

Absence Management

Managing and reducing the cost of Absence

Organisations increasingly recognise the significant costs associated with high levels of absence alongside the disruption to their operations on a day to day basis. Particularly during the economic downturn, keeping on top of all costs has been vital to the survival of any organisation and effective management of sickness absence is an area employers should not overlook.

According to a CBI survey absence from work cost the UK economy £13.2 billion last year with the average employee taking 6.7 days off sick. The survey goes on to confirm that of 172 million days lost to absence, more than one in ten (12%) are thought to be non genuine. These 21 million 'sickies' cost the economy £1.6 billion with employers believing these days were being used to extend holidays, attend special events, birthdays and major football games.

Most employers would agree that when employees are unwell they should be allowed adequate time off work and assistance to return to work for long term absences. However, alongside the continual increase of employment legislation and in particular the Disability Discrimination Act; managers are often left uncertain as to how to best manage short and long term absence. This can lead to an inconsistent approach across the organisation, resentment amongst other employees and leaves employers particularly vulnerable to costly employment tribunals.

In addition work related stress is a growing further concern for employers and employees. Health and Safety Executive (HSE) figures show that over the last six years figures have almost doubled with stress accounting for 13.4 million work days lost each year.

With the current pressures on the economy this is only set to continue and adds further concern for managers when dealing with absence management.

The hidden costs of absence

There are several hidden costs for employers to consider, such as the employment of temporary staff, payment of overtime to employees taking on additional duties and the cost of enhanced company sick pay, PHI and Occupational Health. Consistent absence among colleagues can also affect team morale and motivation leading to a loss of production and the inability to meet client demands / expectations.

If handled correctly the review of absence in the business could provide some resourceful results. Although it might seem easy to ignore the figures, taking no action can lead to further issues and rising costs.

What should you do to manage absence?

There are a variety of methods used to manage absence within an organisation and most critically for any business is that you firstly understand the cost of absence to your organisation and the average number of sick days across each department or area. Clearly if this data is not readily available it would be a priority to establish an approach and system to collate such data as a matter of urgency.

Following this there are elements of best practice to be used in terms of how to manage absence but this would depend largely on your policies and procedures, how you measure and report absence and what the circumstances of the individual's absences are.

You do need to intervene at the earliest opportunity to manage the process effectively and ensure that there is a communication strategy in place for all individuals that have been away from work whether that be on a short term or long term basis.

Your managers hold the key role in the success of absence management and as such they must be equipped with the skills and knowledge to do so. Whilst support will be gained from a HR professional, training for managers will enable them to tackle absence and also improve their overall day-to-day management skills.

NorthgateArinso HR Outsourcing team are able to provide specific support in the management of your absence levels and support you through particular absence cases. We will also develop or review absence policies and procedures and processes, customise training packages for you to support you and your managers to manage sickness absence effectively within your business.

If you would like to discuss this issue further, or wish to discuss an existing issue around this subject, please call 0800 035 0545 or email hrsolutions@northgatearinso.com.