated on a certificate, an option from a list of possibilities, are managers being asked to recall particular causes of absence, or to generalise all absence causes?
- how many have responded: in larger surveys that looked at causes, not all respondents were able to provide the appropriate data, which results in a small sample and an inaccurate representation of the overall group.

Also important to note, is that when increased efforts are made to accurately record absence data (particularly in combination with focused absence management strategies), absence rates are sometimes seen to increase. As the quality of reporting and recording improves, fewer absences go unreported, which results in an increase on previous absence records. When more stringent recording is combined with attendance management strategies, however, this increase should subside.

2. Annual Absence and Labour Turnover Survey (CBI)

This report summarises the findings of the fifteenth annual survey of absence and labour turnover conducted by the Confederation of British Industry (CBI), with the first survey being conducted in 1987. It collected data between January and February of 2002, which reflected on the time period between January 1 and December 31 of 2001. For the purposes of this report, only the information regarding absence will be reviewed here.

2.1 Methodology

The CBI attempted to gather a representative sample of private and public industry and business in their survey of 746 organisations. The survey completed by senior managers and HR professionals represents a total of 2.3 million employees (approximately 9 per cent of the UK's total workforce). It includes organisations from all regions of the UK, from all industry sectors, and covers organisations of all sizes. In this way they aimed to create an accurate picture of absence and labour turnover in the UK. The CBI also reminded readers that there was considerable variation between these variables, and that employers using the data to benchmark their own performance were best to use only those organisations with similar profiles (size, industry type, region *etc.*).

2.2 Absence

In regards to time lost through absence, the CBI found the lowest absence rates ever, since starting the survey in 1987, with an average of 7.1 days lost per employee. Within this figure, however, their was a difference between manual and non-manual absence rates, with manual employees averaging 8.8 days and non-manual employees averaging 5.5 days per year. The CBI observed that this difference has varied over the last fifteen years, with the gap closing steadily up to 1998 (where it reached 1.8 days difference), it has since been on the rise despite decreases in average absence in both groups (in 2001, and in the previous three years).

The CBI report found that absence rates were highest amongst public sector employees, with 10.1 days lost per employee on average, compared to 6.7 days across the private sector. This gap between the public and private sectors has been steadily increasing over the last few years. There has also been a steady increase in the difference between the best and worst performers within the private sector. Within the private sector, transport and communication had the highest absence rates, while IT/hi-tech services had the lowest absence rates.

The CBI, as with other surveys of this nature (Bevan and Hayday, 2001), found a correlation between workplace absence and company size, in that the larger the company was found to be, the more days were lost to absence (on average per employee). The CBI's analysis attributes this difference to the increased peer pressure and greater involvement in absence management by senior managers found in smaller organisations, both of which have been shown to have a positive impact on reducing absence.

While there was no correlation found between regions and absence rates, there was a certain amount of variance. In 2001, absence rates were highest in Northern Ireland (9.1 days per employee), the Northwest (8.5 days), and Yorkshire and Humberside (8.4 days). The lowest absence rates were in the regions of Greater London (6.4 days), the Southeast (6.0 days), and the Southern region (5.1 days).

2.3 Rising costs of absence

The CBI's survey queried both the direct and indirect costs of absence, by way of estimation and calculation. Direct costs were based on the salary costs of absent individuals, replacement costs, and lost service or production time. Indirect costs, where calculated (only 9 per cent of companies were found to monitor indirect costs) were based on lower customer satisfaction and poorer quality of service or products, leading to the loss of future business.

The median costs of absence were:

- direct costs = £476 per employee
- indirect costs = £222 per employee.

The direct costs had risen from the previous year's cost of £434 per employee, marking the first reversal of an otherwise downward trend in direct absence costs. Only a small number of companies were able to provide an estimate of indirect costs, so the figures above must be treated with caution.

Absence costs between private and public sectors were found to vary considerably, with private sector absence costs being traditionally lower, despite a slight increase in 2001. While

absence costs rose in both sectors (from £432 to £474 in the private sector, and from £482 to £518 in the public sector), the gap between the public and private has narrowed (from £50 to £44).

The 2001 CBI survey introduced a new question to their research, asking respondents whether they have examined the relationship between employees' health when they are at work and their performance. While most had not considered this, amongst the small group of those who did, 66 per cent found a strong correlation between employees' state of health and their performance in work.

2.4 Causes and cures

In regards to causes of absence, the CBI 2001 survey found the following:

- as compared to previous survey results, there was marked increase in the number of companies that monitored and collected data on the causes of absence in their organisations
- going by employers' perception of the causes of absence, general illness was found to be the most prevalent reason for both manual and non-manual employees
- however, the second most prevalent perceived cause of absence amongst manual employees was 'paid sickness seen as entitlement/unauthorised holidays'
- under the heading 'general illness', minor short-term illness was the most prevalent in both manual and non-manual employee groups. However, recurring illness and serious long-term illness were considered second and third most frequent amongst manual employees, and stress was seen to be the second most prevalent cause of absence within the non-manual employee group.
- while the majority of absence spells were due to short-term absence (less than 20 days, 95 per cent) a significant proportion of working days were lost to long-term absence (more than 20 days, 31 per cent).

In addition to assessing absence rates, the CBI survey also reports on the state of attendance management. Amongst the organisations surveyed, it was found that line managers tended most frequently to be responsible for absence management (73 per cent). It was also found, however, that only 51 per cent of these managers received (or were offered) any absence-related training.

When examining the relationship between absence management and absence rates, an interesting observation was made. In particular, it was found that those organisations that had senior managers responsible for managing attendance had the lowest absence rates. Similarly, absence rates were highest were line

managers were responsible for managing attendance. The gap in absence rates between these two types of organisational structures resulted in a difference of just over two days on average, per employee.

Respondents were asked to select from a range of possible options the absence management tools which were used in their organisation, and to indicate how effective they perceived each to be. The most frequently used tools included (in descending order of frequency):

- return to work interviews
- discipline procedures
- providing supervisors with absence statistics
- formal notification procedures.

A similar list results from those tools perceived as being most efficient in managing absence, but with 'formal notification procedures' taking third place above 'providing supervisors with absence statistics'. However, just as the absence rates varied between manual and non-manual employees, so did the effectiveness of different absence management approaches vary between the two groups of employees. The CBI recommends that employers take time to consider tailoring policies to the needs of the workforce.

Rehabilitation policies were found to be utilised mostly by larger organisations; however, in total 48 per cent of those surveyed had made arrangements for the rehabilitation of employees. Also, it was found that 93 per cent of organisations had implemented transitional working arrangements for employees returning to work from absence, and 80 per cent had introduced counselling support.

2.5 Conclusions

While overall absence rates fell, major differences still exist between manual and non-manual employee groups, in addition to difference between private and public sector absence rates. Also, while absence rates declined, the costs of absence had risen for both the private and public sectors. Absence management was found to be mostly the responsibility of line managers; however, it was most effectively administered by senior managers, thereby resulting in lower absence rates.

3. 'Employee Absence in 2002: A Survey of management policy and practice' (CIPD)

This report summarises the results of the Chartered Institute of Personnel and Development's (CIPD) third survey of this kind, examining the rates and costs of sickness absence in the UK. This year's report had the further aim of highlighting absence management approaches which have been proven successful in reducing overall absence, and particularly long-term absence.

3.1 Methodology

The survey was conducted in February 2002, amongst a randomly selected sample of 7,000 people management specialists. This sample received questionnaires that contained twenty-five questions pertaining to absence levels, costs, and causes, as well as methods and practices for managing sickness absence.

The survey achieved a response rate of 17.5 per cent, equal to 1,312 successful replies. The CIPD calculated that their sample represented approximately 1.7 million employees, or 6.2 per cent of the total UK workforce (based on figures from the Labour Force Survey, 2002).

Organisations were categorised by industry sector (manufacturing and production, private sector services, public services, and not-for-profit), and by specific business area. In addition, companies were categorised by workforce size.

3.2 Absence rates

This survey found an overall absence rate of 4.4 per cent of working time, equivalent to ten working days per employee (based on a working year of 228 days). However, this figure represents only 1,095 organisations, as 15 per cent of those surveyed did not collect sickness absence data in their organisations. It was found that organisations in the public sector were more likely to collect absence data (90 per cent) than those in the private sector, in which 23.5 per cent did not do so.

3.2.1 Changes in absence rates

While 2002's overall absence rate marks an increase on the rates for 2000 and 2001 (3.8 per cent), the highest levels of absence remained in the same industry sectors, such as particular parts of manufacturing (food, drink, and tobacco) and among public sector employees. The survey analysts do suggest that their estimate of overall absence may be exaggerated by their large representation of major employers (42 per cent of the sample have 500 or more employees). This is supported by their finding that among business with 100 employees or less, there was an overall absence rate of 3.7 per cent (compared to a 4.7 per cent absence in business of 2,000+). In terms of region, the Southeast was found to have lower than average absence (3.6 per cent), and organisations in Wales and the Northeast were higher than average (5.1 per cent and 5.0 per cent respectively).

The rise in the overall absence rate also conflicts with people management professionals' own estimation of increases or decreases in absence levels. 41 per cent believed that absence had decreased in the last two years, 31 per cent believed it had remained the same, and 28 per cent felt that absence had risen (23 per cent were unable to answer this question). Increases in absence levels were associated with changes in recording absence data, and changes in workload. Conversely, decreases in absence were associated with tightened policies for reviewing attendance, in addition to changes in recording absence.

By asking respondents to estimate the proportions of absence by duration (65 per cent of whom were able to respond), the CIPD survey was able to determine that 57 per cent of all absence is made up of short-term spells (absence less than five days). A further 19 per cent of absence is made up of five days to four weeks, and 18 per cent of four weeks or longer.

3.2.2 Costs of Absence

Just under half of the organisations surveyed monitor the cost of sickness absence (48 per cent). However, this varied considerably between industry sectors:

- 56 per cent of manufacturing and production
- 46 per cent of service sector employers
- 36 per cent of public sector.

The factors taken into account when calculating costs of absence vary; however, most include occupational sick pay costs (79 per cent), and/or statutory sick pay (72 per cent). Much fewer include the costs of replacement labour (40 per cent), overtime costs (35 per cent), or reduced performance (21 per cent), suggesting that available absence costs may be considerably underestimated.

For those organisations calculating costs (31 per cent), the average cost of absence is £522 per employee (an increase of 7 per cent from 2001). Due to the small number of organisations calculating costs, a further analysis of costs by sector and workforce size would be unreliable.

In order to gain an understanding of the impact of absence costs on businesses, all respondents were asked to rate the significance of absence on overall costs. This revealed that most employers perceived the cost of absence as significant (66 per cent), or very significant (25 per cent). Only five per cent considered the cost insignificant. Although there was little variance between sectors, the size of workforce did seem to affect perception, with smaller organisations tending to be less concerned: 40 per cent of those employing 100 or less said costs were insignificant, compared to two per cent of organisations that employed 2,000 or more, taking the same view.

3.3 Causes of sickness absence

Across all sectors, 79 per cent of organisations surveyed collect data regarding the cause of absence. The most common cause of absence for all types of employees (including short-term and long-term absences) is minor illnesses such as colds or flu. Absences of four weeks and over are more likely to be due to stress among non-manual staff, and back pain amongst manual staff.

Long-term absence as a result of stress was not only correlated to non-manual employees, but was also more likely in large organisations (68 per cent in organisations of 2,000+ employees versus 33 per cent in organisations with less than 100 employees), and in public sector organisations (64 per cent in public sector versus 30 per cent in manufacturing and production).

3.4 Attendance management

Most organisations surveyed have a sickness management policy; however, this was more likely in large organisations (94 per cent with 2,000+ employees) than in smaller organisations (74 per cent). Public sector employers were also more likely to have policies (94 per cent) than manufacturing (82 per cent) and private sector services (78 per cent).

Many of the organisations also had specific long-term absence management strategies (89 per cent). These strategies included providing sickness absence information to line managers, having absence triggers and involving occupational health professionals. The most effective approach to managing long-term absence was maintaining regular contact with the employee, in combination with referral to the occupational health department.

Helping employees return from long-term absence was managed in a variety of ways, the most frequent being the use of return-to-work interviews (82 per cent) and maintaining regular contact with employees during absence (90 per cent). The take-up of these, and all other methods, was more frequent in the public sector than any other.

Finally, it was found that most organisations (62 per cent) do not benchmark their absence management performance against that of other organisations, although public sector organisations were more likely to do this. Encouragingly, it was found that over half of employers surveyed (57 per cent) had made changes to their absence management policies in the last two years. Some of these changes included complete revisions (25 per cent), the addition of return-to-work interviews (22 per cent), or the introduction of follow-up, review or monitoring procedures (21 per cent).

4. 'Managing Best Practice: Maximising Attendance' (The Work Foundation)

The Work Foundation (TWF) report compiles the data gathered in three research segments: a survey of human resource specialists drawn from the Foundation's database, a case study summary (covering six organisations), and consultancy advice based on the research findings of the survey and the case studies. For the purposes of this review, only the results of the survey will be examined in detail, while the case studies and consultancy sections will be referred to only briefly.

4.1 Methodology

The survey was carried out in April 2002, and had 403 respondents. It gathered information about absence rates, the costs of absence, and management strategies employed to help reduce absenteeism. The respondents, who were randomly selected (representing a 7 per cent response rate), broadly reflect the distribution of regions, sector areas, and company size from the population in general. However, this is not representative.

Included in the report are the summaries of six case studies which were conducted with organisations varying in industry, region, and size. The case studies examine the organisations' backgrounds, looks at their aims in attendance management, and then reviews their strategy and practice, making note of areas for potential improvement.

Finally, the consultancy section reports (in question and answer format) on an interview conducted with Stephen Bevan, about best practice in attendance management.

4.2 Absence rates

The Work Foundation found that for the first time since 1996, absence rates had increased to an overall absence rate of 4.1 per cent of total working days. This is a difference of 1.2 per cent from 2001's rate of 2.9 per cent.

This overall figure conceals differences between various company characteristics, and employee subgroups. For example, the survey found the greatest difference between private and public/voluntary sectors, with the former having the highest absence rates of all and the most dramatic increase (moving from 3.0 per cent in 2001, to 7.9 per cent in 2002). Manufacturing, Utilities, Financial, and Services all had slight decreases (Utilities decreasing the most, from 3.4 per cent in 2001 to 1.5 per cent in 2002).

Manual workers and females have both traditionally had higher absence rates; however, this survey's findings showed that neither group had higher than average absence (despite females having increased slightly over the previous year's rates). This finding should be treated with extreme caution, however, as only ten per cent of survey respondents were able to provide a breakdown of the absence rates by gender, employee subgroup, and full-time/part-time status.

An analysis of absence by region shows that Scotland and Northern England both experienced considerable increases in absence for 2002: Scotland having a rate of 5.7 per cent increasing by 2.7 percentage points, and North of England with 10.8 increasing 6.6 percentage points. Other areas, such as Greater London, the South and Southeast England, and Central England/East Anglia, all experienced slight rises in the absence rates. Wales and the Southwest experienced slight decreases in their rates.

The size of organisation has also traditionally been seen to influence absence rates, in the way of larger organisations tending to have higher absence rates. The Work Foundation's results, however, did not indicate this relationship in such a direct manner: while the smallest companies did have the lowest rates (under 100 employees, 2.4 per cent), the second smallest group of companies had the highest absence rates (101 to 500 employees, 5.1 per cent). This compares to the largest organisations (over 2,500 employees) having a average absence rate of 3.5 per cent. Again, these results may not be representative, due to the small sample size (403 organisations).

4.3 Causes of absence

This survey examined the main causes of absence from both the perspectives of employers and employees: the former as recorded on self-certification forms, and the latter in the opinion of the managers. While this approach poses various methodological difficulties, it does provide an interesting picture of what managers perceive as being the real reasons for absence.

According to Employees self-certification forms, the top five causes of absence are: cold and flu (94%), stomach upsets or food

poisoning (77%), headaches or migraines (64%), stress or emotional/personal problems (54%), and back problems (47%). In the opinion of managers, however, only two of these causes made it to their top five causes of absence: cold and flu (59%), stress or emotional/personal problems (58%), Monday morning blues or extending the weekend (39%), sickness of other family members or childcare problems (36%), and concept of taking sick leave entitlement (31%).

This aspect of the survey highlighted various discrepancies between employees' self-proclaimed reasons for absence, and managers' opinions of reasons for absence. In particular, managers' opinions of job satisfaction-related absence were much higher than employees' own admission. It should also be noted, however, that while the employees' data for causes of absence accurately represents the claim for each case of absence, the opinions of managers represent a generalisation of all cases of absence.

4.4 Recording and costing absence

The Work Foundation surveyed managers about their recording practices for absence, and in particular, how well they felt these practices worked. For the most part, managers seemed quite confident that sickness absence was being recorded, with 76 per cent feeling that 80 to 100 per cent of absences were being recorded. On average, managers felt that 86 per cent of absence was being recorded. Only one per cent of managers said that absence was not recorded at all. This varied little between regions, industry sectors, and public and private sectors, however, the view did seem to be less prevalent in organisations with between 1,001 and 2,500 employees.

Despite the effort put towards measuring and recording absence, 55 per cent of organisations did not measure the cost of absenteeism, and only 43 per cent did (which is nine per cent fewer organisations than in 1996). Those organisations located in Greater London were found to be least likely to calculate the cost of absence (27 per cent); however organisations with multiple locations were equally unlikely to do the same (27 per cent). Other variables exerted little influence on an organisations' likelihood to calculate costs.

When asked why organisations did not calculate the cost of absenteeism, managers gave a variety of responses. The three main reasons for not costing absence were:

- too time-consuming (33 per cent)
- no computerised personnel system (30 per cent)
- no accurate attendance records (23 per cent).

It was also noteworthy, however, that almost a quarter (23 per cent) felt that absence was not a problem and the associated cost was therefore, not worth measuring. The lack of computerised personnel systems posed the biggest barrier to small businesses; however, this group were also more likely to say that absence was not a problem (32 per cent). Also, it was London organisations that were most likely to say that costing absence was too time-consuming (40 per cent).

In regards to calculating the costs of absence, managers were asked which factors were used, and which factors exerted costs but were too difficult to calculate. Their responses indicated that the most common factors used in the calculation of absence costs were:

- statutory sick pay (66 per cent)
- occupational sick pay (68 per cent)
- extra cost of temporary staff employed (58 per cent)
- extra cost of overtime (47 per cent)
- effect on productivity (26 per cent).

The factors which were acknowledged by managers to exert costs on absence, but were felt too difficult to calculate, included:

- management time dealing with absence (47 per cent)
- low morale of absentees' colleagues (46 per cent)
- effects on productivity (44 per cent)
- effect on quality (43 per cent)
- low morale or boring job (31 per cent).

4.5 Managing attendance, and absence policy

The Work Foundation survey looked primarily at the use of flexible working policies, and then at their perceived usefulness in reducing absence. While this approach introduces the same difficulties encountered when asking managers their perceived reasons for employee absence, it all the same yields interesting results in terms of evaluating various policy.

Most organisations surveyed were found to operate some kind of flexible working practices, such as flexible annual leave (58 per cent) and allowing staff to occasionally work from home (57 per cent). Flexible working hours were also widely utilised (52 per cent), however, they were more frequently employed in the public/voluntary sector (76 per cent). In general, the type of flexible working policy offered varied considerable by industry sector, with the public/voluntary organisations generally employing a variety of flexible working policies.

For the most part, managers from organisations which did employ flexible working policies, felt quite positive about the effect these had on absence. Flexible annual leave, and allowing employees to occasionally work from home, were seen as the two most successful strategies in reducing absenteeism, however flexible working hours and job sharing were also well reviewed.

In regards to attendance management, managers were also asked which methods they felt were most effective in maximising attendance. Return to work interviews were very well regarded, with 77 per cent of respondents saying that this made a positive impact. Other successful methods included motivation (59 per cent), training of line managers (51 per cent), senior management commitment (46 per cent), and having a written absence policy (44 per cent).

The case studies conducted amongst six different organisations, and the consultancy with Stephan Bevan, yielded a range of recommendations pertaining to the development of effective management policies, but also to the application of good attendance management. In regards to policy, it was stated that 'Attendance policies should be grounded in fairness and respect for people's circumstances and in employees' commitment to organisational values and standards or conduct.'

It was recommended that line managers and other employee representatives be involved in the development of these policies, and that managers in particular are directly included (and trained) in the implementation of absence policy. In terms of practice, it was suggested that all absence management policies include return to work interviews, and that accurate absence data be collected and analysed. Additionally, regular policy reviews should be put in place to maintain a current reflection of management and employee needs.

5. 'Managing Absence and Employee Healthcare: The Experiences of Major UK Employers' (Norwich Union)

This survey conducted interviews with 87 major UK employers between November 2000 and January 2001, targeting large private sector organisations from the top 600 employers in the UK. In an attempt to fill the gaps between other absence surveys, this report aimed to identify 'how well — particularly how consistently across the top companies in the UK — employee absence and healthcare are being managed as an integrated whole'.

5.1 Methodology

The organisations were categorised according to the Standard Industrial Classification (SIC), and then grouped into three corresponding categories to reflect industry characteristics:

- the manufacturing, chemical and extraction sector
- the service sector (primarily business services)
- the retail, distribution, and leisure sector (RDL).

Through interviews with senior managers with the responsibility of managing absence within each firm, the survey gathered information about absence, absence costs (direct and indirect costs), and attendance management practice and policy.

5.2 Main findings

Amongst the organisations surveyed in this study, it was found that on average, each employee lost 6.8 days sick, each year. This amounted to a total loss of 4.4 million working days lost between eighty-seven firms.

It was also found, however, that over 30 per cent of total days lost were accrued during long-term spells of absence. Just over half of absence was accounted for by absence episodes of one or two days. Finally, despite the relative consistency of these findings (with other surveys), there were serious doubts as to the quality of the data, and reporting procedures employed.

In regards to the cost of absence, the survey found that absence is currently costing UK private sector employers about £1,550 per employee, per year. This equates to approximately 9 per cent of the total annual payroll.

The survey also revealed that most companies, when calculating the costs of absence, fail to consider various direct cost factors or any indirect costs, which suggests that present estimates are below actual costs. Despite this lack of appropriate costing methodologies, the majority of organisations surveyed do see absence as a problem, with 50 per cent of firms thinking that it has, at least, a noticeable effect on their bottom line.

It was found that less than one in three organisations has an integrated computer system for the management of absence. Most rely on a mixture of manual and computer systems, which is significant considering that it underpins the effectiveness of management support systems that depend on it. While the quality of absence data varied between sectors, the Retail, Distribution, and Leisure sector was at the lowest level.

In terms of management policy, many firms do have formal procedures in place for managing absence. The extent to which these procedures are implemented remains unclear. This is evident in the 38 per cent of respondents who are not at all confident that the real causes of absence are being properly diagnosed.

Looking at healthcare provision and absence management revealed some interesting trends in the utilisation of healthcare benefits. Unfortunately, it was found that private medical insurance was the most commonly used healthcare tool. This tended to be targeted towards employee sub-groups where absence was at its lowest (senior staff, for example). The use of healthcare tools in general was related more to recruitment and retention purposes than health promotion/absence prevention.

It was also found that most firms spend between 1.5 per cent and 2 per cent of their payroll on their existing healthcare schemes, but this varied by sector with spend being at its lowest in the RDL sector and at its highest in Manufacturing.

5.3 The need for an integrated approach

The research highlights a widespread failure to manage absence and employee healthcare as part of an integrated whole. The report defined ten key elements of an integrated approach and explored:

1. to what extent employers felt their approach was already integrated

2. to what extent companies claiming an integrated approach met the criteria
3. receptiveness to the need for a more integrated approach.

The evaluation against the ten element criteria found that 39 per cent of firms thought that they were already taking an integrated approach to absence management and employee healthcare. However, a more detailed analysis revealed that none of these were delivering a fully integrated approach though five organisations did have eight or nine elements in place.

Encouragingly, the vast majority of firms presented no substantial resistance to the proposition of an integrated approach. And among the 8 per cent who did resist, this was mainly due to a lack of knowledge of the real costs incurred through current absence (which was generally underestimated), in relation to the perceived financial benefits of introducing various health care benefits.

5.4 Conclusions

The survey found that in the UK, despite the fact that absence is a £39 billion a year problem, the information gathered indicates that it is a problem that is badly managed in many UK organisations. This is in part due to a combination of poor data collection on absence statistics, which then creates inaccurate absence management policies, and results in inconsistent management of absence cases.

The use of healthcare tools has been used without regard to impact on attendance, and has been targeted towards sub-groups with the least work-related need for healthcare support (*ie* poor attendance). On average, firms are spending 11 per cent of their annual payroll on covering the total costs of absence and healthcare yet many employers are, at best, unconvinced and, at worst, have no idea how cost-effective these measures are in reducing absence and promoting employee well-being.

6. Sickness Absence in Local Government (Employers Organisation)

This (2001/2002) is the ninth annual survey to be conducted in Local Government, and includes all local government employees, with the exception of those based in schools, fire authorities, and those engaged in law and order services. In this year's survey, 503 authorities have reported on their absence, producing a response rate of 52.3 per cent. Although figures and statistics have not been weighted by size of authority (which may generalise the impact of organisation size on absence levels), attempts have been made (and checked) to achieve a representative distribution of authorities.

6.1 Absence rates

Overall, sickness absence in local government amounted to an average of 4.5 per cent of working time, equivalent to 10.3 working days. This marks a slight rise in the previous year's figures of 0.3 per cent; however, this has accrued primarily in larger authorities (such as counties, Metropolitan authorities, London boroughs, and New Unitaries) whose absence rates have risen to 5.1 per cent.

As in other surveys of this type, Local Government found a notable difference in absence rates between manual and non-manual employees (5.8 per cent versus 4.3 per cent). The report also emphasised, however, that this difference should not be ascribed to the terms and conditions of the two employment categories, but rather the nature of the work done.

Comparisons between part-timers and full-timers revealed that on the whole, part-timers had lower absence. However, the opposite was true in larger authorities, where part-time manual employees in particular had the highest absence rates.

An examination of absence by region indicated that the North and the Northeast had the highest aggregate absence rate, whereas the Southeast and East had the lowest aggregate absence rate. The report cautioned again, however, that individual authorities in North were not consistently the highest, nor were authorities in the South consistently the lowest.

6.2 Causes of sickness absence

Causes of sickness absence have been looked at for the third year running, in this year's report from local government. The writers of the report are careful to point out the difficulties and limitations of the data collected in this area: the results provided therefore represent the 'reported' causes as opposed to the 'actual' causes, and may potentially underestimate the frequency of absence caused by stress, and other less professionally accepted forms of sickness absence. With this in mind however, various causes of absence were categorised into eleven specific headings, and one general catch-all 'other'.

Despite the expected under-representation of stress as a cause of absence, it accrued the largest proportion of sickness absence across all local government (19 per cent), and represented more than one-third (35 per cent) of all long-term absence spells. Infections were the second most frequent cause of absence overall (15 per cent), and musculo-skeletal problems third most frequent (12 per cent). For short-term absence, infections were the most frequent cause, representing nearly a quarter of all short-term absence (26per cent).

Although the survey did not analyse absence by size of authority, it attempted to this through an examination of absence by authority type, comparing 'larger authorities' with 'shire districts'. While this comparison had revealed patterns of difference in previous year's surveys (with stress and back problems causing a greater proportion of absence in larger authorities), the same was not found in 2001/2002.

6.3 Attendance management and policy

This report did not discuss existing attendance management policy. However, in reply to the high frequency of stress and musculo-skeletal problems causing absence, the commentary did suggest that current policy should be examined to address these issues. In addition, it is raised the question of existing work settings posing a risk to manual employees. Finally, the writers of the report queried the tools being used to maintain communication with long-term absent employees, and suggested that policy needed amendment to introduce a targeted management approach to deal specifically with this group of employees.

7. Analysis of Sickness Absence in the Civil Service (Cabinet Office)

This third annual assessment (2001) of sickness absence in the UK civil service, is very comprehensive in its examination of absence levels, the approaches used in attendance management, and its consideration of the costs and causes of sickness absence. It is written, in part, to update and report on the accomplishments made in regards to the Revitalising Health and Safety initiative which was launched by the Deputy Prime Minister on 30 March 1999. This initiative set targets to reduce work-related injury and ill-health absence, and to reduce ill-health retirement. As a result, this analysis extends itself to developing attendance management policy and introducing proactive health management structures.

As a result of the targets set by central government, and in preparation to meet those targets, the civil service has gathered an immense amount of detailed information about the prevalence and nature of its absence. The available data has allowed for an analysis of absence in relation to several variables:

- age and gender
- full-time or part-time status
- region
- department or agency
- certification/self-certification
- reported cause of absence
- length of absence spell
- dates of absence and returns from absence (allowing for an analysis of absence by weekday and certification).

This richly detailed dataset has therefore enabled a wide variety of crosstabulations and analyses, which have not been examined in other surveys of absence (both private and public). This review will mention only the main findings.

7.1 Absence Rates

The UK civil service had an overall sickness absence average of 9.2 working days per staff year, which accounts to 4.4 per cent of working days of 2001. This has decreased from last year's absence rate of 9.9 working days. While the reduction 0.7 days did not quite meet management expectations, there are two main reasons to account for the lack of bigger reductions. Firstly, a 37 per cent reduction in ill-health retirement (over four years) has encouraged senior employees with poor health to continue working, while presumably continuing to have multiple and/or prolonged sickness absence spells. Secondly, the 'tightening-up' of sickness absence reporting procedures has most likely resulted in an initial increase of reported sickness absence.

Despite an overall absence loss of 9.2 working days, the report shows that the majority of staff lost only a few working days in 2001, with 68.8 per cent taking five working days or fewer. In addition, 34.4 per cent of staff had no recorded spells of absence. From this, it becomes evident that the overall absence rate has been dominated by a relatively small number of long-term absence spells. This is very important in terms of how and what actions can be taken to reduce overall absence, as the long-term absences tend to have different and distinct causes (discussed in next section).

Looking at weighted figures of absence by region revealed similar variances to other surveys, with Scotland, Northern Ireland, and the Northwest having the highest average absence rates (9.9, 11.1, 10.1 respectively). The lowest average absence rates were found in the regions of East Anglia, the Southwest, and overseas (8.4, 8.3, 4.7).

Male and female absence profiles differed, in that females incurred an average of 2.8 days of sickness absence more than males. Females also had 0.6 more spells of absence than males. This difference is suggested to be related to additional caring responsibilities (for family and children) for women at home; reference is made to the NHS survey which showed that half of those surveyed with dependants said that their absence levels would have been affected by the availability of child or parent care.

Comparing full-time employees to part-time employees revealed that part-timers averaged more spells of absence than full-timers: where full-time staff averaged 1.6 spells of absence, part-time staff averaged 1.9 spells of absence. This difference is suggested to be in part explained by the high proportion of part-time staff being female (with higher absence rates in general), and in positions with low responsibility (also found to correlate with higher absence).

7.2 Certification and causes

Civil service absence policy requires that employees absent from work for more than five days must supply their line managers (and subsequently their HR representative) with a certificate from their general practitioner stating the reason for their absence from work. Absence spells of five days or less, however, must be self-certified, with the employee providing an explanation of the absence themselves.

In 2001, 84 per cent of all absence was self-certified; however, not all of this absence was of short-term duration (five days or less). Looking at the onset of absence by weekday, while comparing certification and self-certification, shows that absences commencing on Mondays (the most frequent day which absence is commenced) were most likely to be certified by a GP. From Tuesday to Friday, however, the majority of absences are self-certified.

In regards to causes of absence, it was found to vary with the duration of the absence spell, as one might expect. Absence spells of one to two days predominantly had causes relating to the respiratory system, the digestive system, and the nervous systems. Absence spells of three to five days introduced musculo-skeletal problems into the top three causes, and absences of six to ten days had mental illness replace digestive system as the second most frequent cause.

Long-term absences, of twenty-one days and more, were caused foremost by mental illness (this includes stress), secondly by other symptoms which remain ill-defined, and thirdly by musculo-skeletal problems. The fact that the second most frequent cause of long-term absence remains 'ill-defined' is a cause of concern for managers, who need to understand the nature of absence in order to develop appropriate strategies of treatment.

7.3 Management approaches

The recent drive on reducing ill-health and safety risks at work, is the force that has shaped the civil service's current approach to absence management. The report stresses the importance of line management involvement and commitment to keeping abreast of absenteeism, and to attendance management policies. This requires training for managers, and continuous evaluation and development of policy.

While the absence costs represent a potential indicator of improvements to attendance management, the civil service has made only limited attempts to monitor the change in costs incurred by absence. Calculating only direct costs, based on an assumed average annual salary, the civil service's figure of £306

million (for 2001) is not quite robust and is likely to be a gross underestimate.

8. Social Services Sickness Absence & Absence Management Report (Employers Organisation)

The most recent published report on sickness absence in the Social Services is from 1999/2000 (although plans were indicated for a survey to be conducted in 2002). Absence management has been reported on more recently, in a report published in the summer of 2002. The absence research was conducted between January and April of 2001, and reports on absence levels for the financial year of April 1999 to March of 2000. This survey gathered usable data from 106 authorities, representing 62 per cent of the total. The absence management report is the first of its kind in the social services, and achieved a response rate of 56 per cent.

8.1 Absence rates (1999/2000)

The survey found there to be an median absence rate of 6.6 per cent — the equivalent of 15 working days — a slight increase on the previous survey's result of 6.5 per cent. Although only half of the authorities were able to provide absence data regarding gender, those who did averaged higher absence rates for females than for males (6.9 per cent versus 5.4 per cent). As in other surveys, manual and non-manual employees were also found to have different absence rates, with the former being found to be lower (8.1 per cent versus 6.1 per cent).

Looking at absence by authority, showed that metropolitan authorities had higher than average absence medians, and London boroughs to have the lowest absence medians. Absence also varied by region, indicating that Wales had the highest absence median, followed closely by the North and the Midlands, whereas the South had the lowest absence median.

More than half of the total absence days were accounted through long-term absence. The largest proportion of sickness absence was due to stress, followed closely by viral infections and musculo-skeletal problems. An analysis of cause by absence type, however, revealed that most of short-term absence was due to viral infections (30 per cent), and that long-term absence was caused mostly by stress (over 25 per cent).

Absence figures had increased slightly from the previous year's results; however, this was attributed to two things: firstly the co-occurrence of widespread staff shortages, and secondly the drive from central government to reduce ill-health retirement.

8.2 Absence management (2002)

This report was based on a survey containing nine questions. The aims of these questions were threefold:

- first, to examine the use of management policy in practice
- second to identify where/with whom responsibility for absence management tended to lie
- and third, to research data collection methods and management practice specifically in relation to long-term absence.

In regards to management policy in practice, while 81 per cent of departments included return-to-work interviews, only 61 per cent of respondents perceived this policy to be observed 'without exception' or 'for the most part'. A large majority (84 per cent) also employed a trigger point system to indicate management action on absence, however the specific models and standards varied considerably between departments (trigger points varied from being three separate absences in any three-month period, to ten days absence within a twelve-month period). Health promotion was also utilised by a majority of departments (68 per cent), with stress management training being the most popular initiative (68 per cent).

Respondents showed considerable confidence and satisfaction with current data collection, with 74 per cent feeling that internal sickness data was reliable and gave sufficient detail on the length of absence. Data collection methods were split almost equally between manual systems (50 per cent), and computerised systems linked to payroll (49 per cent). The latter however, were perceived as being more effective.

Meeting absence targets was in part accomplished through the recruitment and induction process, where 93 per cent of respondents used these to limit the chances of employees having poor attendance. Focusing management action on parts of departments with high short-term absence happened only variably, according to 56 per cent of respondents.

The most popular methods of managing long-term absence were both based on maintaining communication: first through regular calls from line managers (93 per cent), and second with visits from, or meetings with, line managers (83 per cent). To ensure the earliest return of long-term absent employees, 96 per cent claimed

to usually involve occupational health or additional medical support.

9. Documents Reviewed

Bevan S, Hayday S (2001), *Costing Sickness Absence in the UK*, IES Report 382

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CIPD (2002), *Employee Absence 2002: A Survey of Management Policy and Practice*, London: CIPD

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Employers Organisation (2000), *Social Services Sickness Absence Survey 1999/00*, London: Employers Organisation for Local Government

Employers Organisation (2002), *Social Services Sickness Absence Management Report Summer 2002*,
http://www.lg-employers.gov.uk/health/sickness/index.html

The Work Foundation (2002), 'Maximising Attendance', *Managing Best Practice: The Regular Benchmark*, No. 96

Worral L (2001), *Managing Absence and Employee Healthcare: The experiences of Major UK Employers*, Manchester: Norwich Union

Relative Absence Statistics

All Figures 2000-2002	Overall Absence Figures		Increase or Decrease	Cost Estimates per Employee		Regions with High Absence Rates	Regions with Lov Absence Rates
	%	Days		Direct (£)	Total (£)		
CBI 2002	N/A	7.1	-	476	698	Northern Ireland Northwest Yorkshire/ Humberside	Greater London Southeast South
CIPD 2002	4.4	10	+	N/A	522 (Mixed)	Northeast Wales	Southeast
TWF 2002	4.12	9.3	+	N/A		Northern England	South-West
Norwich 2001	N/A	6.8	N/A	1,550	N/A	N/A	N/A
Local Gov. 2001/02	4.5	10.3	+	N/A		North Northeast	Southeast East
Civil Service 2001	4.4	9.2	-	306	N/A	Northern Ireland Northwest Scotland	Overseas South-West East Anglia
Social Services 2002	6.6	15	+	N/A		Wales North & Midlands	London Boroughs South