Annual survey report 2006

cipd

ABSENCE MANAGEMENT

Contents

Summary of key findings

This report sets out the findings of the CIPD's seventh national survey of absence management policy and practice. The analysis is based on replies from 1,083 UK-based HR professionals in organisations employing a total of more than 1.5 million people. In addition, the report also includes responses from 72 people management specialists in Ireland.

Absence levels
- The annual level of absence fell by 0.2% to 3.5% of working time (8 days per employee per year).
- Absence fell across all sectors apart from the private services sector, where levels remained static.
- The lowest levels of absence are recorded by organisations based in the south-east of England (3.2%) and London (3%), unchanged from last year. Organisations in Wales and Northern Ireland identified the highest levels of absence at 4.3%.
- The average level of absence in Ireland is 3.4% (7.8 days per employee).

Costs
- The average cost of sickness absence remained almost static at £598 per employee per year, compared to last year's figure of £601.
- The cost of absence is highest in the public services sector at £680 per employee per year, a slight increase from last year's figure of £645.

Causes
- Minor illnesses, such as colds, flu and stomach bugs, are rated as easily the biggest cause of short-term absence for manual workers, followed by back pain and musculo-skeletal injuries.
- Among non-manual employees, the top two causes of short-term absence are minor illnesses, followed by stress.
- Back pain climbed ahead of musculo-skeletal injury as the number one cause of long-term absence for manual employees.

- Stress remains the number one ranked reason for long-term absence for non-manual employees, with acute medical conditions rated the second most significant cause, ahead of mental ill health.
- The number of employers reporting an increase in stress-related absence continued to increase last year, with 46% reporting an increase, compared to a 39% increase the previous year.

Managing absence
- Return-to-work interviews, trigger mechanisms to identify frequent short-term absences and the use of disciplinary procedures are rated as the most effective methods of managing short-term absence.
- The involvement of occupational health professionals and rehabilitation programmes are rated as the most effective approaches to managing long-term absence.

Employee well-being support
- Just over a quarter of organisations have an employee well-being strategy or similar initiative to help improve the physical and mental health of their workforce.
- The most common investment in employee well-being is the provision of private health insurance, with more than half of respondents providing this benefit for at least some categories of staff.

- Just under half of employers provide access to counselling services, almost a third of employers provide 'stop smoking' support for employees, and a little over a quarter of organisations provide subsidised gym membership as a benefit.

Use of disciplinary procedures
- In all, 82% of respondents report that their organisation's sickness absence policy refers to the use of the disciplinary procedure in relation to persistent absence.
- Non-profit organisations and public services employers are least likely to have dismissed employees for absence in the previous 12 months.
- On average, 46% of absence-related dismissals are justified on the basis of capability. Just under a third of such dismissals are argued on the grounds of conduct and only 9% are justified by some other substantial reason.
- However, there is a very marked difference between the sectors in terms of which reasons are most commonly used. Public services organisations are much more likely than private sector employers to justify dismissals for the reason of capability rather than conduct.

Rates of employee absence

The average level of employee absence has fallen to 3.5% of working time, which is the lowest level ever recorded by the CIPD absence management survey.

The average level of absence fell by 0.2% to 3.5% of working time (8 days per employee per year). Absence levels fell across all sectors apart from the private services sector, where levels remain static.

The absence level is the lowest ever recorded by the CIPD survey (see Figure 1). The reduction is also notable because it's the first time the CIPD absence management survey has recorded reductions in overall absence levels for two consecutive years.

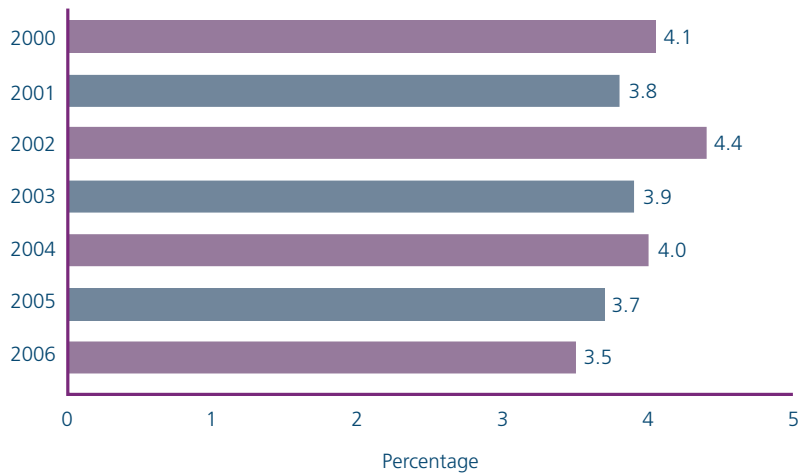Figure 1: Average working time lost, 2000–2006 (UK organisations)

Year	Percentage
2000	4.1
2001	3.8
2002	4.4
2003	3.9
2004	4.0
2005	3.7
2006	3.5

Percentage

Table 1: Average level of sickness absence by sector

	Number of responses	Average working time lost per year	Average days lost per employee per year
Manufacturing and production	**307**	**3.5**	**8**
Agriculture and forestry	3	4	9
Chemicals, pharmaceuticals and oil	38	3.6	8.2
Construction	23	3.6	8.3
Electricity, gas and water	10	2.9	6.6
Engineering , electronics and metals	78	3.1	7
Food, drink and tobacco	49	4.6	10.6
General manufacturing	42	3.6	8.2
Paper and printing	15	3.2	7.1
Textiles	1	4	9
Other manufacturing	49	4.1	9.2
Private services	**316**	**3**	**6.8**
Professional services	43	2.8	6.4
Financial services (including insurance)	42	2.4	5.6
Hotels, restaurants and leisure	21	2.3	5.1
IT services	26	2.6	5.9
Legal and property service	23	2.8	6.2
Media and publishing	15	2.3	5.4
Retail and wholesale	52	3.5	7.8
Transport and storage	30	4.1	9.4
Telecommunications	8	2.5	5.6
Other private services	55	3.1	6.9
Call centres	7	4.1	9.1
Public services	**148**	**4.3**	**9.9**
Education	36	4.1	9.1
Local government	33	4.8	11
Central government	17	4.6	10.5
Police	6	3.4	8.2
Fire	1	4	10
Health	38	4.6	10.4
Other public services	17	3.5	8.1
Non-profit organisations	**57**	**3.6**	**8.1**
Housing associations	20	4	9.2
Charity services	17	2.8	6.3
Care services	14	4.4	9.9
Other voluntary services	6	2.3	5.3
Survey average	**804**	**3.5**	**8**

Sectoral variations

Absence levels in the public services decreased to 4.3% of working time lost (9.9 days) from 4.5% for the previous year. Manufacturing and production employers report a reduction in average absence levels to 3.6% (8.2 days per employee), compared to last year's figure of 3.7%.

Non-profit organisations record the biggest annual drop in the level of absence – to 3.6% of working time lost (8.1 days), down from 4.2%.

The private services sector is the only sector that didn't experience an annual reduction in absence, with the level remaining static at 3% of working time (6.8 days per employee).

The average level of absence recorded by Irish organisations is 3.4% (7.8 days per employee per year).

Table 1 shows a more detailed breakdown of absence across the different sectors and industries.

Although overall absence levels among public service employers improved, there isn't consistent improvement across the sector. The health sector records the most significant reduction in employee absence to 4.6% of working time (10.4 days per employee), from 5.1% for the previous year. Average absence levels in the education sector also decreased by 0.2% to 4.1% (9.1 days per employee) compared to the previous year.

However, central government employers report an annual increase in absence levels of 0.5% to 4.6% (10.5 days per employee). Absence levels among local government organisations also increased slightly to 4.8% of working time (11 days per employee).

In the private services sector, the highest absence levels were recorded by transport and storage organisations at 4.1% of working time (9.4 days), almost identical to last year's figure. Employers in the hotels, restaurants and leisure industry have the lowest level of absence at 2.3% of working time, a drop of 0.9% compared to last year's survey.

Among manufacturing and production employers, those in the food, drink and tobacco sector have the highest levels of absence at 4.6% (10.6 days per employee), but this represents a 0.3% reduction on the previous 12 months. Employers in the utilities sector report the lowest levels of absence at 2.9% of working time (6.6 days per employee), a 0.1% annual reduction.

Absence levels decreased across all parts of the non-profit sector. Organisations providing care services have the highest levels of employee absence among non-profit organisations at 4.4% of working time lost (9.9 days per employee) compared to 4.9% for the previous year.

Table 2 shows that just over 80% of organisations record their annual sickness absence rate. Public services employers are most likely (93%) and non-profit organisations are least likely (72%) to do this.

Table 2: Does your organisation record the annual employee absence rate?

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Yes	83	87	78	72	93	86
No	17	13	21	27	7	14

The effect of workforce size

Typical absence levels among smaller employers are significantly lower than those of larger organisations (see Table 3). Organisations employing fewer than 100 employees report absence levels of 2.5% of working time lost (5.7 days per employee per year), compared to 4.8% (10.9 days) for organisations employing 2,000 or more people.

This may be due to the fact that absence is more noticeable and easier to manage in a smaller employer.

It's sometimes argued that one of the reasons that public services organisations have typically higher levels of absence than private sector employers is that

there is a higher proportion of larger organisations in the public services. However, Tables 4 and 5 show that, aside from organisations of 100 or fewer employees, public service organisations have significantly higher levels of absence than their private sector counterparts, regardless of the number of employees.

Regional differences

The lowest levels of absence were recorded by organisations based in the south-east of England (3.2%) and London (3%), unchanged from last year. The greatest fall in levels of employee absence is reported by employers in the north-west of England. Respondents in this region saw absence levels fall to

Table 3: The effect of workforce size (UK organisations)

	Number of responses	Average working time lost last year (%)	Average days lost per employee
1–99	134	2.5	5.8
100–249	237	3.2	7.3
250–499	160	3.7	8.3
500–749	68	4.1	9.2
750–999	29	3.8	8.6
1,000–1,499	32	3.8	8.6
1,500–1,999	28	4.0	8.9
2,000+	81	4.8	10.9

Table 4: The effect of workforce size across the private sector (manufacturing and production and private services sector combined)

	Number of responses	Average working time lost last year (%)	Average days lost per employee
1–99	127	2.5	5.8
100–249	209	3.1	7.2
250–499	145	3.6	8.1
500–749	55	4.0	9.0
750–999	26	3.6	8.2
1,000–1,499	21	3.5	8.0
1,500–1,999	15	3.5	7.9
2,000+	36	4.5	10.2
Survey Average (UK organisations)	**656**	**3.3**	**7.5**

Table 5: The effect of workforce size across the public sector

	Number of responses	Average working time lost last year (%)	Average days lost per employee
1–99	4	2	5
100–249	21	3.9	8.8
250–499	21	3.8	8.6
500–749	15	4.3	9.6
750–999	6	4.2	9.5
1,000–1,499	9	4.2	9.6
1,500–1,999	12	4.7	9.6
2,000+	48	5	11.3
Survey Average (UK organisations)	**149**	**4.4**	**9.9**

3.6% of working time compared to 4.4% for the previous 12 months. Organisations in Wales and Northern Ireland identify the highest levels of absence at 4.3%. This represents a 0.5% increase among Welsh employers over the year before. The rate for employers in Northern Ireland is more than double the previous year, although the very low number of respondents from this region means caution should be applied when interpreting this figure. See Table 6.

The length of employee absence
Almost 60% of absence is short term, accounted for by periods of up to seven days. Nearly 20% of working time lost due to absence from work is caused by medium-term absences of between eight days and four

Table 6: Average levels of employee absence, by region

	Number of responses	Average working time lost last year (%)	Average days lost per employee
East Anglia	39	3.5	8.7
East Midlands	54	3.6	8.3
West Midlands	56	3.9	8.8
North-east England	38	3.9	8.9
North-west England	75	3.6	8.2
South-west England	74	3.5	8.1
Yorkshire and Humberside	56	3.7	8.4
South-east England (excluding London)	119	3.2	7.3
London	89	3	6.8
Scotland	52	3.9	8.9
Wales	37	4.3	9.7
Northen Ireland	3	4.3	9.7
Whole of UK	152	3.3	7.5
Ireland	56	3.4	7.8

weeks and a similar proportion is due to absences from work of four weeks or longer (see Table 7).

The proportion of working time lost accounted for by short-term absences compared to longer-term absences generally decreases as organisations get larger.

Almost 80% of absence from work among small employers of fewer than 100 employees is due to short-term absences of up to seven days, while just 8% is accounted for by long-term absences of four weeks or more.

At the other end of the spectrum, among organisations employing 2,000 or more people, short-term absences account for 52% of absence, medium-term absences account for 19% of working time lost and long-term absences for nearly a quarter of working time lost.

From a sectoral perspective, private services sector organisations identify short-term absences of up to seven days as the biggest challenge, accounting for

three-quarters of total absence from work. This compares to about two thirds for manufacturing and production employers and to just over a half among public service organisations.

Long-term absences of four weeks or more present the greatest problem for public service employers. Respondents from this sector report that long-term absences of four weeks or more account for 25% of working time lost.

Respondents from Ireland report a comparatively high proportion of short-term absence (68%) compared to medium- (17%) and long-term absences (13%).

There has been an increase in the proportion of organisations that identify reductions in annual levels of absence (see Table 8). A net 19% of organisations report a decrease in absence levels compared to last year, when a net 14% reported a decrease in absence. Public services respondents are most likely to have seen

Table 7: The importance of short- and long-term absence, by workforce size and major sector

| Number of employees | Total | Average absence (%) accounted for by absences of... | | |
		Up to 7 days	Eight days up to four weeks	Four weeks or longer
1–99	169	79	11	8
100–249	272	72	13	13
250–499	162	64	16	19
500–749	70	53	21	23
750–999	33	63	16	21
1,000–1,499	30	57	22	22
1,500–1,999	26	60	19	18
2,000+	72	52	19	25
Industry sector				
Manufacturing and production	327	66	16	17
Private services	366	75	12	12
Non-profit organisations	68	64	13	16
Public services	137	53	20	25
Survey Average (UK organisations)	**873**	**59**	**18**	**18**
Ireland	**61**	**68**	**17**	**13**

Table 8: Absence increase or decrease compared with last year, by industry sector

	Increased	Decreased	No change
Manufacturing and production	24	47	30
Private sector services	23	40	37
Non-profit organisations	27	52	21
Public sector services	29	27	44
Survey Average (UK organisations)	24	43	33
Ireland	24	33	42

a reduction in levels of absence, with a net 25% of organisations in this sector reporting a decrease in absence over the year. The only net increase in absence (2%) was recorded by the non-profit sector.

In Ireland, a net 9% of organisations say absence decreased.

Reasons behind the changes in absence levels
The top two reasons for increases in levels of absence were identified as changes in methods for recording absence and improved absence monitoring, for example, through the introduction of triggers and the provision of better management information through improved IT systems. Improved methods of monitoring and recording absence often lead to short-term increases in absence as absence levels are reported more accurately. Respondents also regard increased workload as a significant reason behind increases in levels of absence. See Table 9.

Table 9: Reasons for increases in absence levels

	UK respondents (%) saying absence has increased for this reason				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services
Changes in methods for recording absence	24	15	26	40	25
Improved absence monitoring	24	17	26	15	34
Increased workload	21	23	21	20	16
Changes to workforce composition (for example, following a merger)	18	20	22	10	14
Tightened policies for reviewing attendance	16	12	21	20	14
Changes in work organisation (for example, shift patterns, increased flexibility)	10	12	9	10	9
Increased long-term sickness	10	12	8	10	9
Return-to-work interviews have been introduced	7	7	8	5	7
Increased management buy-in	2	4	0	0	0

Non-profit organisations are the most likely of the four sectors to report changes in methods for recording absence as the main reason behind increases in levels of absence. Public services respondents more commonly identify improved absence monitoring as a reason for increases in absence, while manufacturing and production employers are the most likely of the sectors to regard increases in workloads as a reason for a jump in absence levels.

Tightened polices for reviewing attendance are regarded as a key reason behind reductions in absence, with two-thirds of respondents identifying this as a significant factor. Improved absence monitoring is seen as the next most important reason for reduced levels of absence. Respondents also highlight the introduction of return-to-work interviews, increased management buy-in and changes in methods for recording absence as causes behind improved attendance levels. See Table 10.

Public services and manufacturing and production respondents are particularly likely to report that tightened policies for reviewing attendance have resulted in lower levels of absence. Respondents from the private services sector most commonly identify the introduction of return-to-work interviews as a major factor in reduced absence. Non-profit organisations are more likely than the survey average to attribute reductions in absence to increased management buy-in.

Table 10: Reasons for a reduction in absence levels

		UK respondents (%) saying absence has increased for this reason			
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services
Tightened policies for reviewing attendance	67	70	62	53	71
Improved absence monitoring	65	66	65	47	68
Return-to-work interviews have been introduced	40	40	45	32	29
Increased management buy-in	29	31	27	37	28
Changes in methods for recording absence	27	27	31	16	21
Changes in work organisation (for example, shift patterns, increased flexibility)	9	9	8	5	14
Changes to workforce composition (for example, following a merger)	7	11	4	11	5
Increased workload	1	2	1	0	1
Reduced workload	1	2	1	0	0

Rochdale Boroughwide Housing

Rochdale Boroughwide Housing has reduced its levels of employee absence by nearly 40% since 2002 following the introduction of a nurse-led absence management call centre and an employee healthcare scheme.

When the organisation was established in 2002 to manage council housing stock on behalf of Rochdale Metropolitan Borough Council, employee absence levels were running at about 18 days per employee per year.

The organisation employs 610 people, many of whom are in challenging public-facing roles.

Gareth Swarbrick, business support director for Rochdale Boroughwide Housing, said the organisation very quickly identified absence as a major challenge that had to be tackled. The first step taken was to ensure that the existing absence management policy was applied properly. Line managers were not consistently conducting return-to-work interviews and were not ensuring that their employees spoke to them directly to report absence.

Managers were given refresher training to ensure that they understood the importance of ensuring that absence was notified correctly and return-to-work interviews happened. They were also reminded of their role in holding absence review meetings if employees breached the trigger of three absences or absences totalling more than five days in a rolling nine-month period.

This action did bring results, reducing absence levels to 15.5 days by 2003/04. However, Swarbrick said that this was still regarded as too high.

As a result the organisation undertook a fundamental review of policy and procedure both internally and externally to see whether there were any appropriate products or services available to support the drive for efficient absence management.

Following this review and consultation with the unions, in November 2004 the organisation employed the services of Active Health Partners (AHP), which uses a nurse-led call centre to manage absence.

Under the AHP system, employees phone in to a call centre served by qualified nurses rather than their line manager to report all absences from work. The nurse will ask the employee questions about their health, provide initial advice and agree with them a likely return-to-work date. The nurse then e-mails the line manager with this information. When the individual returns to work they must inform the call centre to have their absence signed off and the call centre e-mails the line manager to remind them to conduct the return-to-work interview. The e-mail also contains details of the individual's absence record. Swarbrick said that one of the additional benefits is the quality of the information on absence provided to line managers and the organisation as a whole by AHP. The system also allows the organisation to see which of its line managers is actively managing absence, for example by reporting on compliance with return-to-work interview policy or the use of regular reports sent to them by AHP.

At the same time as introducing the AHP initiative, Rochdale Boroughwide Housing also signed up to an employee healthcare scheme, run by Westfield Health. At a cost to the company of £52 per employee per year, all members of staff are covered by a scheme which allows them to claim back health and dental-related expenses up to a certain level as well as priority access for MRI and CAT scans. The scheme's cost also includes a 24-hour employee assistance line to provide individuals with additional support and advice on any matter that might be worrying them. The Westfield Health initiative has proved popular with staff and demonstrated that the organisation is prepared to invest in supporting their wellbeing, besides the practical impact it has had on ensuring early treatment.

Since the introduction of the two schemes absence has fallen again significantly to 11 days per employee per year for 2005/06.

The cost of employee absence

The average cost of employee absence remained almost static at £598 per employee per year, compared to last year's figure of £601.

Nearly a third of organisations surveyed provided information on the cost of employee absence, revealing that absence costs employers on average £598 per employee per year. See Table 11.

The cost of absence is highest in the public services sector at £680 per employee per year, a slight increase from last year's figure of £645. Absence costs across the manufacturing and production sector have edged up to £652 compared to £624 for the previous 12 months. The cost of absence among non-profit organisations has fallen from £607 to £588 and the private services sector has also seen levels of absence decrease to £522 from £568 for the previous year.

Absence costs Irish organisations an average of £672 per employee per year.

Monitoring the cost of absence
Just under half of organisations report that they monitor the cost of absence. Manufacturing and production employers are most likely (49%) and non-profit organisations are least likely (38%) to do this. See Table 12.

Among employers that monitor the cost of absence, occupational sick pay and statutory sick pay are the elements most commonly taken into account. The cost of replacement and overtime costs are also commonly included in the calculation. See Figure 2.
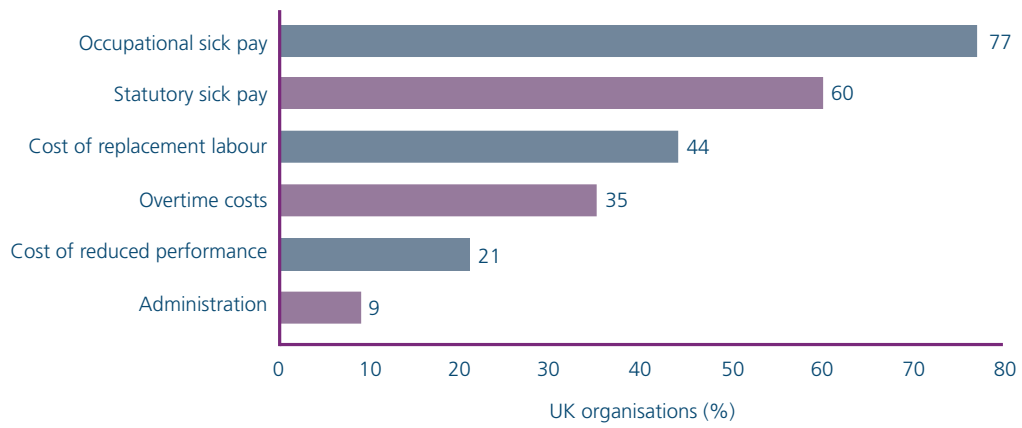
Table 11: The average cost of employee absence per employee, by sector

	Number of responses	Cost (£) per employee per year
Manufacturing and production	**113**	**652**
Chemicals, pharmaceuticals and oil	15	756
Construction	10	492
Electricity, gas and water	7	1006
Engineering , electronics and metals	21	632
Food, drink and tobacco	25	618
General manufacturing	14	645
Paper and printing	3	725
Other manufacturing	19	658
Private sector services	**133**	**522**
Professional services	16	522
Financial services (including insurance)	18	446
Hotels, restaurants and leisure	5	405
IT services	7	640
Legal and property service	16	504
Media and publishing	7	599
Retail and wholesale	23	476
Transport and storage	13	657
Telecommunications	4	1234
Other private services	22	483
Call centres	4	370
Public services	**41**	**680**
Education	11	682
Local government	8	713
Police	2	628
Fire	1	526
Health	10	778
Other public services	5	462
Non-profit organisations	**24**	**588**
Housing associations	7	595
Charity services	9	590
Care services	6	581
Other voluntary services	2	583
Survey average (UK organisations)	**302**	**598**
Ireland	**20**	**672**

Table 12: Monitoring the cost of absence, by major sector

	Respondents (%) monitoring the cost of absence
Manufacturing and production	49
Private sector services	46
Non-profit organisations	45
Public sector services	38
Survey Average (UK organisations)	46
Ireland	49

Figure 2: Elements included in the cost of absence

	UK organisations (%)
Occupational sick pay	77
Statutory sick pay	60
Cost of replacement labour	44
Overtime costs	35
Cost of reduced performance	21
Administration	9

Targets and benchmarking

Just over 40% of organisations have a target in place as part of their efforts to reduce absence, with public services and manufacturing and production organisations being most likely to use this method.

In all, 42% of organisations have a target for reducing employee absence, which represents a 2% reduction in the proportion of employers having targets, compared to the previous year. See Table 13.

Public services organisations are most likely to have a target for reducing absence levels (59%), followed by manufacturing and production employers (52%).

Private services sector businesses (30%) and non-profit organisations (28%) are less likely to use targets as part of their absence management strategies.

This might indicate that, in sectors where absence levels are typically highest, organisations are more likely to have a target in place to try to tackle the problem than those where absence management is less of a challenge.

Local government employers are most likely among the public services to have an absence reduction target and 'other public services' organisations are least likely.

Food, drink and tobacco employers more commonly use targets than other manufacturing and production organisations, while paper and printing businesses are least likely to have an absence reduction target.

Among the private services, 57% of transport and storage organisations have a target for reducing absence compared to just 15% among telecommunications businesses.

Housing association employers are the most likely of the non-profit sector organisations to have a target, with care services employers being the least likely.

In all, 49% of Irish organisations surveyed have a target for reducing employee absence levels.

Types of target
Among organisations setting targets, 56% have a target to reduce absence to a percentage in working time lost. Of these, about 40% of organisations are aiming for a target of 3%, 21% have a target of 4%, and 18% of organisations have a target to reduce absence to 2% of working time lost.

Just over a fifth of organisations are using a target that is based on an average number of days lost per employee. Among organisations using this approach, 17% have a target of eight days per employee per year, 15% use a target of five days, and 14% of organisations aim for three days per employee per year.

A total of 8% of organisations are aiming for an annual percentage reduction in working time lost. Just under half of employers using this type of target are aiming for a 1% reduction, 8% are aiming for a 2% reduction and 14% have a reduction target of 3% of working time lost.

Just 3% of organisations with an absence target are aiming for an annual reduction in days per employee per year.

Benchmarking absence rates
In all, 37% of respondents say their organisation benchmarks itself against comparable employers, a drop from last year's figure of 43%. This rises to 58% among public sector organisations and falls to just 28% among private services sector employers. The other two main sectors report benchmarking activity at very close to the survey average.

Table 13: Organisations that have a target for reducing absence, by sector

	Number of responses	Cost (£) per employee per year
Manufacturing and production	**380**	**52**
Agriculture and forestry	**4**	**25**
Chemicals, pharmaceuticals and oil	50	50
Construction	35	50
Electricity, gas and water	11	55
Engineering , electronics and metals	89	45
Food, drink and tobacco	59	69
General manufacturing	48	65
Paper and printing	19	37
Other manufacturing	63	54
Private services	**463**	**30**
Professional services	61	18
Financial services (including insurance)	59	36
Hotels, restaurants and leisure	37	35
IT services	36	19
Legal and property service	34	18
Media and publishing	23	22
Retail and wholesale	75	41
Transport and storage	35	57
Telecommunications	13	15
Other private services	88	24
Call centres	10	30
Public services	**189**	**59**
Education	48	25
Local government	35	86
Police	8	75
Fire	2	50
Health	46	72
Other public services	23	43
Non-profit organisations	**88**	**28**
Housing associations	26	38
Charity services	29	31
Care services	18	17
Other voluntary services	16	19
Survey average (UK organisations)	**1076**	**42**
Ireland	**69**	**49**

Among Irish organisations surveyed, 55% benchmark themselves against other employers.

Nine in ten employers benchmark by sector, whereas more than four in ten benchmark by region.

Eighty per cent of respondents believe it's possible to reduce levels of absence in their organisation further, and 11% disagree with this. Public services respondents are most likely to believe that absence can be brought down from current levels.

The Co-operative Group

The Co-operative Group has benefited from the introduction of an Oracle HR and payroll system which allows it to measure, track and manage employee absence much more efficiently.

The Co-operative Group, which employs over 55,000 people across its food and specialist retail operation, started to bring all of its many different HR systems and payroll systems together onto one HR platform in January 2003. The new Oracle HR and payroll system went live in April 2004.

Tom Holden, the HR Management Information Manager, outlined the advantages of a single HR platform:

'The system ensured the organisation had one single source of data for the first time and was able to draw on a wide range of management information across its 2000 food retail and 800 specialist retails outlets, as well as its corporate teams and departments.'

The absence data is logged on to the system every week including the reason for absence and the duration of absence. Holden says it quickly made a significant difference to HR's ability to track trends: 'We can now track short and long-term absence trends accurately for the first time and provide much more up-to-date management information to our regional HR and operations managers'.

Currently reports on absence levels go to regional HR and operations managers every month. The absence figures are also a key performance indicator and are included in quarterly reports to the board.

This highlights at the highest level of the business the trends in working time lost due to employee absence, as well as estimated cost of absence measured using a direct wage calculation.

The reports allow business units to benchmark their absence rates against each other internally. Tom points out other key advantages the Group is now able to exploit: 'The system can also flag up to managers where individuals have breached the Group's absence trigger of four occurrences of absence or more in a rolling 12-month period so managers know when they need to conduct absence review meetings'.

'In addition it helps track the long-term absences of those off sick for 28 days or more, allowing better management of their rehabilitation and return to work'.

There are plans to develop the system further and provide an online dashboard of information which will be provided to managers' PC screens giving them the latest information on absence and several other KPIs informing them if they are meeting their targets.

The system will generate emails to managers whose stores have both missed and exceeded their targets by a certain amount, helping to ensure that managing absence effectively is regarded as a priority across the business.

Causes of employee absence

Minor illness is the biggest cause of short-term absence, followed by stress for non-manual employees and back pain for manual workers.

Respondents were asked to rank the top five causes of short-term absence for both manual and non-manual employees.

Minor illnesses, such as colds, flu and stomach bugs, are rated as easily the biggest cause of short-term absence for manual workers. See Table 14.

This is followed by back pain, with more than half of respondents identifying this as a top-five cause of absence.

Musculo-skeletal injuries are rated as the third most significant cause of absence for this category of workers.

There is no change in the top three causes of absence compared to the previous year. However, home and family responsibilities climbed two places into fourth, ahead of stress and recurring medical conditions.

Absence caused by drink- or drug-related conditions isn't rated as a major cause of absence among manual employees across any of the sectors. But the base line figure of 4% is double that recorded last year.

Among non-manual employees, the top two causes of short-term absence remain, as last year, minor illnesses followed by stress. See Table 15.

Home and family responsibilities have also grown in significance as a cause of absence among white-collar staff since last year's survey, jumping up one place to third.

Other major causes of short-term absence for non-manual employees include recurring medical conditions such as asthma and diabetes, back pain and musculo-skeletal injuries.

Sectoral differences

Respondents in the public services are significantly more likely than the survey average to identify back pain, musculo-skeletal injuries and stress as top-five causes of absence both for manual and non-manual members of staff. They are also least likely to rate non-genuine absence as a significant cause of absence among manual employees.

Home and family responsibilities are more commonly identified as a significant cause of absence for manual and non-manual members of staff by respondents in the private services and manufacturing and production sectors than the other two main sectors.

Manufacturing and production and private services employers rate non-genuine absence as a higher-than-survey-average problem for both categories of staff. Respondents in these sectors are also most likely to regard drink- and drug-related absences as a problem among manual employees.

Manufacturing and production organisations rank work-related injuries particularly highly as a cause of absence for manual employees. Nearly four in ten respondents in this sector identify this as a top-five cause of absence for this category of staff.

Within the non-profit sector, respondents rate back pain as a very significant cause of absence among manual employees. Almost three-quarters of these employers identify this as a top-five cause of absence.

Respondents in this sector are also much more likely than the survey average to rate stress as a major cause of absence for both manual and non-manual members of staff.

Table 14: Causes of short-term absence, manual workers, by major sector

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
		Respondents (%) citing this as a leading cause				
Minor illnesses	95	95	96	100	91	95
Back pain	62	61	56	73	66	64
Musculo-skeletal injuries	53	53	44	54	70	52
Home and family responsibilities	40	43	50	34	17	38
Stress	37	27	35	66	58	30
Recurring medical conditions	35	30	37	44	40	30
Injuries/accidents not related to work	31	35	30	29	24	32
Other absences not due to genuine ill health	30	34	36	15	11	40
Work-related injuries/accidents	29	38	22	20	23	36
Mental ill health	24	22	18	32	35	20
Acute medical condition	23	24	19	20	27	22
Pregnancy-related absence	9	6	13	15	8	4
Drink- or drug-related conditions	4	5	4	2	1	2

Table 15: Causes of short-term absence, non-manual workers, by major sector

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
		Respondents (%) citing this as a leading cause				
Minor illnesses	98	96	100	100	96	96
Stress	56	45	52	78	82	50
Home and family responsibilities	44	52	48	42	22	48
Recurring medical conditions	42	40	42	50	44	45
Back pain	41	32	42	45	53	26
Musculo-skeletal injuries	35	28	33	41	55	28
Mental ill health	30	25	28	38	45	32
Injuries/accidents not related to work	28	33	30	17	22	35
Other absences not due to genuine ill health	26	29	31	16	13	30
Acute medical condition	25	27	23	19	27	28
Pregnancy-related absence	14	12	18	14	8	14
Work-related injuries/accidents	6	6	6	8	4	7
Drink- or drug-related conditions	2	2	3	2	2	3

Long-term absence of manual employees

Respondents were asked to identify the most significant cause of long-term absence, defined as periods of four weeks or more (20 working days), for manual and non-manual workers.

Back pain climbed ahead of musculo-skeletal injury as the number one cause of long-term absence for manual employees, with almost a fifth of respondents rating this as the most significant reason. See Table 16.

Acute medical conditions are now rated as the third most significant cause of long-term absence for this category of staff, climbing ahead of stress since last year's survey.

Operations and recovery time and mental ill health are also regarded as significant causes of long-term absence among manual employees.

From a sectoral perspective, public services organisations are most likely to identify musculo-skeletal injuries as the main cause of absence among manual employees. More than a quarter of public services sector respondents rate musculo-skeletal problems as the number one cause of absence for this category of employee.

Public services respondents are also more likely than the survey average to rate stress as a major long-term cause of absence for manual employees, with 16% highlighting this as the most significant reason.

Almost a third of non-profit organisations rate back pain as the number one cause of absence for manual employees, and respondents in this sector are also the most likely to rate stress highly as an absence reason.

Acute medical conditions are rated as a particularly significant cause of absence by private services organisations (19%).

Of the main sectors, manufacturing and production employers are the most likely to identify recurring medical conditions and work-related injuries/accidents as main reasons for absence.

Long-term absence of non-manual employees

Stress remains the number one ranked reason for long-term absence for non-manual employees, with a third of respondents identifying this as the main reason in their organisations. See Table 17.

Acute medical conditions are rated as the second most significant cause, jumping ahead of mental ill health since last year's survey.

Table 16: Causes of long-term absence, manual workers, by major sector

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Back pain	19	19	17	31	18	18
Musculo-skeletal injuries	17	16	12	13	27	16
Acute medical condition	15	17	19	0	10	15
Stress	11	5	15	26	16	8
Operations and recovery time	7	8	5	10	2	8
Mental ill health	6	5	7	8	6	6
Injuries/accidents not related to work	5	7	2	8	3	5
Recurring medical conditions	5	6	3	0	1	6
Work-related injuries/accidents	3	5	3	0	1	6
Minor illnesses	3	2	4	0	4	2

Respondents (%) citing this as a leading cause

Table 17: Causes of long-term absence, non-manual workers, by major sector

		Respondents (%) citing this as a leading cause				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Stress	33	24	30	42	52	25
Acute medical condition	19	24	19	14	10	22
Mental ill health	13	9	14	17	17	10
Operations and recovery time	8	8	9	9	5	8
Minor illnesses	6	8	4	5	9	6
Recurring medical conditions	4	5	5	2	2	2
Injuries/accidents not related to work	4	5	5	5	0	4
Back pain	3	3	3	2	4	4
Musculo-skeletal injuries	3	3	3	3	5	3
Pregnancy-related absence	1	2	1	2	0	20

Operations and recovery time remain the fourth biggest cause of long-term absence among non-manual employees.

However, minor illnesses have jumped two places since last year and are now identified as the fifth most significant cause of long-term absence.

Public services sector respondents and those from non-profit organisations are most likely to identify stress and mental ill health as main causes of long-term absence for non-manual employees.

Manufacturing and production employers are markedly more likely than those in the other sectors to identify acute medical conditions as the main cause of long-term absence for non-manual employees, with nearly a quarter rating this as the main reason.

Recurring medical conditions are more than twice as likely to be identified as a major cause of long-term absence for non-manual employees by private services sector and manufacturing and production employers than organisations in the public and non-profit sectors.

Workplace stress

Stress-related absence has continued to increase, with the biggest causes being workload, management style and organisational change.

The number of employers reporting an increase in stress-related absence continues to increase – 46% report an increase compared to a 39% increase the previous year.

However, the proportion of employers (17%) reporting a decrease in stress has also increased compared to the previous 12 months, when just 10% said that levels of work-related stress were falling.

This may be explained by the fact that, while many of the organisational pressures that cause stress, such as workloads, pressure to meet targets and change, continue to build, some employers are improving how they identify and manage stress in the workplace.

Public services sector employers are most likely to identify an increase in stress-related absence (56%).

Just over 50% of non-profit organisations cite an increase in stress, and these employers are least likely to

report that this reason for absence declined in the previous 12 months (13%).

Private services sector employers are least likely to cite an increase in stress (42%), while 17% report a decrease. In all, 46% of manufacturing and production employers identify an increase in stress, with 17% seeing a decrease.

The causes of work-related stress
The survey asked respondents to identify and rank the top three causes of stress at work.

Workload/volume at work is the number one cause of stress at work – nearly 60% of respondents rate it in their top three and 33% rank it as the number one cause.

Non-profit organisations are most likely to rate workloads as the biggest cause of stress, followed by public services employers. See Table 18.

Table 18: The causes of stress at work

	UK respondents (%) citing this as a cause	
	Any mention	Main cause
Workload/volume of work	57	33
Management style	38	17
Organisational change/restructuring	34	12
Relationships at work	32	11
Pressure to meet targets	31	7
Lack of employee support from line managers	17	3
Lack of control over how work is carried out	14	3
Job insecurity	10	2
Lack of training	6	1
Poorly designed jobs/roles	6	1
Lack of consultation	6	1

Management style jumped into second place in this year's survey, after being the fifth biggest cause of workplace stress previously. Nearly 40% of respondents identify this as a top three cause of stress and 17% rate it as the main cause. Management style is most likely to be regarded as a major cause of stress by respondents in the private services sector, although it's regarded as a key issue across all sectors. The CIPD is currently involved in a joint research project with the Health and Safety Executive (HSE) exploring the link between line management behaviour and stress at work.

Existing CIPD research into employee attitudes found that good-quality line management is one of the pre-requisites of high-quality workplaces, which are characterised by lower levels of stress, as well as higher levels of motivation and commitment.

Organisational change/restructuring is also ranked as a main cause of stress at work. Just over a third of respondents rank it in the top three and 12% see it as the most significant cause. Public services sector respondents are, by some degree, the most likely to regard organisational change as an issue, with 46% ranking it as a top three cause of stress and 18% as the main cause.

Relationships at work remain, as last year, the fourth ranked cause of stress. Again, public services respondents most commonly identify this as a main cause (39%) of workplace stress.

The top four causes of stress at work in Ireland are, in order, workload, management style, relationships at work, and organisational change.

Methods used to identify and reduce stress in the workplace
Just under 70% of organisations are taking steps to improve how they manage workplace stress. This rises to 87% among public services organisations and falls to 62% among manufacturing and production employers.

Just over 60% of organisations in Ireland are taking action to manage stress in the workplace.

However, although a high proportion of employers are taking action of some sort to manage stress, the survey shows that much of this action is relatively ad hoc.

Nearly 60% of organisations surveyed carry out a stress risk assessment or stress audit to help identify and manage stress in the workplace (see Table 19).

Table 19: Methods used to identify and reduce stress in the workplace

		Organisations (%) using this method				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Risk assessments/stress audits	58	63	49	54	66	37
Training for managers/staff	58	52	55	67	70	51
Staff surveys	52	36	52	69	70	51
Written stress policy/guidance	50	49	39	56	64	31
Flexible working options improved work–life balance	49	37	46	56	70	46
Greater involvement of occupational health specialists	43	49	27	46	61	26
Employee assistance programmes	32	29	29	39	37	40
Focus groups	18	11	18	21	32	20
Changes in work organisation	17	18	16	13	17	9

A similar proportion are providing training for managers or staff to help them manage or cope with stress.

About half of employers use their staff attitude survey as part of their approach to stress management and have a stress policy or guidance in place.

Flexible working is also identified as a method of helping to manage stress. with 49% of respondents highlighting the provision of work–life balance options.

Public services organisations and non-profit organisations are more likely to be undertaking a range of activities to manage stress in the workplace compared to those in the other two main sectors.

Irish organisations are generally less likely to be taking action to manage stress than UK-based organisations.

Forty per cent of all respondent organisations say they use or are planning to use the HSE's management standards for stress, compared to 57% last year.

Nearly half of respondents in public services organisations are either already using the HSE's standards or are intending to do so, while private services organisations are least likely to be using the standards or to be considering doing so (35%).

The main obstacle to managing stress in the workplace is the fact that stress is difficult to define and identify. Increasing performance targets/workloads and a lack of skills to deal with stressed employees are also regarded as barriers to managing stress effectively. See Table 20.

What are the HSE management standards?
The stress management standards and supporting processes are designed to:
• help simplify risk assessment for stress
• encourage employers, employees and their representatives to work in partnership to address work-related stress throughout the organisation
• provide the yardstick by which organisations can gauge their performance in tackling the key causes of stress.

Are the management standards new laws?
Employers already have duties:
• Under the Management of Health and Safety at Work Regulations 1999, to assess the risk of stress-related ill health arising from work activities
• Under the Health and Safety at Work etc Act 1974 to take measures to control that risk.

The management standards are intended to help and encourage employers to meet these existing legal obligations.

The proportion of stress caused by life outside work
The survey finds that a fifth of employers record work-related stress and non-work-related stress separately. Public services organisations (23%) and manufacturing and production organisations (21%) are most likely and the private services sector (17%), and non-profit organisations (14%) are least likely to do this.

Table 20: Obstacles to addressing stress at work	UK respondents (%) citing this as a cause	
	Any mention	Main cause
Stress is not clearly defined and is difficult to identify	64	64
Increasing performance targets/workload	43	43
Lack of skills for dealing with stressed staff	42	42
Lack of organisational commitment/issue not taken seriously enough	31	31
Difficulty in building a business case for investment in stress management	26	26

Table 21: What percentage of stress is created by life in/outside work?

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
				Respondents' (%) split		
Employment and the workplace	40	36	40	42	45	35
Employees' lives outside work	60	64	60	58	55	65

Respondents believe that 60% of stress affecting employees is caused by their lives outside the workplace and only 40% is caused by their employment experience. Respondents in the public services believe that as much as 45% of stress is caused by work, while, at the other end of the spectrum, manufacturing and production organisations put this figure as low as 36%. See Table 21.

The HSE defines stress as the 'adverse reaction people have to excessive pressure or other types of demands placed upon them'. Obviously, these pressures can be caused by people's home lives as well as work and they are often connected. Someone going through a marital breakdown, for example, may not be able to cope with the demands of a challenging job that, under normal circumstances, they enjoy.

Employers can try and ensure that the workplace in itself is not the cause of adverse pressures by carrying out a risk assessment to identify and manage stress, as well as providing support for individuals who, for whatever reason, are suffering from stress.

Managing absence

Return-to-work interviews are regarded as the most effective intervention for managing short-term absence, while the involvement of occupational health professionals is identified as key to tackling longer-term absences from work.

Nine in ten organisations have a written sickness absence or attendance management policy. This rises to 98% among public services and falls to 87% in the private services sector.

Nearly 70% of respondents report that their organisation has made changes to how sickness absence is managed in the last two years. Public services organisations (82%) are significantly more likely to have made changes to sickness absence management policies and procedures than respondents in the other three main sectors. Non-profit organisations are least likely to have shaken up their approach to absence management in the last two years (63%). Size is also a factor, with 65% of organisations employing 250 people or fewer having made changes to their absence management policy or practice. This rises to nearly 80% among employers with 10,000 or more staff.

Of those organisations making changes to how they manage absence, the most common changes are the introduction or revision of absence management policies and the introduction or revision of absence monitoring procedures (see Figure 3).

Just over half of organisations making changes have introduced return-to-work interviews.

Methods for managing short-term absence
Respondents were asked to choose from a list of 25 practices to select which ones are used to manage short-term absence in their organisations.

Return-to-work interviews are the most commonly used practice for managing absence – about eight in ten respondents across all sectors report that their organisation uses this intervention. See Table 22.

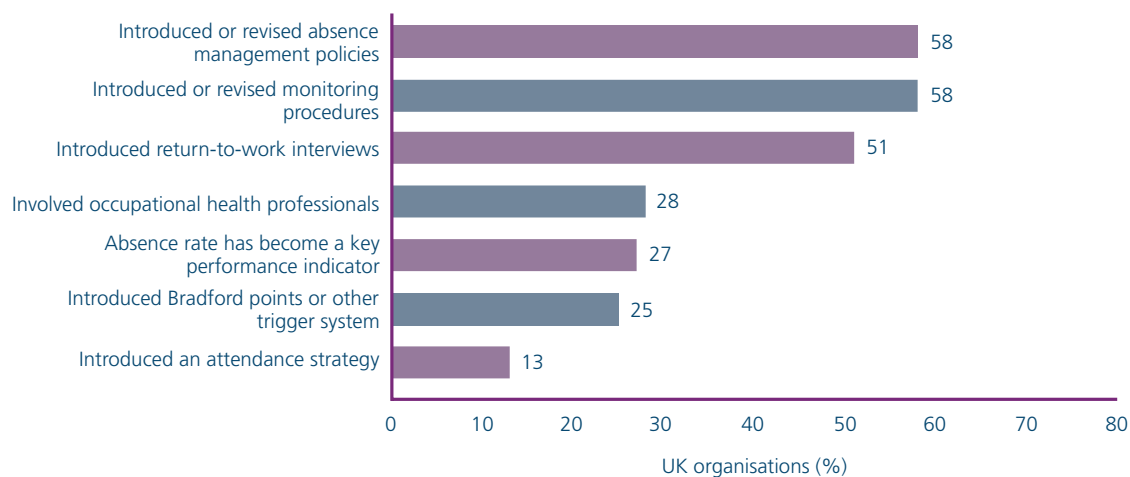

Figure 3: Changes made to absence policy

	UK organisations (%)
Introduced or revised absence management policies	58
Introduced or revised monitoring procedures	58
Introduced return-to-work interviews	51
Involved occupational health professionals	28
Absence rate has become a key performance indicator	27
Introduced Bradford points or other trigger system	25
Introduced an attendance strategy	13

Table 22: Absence management tools for short-term absence

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
			(%) using this method			
Return-to-work interviews	81	80	78	79	89	60
Disciplinary procedures for unacceptable absence	79	87	76	68	70	72
Sickness absence information provided to line managers	74	72	72	81	82	72
Trigger mechanisms to review attendance	69	74	61	63	80	48
Leave for family circumstances	67	60	65	72	82	47
Line managers take primary responsibility for managing absence	65	60	64	71	73	70
Managers are trained in absence management	54	55	46	51	72	58
Restricting sick pay	45	52	54	34	21	52
Flexible working	41	31	36	56	67	30
Absence rate is a key performance indicator	41	50	32	28	48	44
Involvement of occupational health professionals	40	47	23	50	65	32
Stress counselling	38	33	30	43	66	32
Attendance record is a recruitment criterion	35	34	32	37	42	35
Employees' absence taken into account when considering promotion	35	39	35	23	28	47
Changes to working patterns or environment	33	27	29	38	55	25
Capability procedure	32	21	27	47	58	6
Employee assistance programmes	28	22	28	31	35	40
Health promotion	27	26	21	23	50	30
Tailored support for line managers (for example, online support, care conference with HR)	21	16	18	28	36	28
Attendance bonuses or incentives	15	25	14	5	7	25

The use of disciplinary procedures is the next most regularly used method for managing short-term absence. Manufacturing and production employers are, by some degree, the most likely to use disciplinary procedures, and non-profit and public sector employers are significantly less likely to use this approach to manage short-term absence.

More than 70% of employers provide information on levels of absence to line managers as a means of helping to tackle short-term absence, rising to 82% among public sector employers.

The use of trigger mechanisms to review attendance is another frequently used method for trying to reduce short-term absence. The public services are most likely (80%) and employers in the non-profit and private services sectors are least likely (61%) to use this approach.

About two-thirds of employers provide leave for family circumstances. Again, it's public service organisations that more commonly allow employees time off to cope with family matters (83%), while only 59% of manufacturing and production organisations do so.

More than half of respondents' organisations train their line managers to manage absence. Just 45% of private services sector employers train line managers in absence-handling skills, compared to 72% of public services organisations.

Restricting sick pay to discourage short-term absence is an approach used by 45% of employers, but just 21% of public services organisations consider doing this.

Most effective absence management tools for short-term absence

Respondents were asked to identify the three most effective methods of managing short-term absence.

Return-to-work interviews are rated as the most effective approach to tackling short-term absence across all sectors. More than 70% of respondents identify return-to-work interviews as one of the three most successful practices for dealing with short-term absence problems. See Table 23.

Trigger mechanisms for identifying frequent short-term absences are regarded by employers as the second most effective absence management method. Nearly 40% of public services employers identify this type of intervention as one of their top three methods for managing short-term absence.

Disciplinary procedures are regarded as the third most effective intervention. However, there is considerable difference between how the sectors rate the effectiveness of disciplinary action. In all, 39% of manufacturing and production employers rank the use of disciplinary procedures as a top three absence management tool, compared to just 14% of public sector and non-profit organisations.

Restricting sick pay is also rated highly as a valuable tool to discourage short-term absence. But public services organisations are significantly less likely than the other sectors to rate restricting sick pay as a top three method of tackling short-term absence, with just 2% identifying it as an effective approach, compared to 26% among private services sector employers.

The survey also highlights the role of the line manager in the successful management of short-term absence. The fifth most effective method identified by respondents was ensuring that line managers take primary responsibility for managing absence. This was followed by providing line managers with good-quality information on absence and providing training to enable them to carry out their absence management role effectively.

Occupational health involvement is also rated highly in terms of its effectiveness in managing short-term absence. Early referral to occupational health professionals is important to prevent conditions such as stress or musculo-skeletal problems becoming either recurrent or long-term. The Royal Mail, for example, now refers employees with such conditions to occupational health on the first day of absence to enable treatment strategies to be put in place at an early stage.

Table 23: Most effective absence management tools for short-term absence

		(%) using this method				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Return-to-work interviews	72	74	68	68	77	56
Trigger mechanism to review attendance	28	29	25	28	37	10
Disciplinary procedures for unacceptable absence	27	29	25	14	14	40
Restricting sick pay	18	19	26	9	2	24
Line managers take primary responsibility for managing absence	16	14	17	18	16	15
Sickness absence information provided to line managers	12	10	12	17	14	12
Managers are trained in absence management	10	10	10	5	14	10
Occupational health involvement	9	12	6	10	14	3
Flexible working	6	5	6	9	10	5
Leave for family circumstances	5	3	5	8	6	5
Attendance bonuses or incentives	4	6	4	0	1	12
Attendance record is a recruitment criterion	3	3	3	6	4	0
Absence rate is a key performance indicator	3	4	3	0	1	5
Capability procedure	2	1	3	4	3	2
Tailored support for line managers (for example, online support, care conference with HR)	2	1	2	3	3	2
Employees absence records taken into account when considering promotion	2	0	2	0	2	5

Absence management tools for long-term absence

Respondents were asked to choose from a list of 25 methods which ones they used in their organisation to manage long-term absences of four weeks or more (20 working days).

Return-to-work interviews are the most commonly used approach for managing long-term absence, cited by seven in ten respondents. This rises to 83% of public services organisations and falls to 70% among private services organisations. See Table 24.

The majority of organisations (64%) also provide sickness absence information to line managers as a way of helping to manage long-term absence. Public services and non-profit organisations are most likely to report that this is the case.

Table 24: Absence management tools for long-term absence

| | Organisations (%) using this method | | | | | |
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Return-to-work interviews	73	71	70	77	83	66
Sickness absence information provided to line managers	64	58	61	76	79	61
Occupational health involvement	61	65	43	69	89	42
Risk assessment to aid return-to-work after long-term absence	56	54	50	58	70	39
Trigger mechanisms to review attendance	52	52	45	47	70	48
Flexible working	51	41	46	65	75	39
Disciplinary procedures for unacceptable absence	46	46	42	51	52	63
Managers are trained in absence handling	44	40	36	50	65	42
Stress counselling provided	43	37	35	43	75	37
Restricting sick pay	42	43	51	34	24	52
Capability procedure	40	32	33	50	67	8
Changes to working patterns or environment	40	35	35	48	62	13
Line managers take primary responsibility for managing absence	39	34	33	51	60	36
Absence rate is a key performance indicator	35	40	27	22	47	39
Rehabilitation programmes	34	37	26	23	50	21
Employee assistance programmes	29	25	28	31	37	40
Tailored support for line managers (for example, online support, care conference with HR etc)	26	21	23	30	41	24
Health promotion	25	23	19	21	48	27
Employees absence records taken into account when considering promotion	25	28	24	16	25	42
Attendance record is a recruitment criterion	25	23	19	28	45	30
Leave for family circumstances	22	17	19	28	38	30

Just over 60% of respondents provide employees with access to occupational health professionals as part of their organisation's approach to managing long-term absence. However, there are significant differences between sectors on the use of occupational health services. Only four in ten private services organisations provide staff with access to occupational health professionals, compared to nearly nine in ten public services employers.

More than half of organisations use risk assessments to try and ensure individuals make successful and lasting returns to work after they have been away from work for long periods. Risk assessments can identify the issues that might undermine an individual's return to work and ensure that appropriate adjustments are made, for example, reduced hours or a different role.

Trigger mechanisms are used by 52% of respondents' organisations to try and reduce long-term absence. Trigger mechanisms are most likely to be used by public services organisations to manage long-term absence (70%), with private services organisations being least likely to use them (45%).

About half of employers identify the provision of flexible working opportunities as one of the methods they use to tackle long-term absence.

Most effective absence management tools for long-term absence
The involvement of occupational health professionals is rated, by some way, as the most effective method of managing long-term absence.

Four in ten respondents rate the involvement of occupational health professionals among their top three most effective approaches. However, as the above table shows, almost 40% of organisations are still not providing employees any access to occupational health services at all. See Table 25.

Table 25: Most effective absence management tools for long-term absence

	Respondents (%) citing this approach as one of the most effective					
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Occupational health involvement	38	36	31	56	53	32
Rehabilitation programmes	19	16	18	25	25	5
Changes to working patterns or environment	15	14	15	17	13	7
Return-to-work interviews	14	15	14	21	10	21
Flexible working	14	13	16	15	13	19
Restricting sick pay	10	10	13	8	5	14
Risk assessment to aid return-to-work after long-term absence	9	6	11	15	7	9
Capability procedure	9	8	9	6	8	5
Disciplinary procedures for unacceptable absence	6	5	7	4	5	14
Tailored support for line managers (for example, online support, care conference with HR etc)	6	5	7	4	10	0
Employee assistance programmes	5	4	6	4	6	14
Regular communication/contact	5	3	7	2	5	14
Line managers take primary responsibility for managing absence	5	3	5	6	5	5
Stress counselling provided	4	2	3	8	8	5
Managers are trained in absence handling	4	4	4	4	5	2
Nominated abscence case manager	4	4	2	4	2	2

Rehabilitation programmes are ranked as the second most effective intervention, even though only a third of employers have such programmes in place. Public services and non-profit sector organisations are particularly likely to regard rehabilitation programmes as effective.

Changes to working patterns or environment, the use of flexible working arrangements and return-to-work interviews are also ranked highly by respondents across all sectors as effective interventions for managing long-term absence.

Department for Constitutional Affairs

An innovative line manager training programme has been launched across the Department for Constitutional Affairs (DCA) as part of its drive to manage absence more effectively.

The DCA has expanded rapidly in the last two years following its merger with the magistrates courts in 2005 and this year with the Tribunal Service, and now employs about 26,000 people.

Fiona Igbokwe, a DCA learning and development project manager, said that as a result of its expansion a lot of its policies and practices had been altered to ensure that there was consistency across the organisation, including the approach to managing attendance.

The DCA's previous managing attendance policy had incorporated the use of trigger points to identify individuals with high levels of absence and ensure action by the line manager. However, this approach has been changed under the new policy, which puts a greater emphasis on flexibility and line manager accountability to take account of the diverse range of the DCA's activities and business units.

The new policy places joint responsibility on the line manager and the employee and prompts action if there are particular patterns of absence, mental health issues or other significant heath problems.

"It was felt that having trigger points took away accountability from the individual," said Janet Peel, the DCA's absence management project manager. "They were having things done to them, which was at odds with the culture we are trying to develop, which is more participative. We want people to have conversations about absence and get to the root causes."

To help the line managers adapt to the new approach and ensure they have the necessary skills, a new line manager training toolbox was developed.

This was introduced in October last year at the same time as the new policy went live, following consultation with the learning and development (L&D) team leaders, HR business partners and other stakeholders across the DCA's eight regions.

Igbokwe said the toolbox allows the L&D team leaders of the different regions to design training courses which focus on the particular needs of their line managers around the skills of managing attendance.

The toolbox includes modules on a wide range of issues, including assertiveness for managers, dealing with difficult situations, and listening and communication skills.

It also includes a focus on the causes of absence and highlights the importance of taking into account the benefits of work–life balance, considering alternative working patterns and stress.

The training is classroom-based but line managers can access the course material on the shared IT drive. A training video and e-learning modules are currently being developed to support the toolbox and provide line managers with more learning support.

Department for Constitutional Affairs (continued)

Igbokwe also e-mails out regular managing attendance updates to the L&D team leaders whenever there is a change in policy or legislation.

Other support includes a 23-page toolkit guide on managing absence and one on managing stress which are given out to line managers and employees to provide a quick reference reminder on some of the key aspects of the policy and best practice.

Individuals with longer-term health problems and with other specific health issues are referred to the organisation's external occupational health provider at the discretion of the line manager, with advice from HR on occasion.

The new approach to managing attendance appears to be working to date, with average absence levels falling to 9.8 days per employee per year, compared to 10.8 days for the previous 12 months.

Employee well-being

Only just over a quarter of organisations have an employee well-being strategy or similar initiative to help improve the physical and mental health of their workforce.

Public service organisations are most likely to have an employee well-being strategy (42%), and private services sector organisations are least likely to have one (22%).

Employee well-being strategies are considerably more common among Irish organisations (56%) than UK-based employers.

Employee well-being strategies are most common among very large organisations employing more than 10,000 people – two-thirds of such employers report that they have a strategy or policy in place. The proportion of organisations with a formal focus on well-being falls steadily as employers get smaller. Nearly 40% of organisations employing between 5,000 and 10,000 people have a well-being strategy, while just 22% of organisations with 250 or fewer staff do.

The most common investment in employee well-being is the provision of private health insurance, with more than half of respondents providing this benefit for at least some categories of staff. Private services organisations are most likely to offer this benefit (77%), followed by manufacturing and production employers (71%), non-profit organisations (31%) and the public services (12%). See Table 26.

Just over half of employers provide access to counselling services, the public services being most likely (83%) and the private services sector least likely (40%) to do this.

About a third of employers provide 'stop smoking' support for employees. This is an area that may well see more activity from employers in the run-up to the UK ban on smoking in enclosed public spaces, which comes into force in the summer of 2007. This will also outlaw the provision of smoking rooms in employers' premises and will probably mean many employers will have to alter their policies on smoking.

Just over a quarter of organisations provide subsidised gym memberships, while 12% provide in-house gym facilities. Public services employers more commonly provide both subsidised gym membership and in-house gyms than organisations in the other main sectors. Manufacturing and production employers are least likely to provide these benefits.

More than 30% of respondents' organisations provide employee assistance programmes. This figure rises to nearly 40% among non-profit and public sector employers and falls to just 22% of manufacturing and production organisations.

A quarter of organisations try to promote healthy eating among their employees either through providing advice on diet or through the canteen menu.

Table 26: Initiatives used by organisations to support employee well-being

		Organisations (%)				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Advice on healthy eating	25	29	18	15	40	43
Healthy menu in employee canteen	25	28	20	17	37	40
Healthy snacks in vending machines	13	21	10	1	11	22
In-house-gym	12	7	9	8	27	9
Subsidised gym membership	28	21	30	25	43	28
Exercise classes provided on work premises	9	4	6	7	25	13
Support to stop smoking	34	40	21	31	57	34
Regular health checks	28	40	18	17	30	42
Private health insurance	60	71	77	31	12	76
Personalised healthy living programmes for employees	2	2	2	1	5	5
Employee assistance programme	32	25	32	47	40	42
Access to counselling service	55	49	46	62	87	52
Stress risk assessment	25	23	20	29	44	13
Access to physiotherapy	21	26	12	17	29	15
Massage	9	4	10	10	12	12

It's the public services that once again take the lead in providing support for employees in this area. More than a third of employers in this sector provide advice on healthy eating and healthy menus in employee canteens.

Almost 30% of respondents' organisations provide regular health checks for staff, rising to 36% among manufacturing and production employers and falling to 17% among non-profit employers.

Only 21% of employers provide access to physiotherapy services, despite the very high level of absence caused by back pain and musculo-skeletal injuries.

Which department is responsible for managing employee well-being?

More than 80% of organisations rely on their HR departments to manage and drive forward the employee well-being agenda.

If HR doesn't take the lead, there is an almost equal likelihood that employee well-being will be managed either by the occupational health department (16%) or by health and safety (17%).

Public services employers are less likely than the survey average to rely on HR to manage employee well-being (73%) and proportionally more likely to depend on occupational health (34%).

Attitudes of senior management to employee well-being

Under half of respondents say that senior management have positive attitudes to employee well-being initiatives. Senior managers in the public sector are most supportive of employee well-being, with 58% having positive attitudes to such interventions. Those in the non-profit sector are least supportive of this agenda (37%). See Table 27.

Table 27: The attitude of senior management towards employee well-being initiatives

		Respondents (%)				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Positive	45	45	42	37	58	68
Negative	4	6	3	4	1	4
Indifferent	41	38	45	42	34	27
Don't know	11	12	10	18	8	1

Just over 40% of respondents report that their senior managers are indifferent to employee well-being initiatives. This is most commonly the case among private services organisations.

Only 4% of respondents say their senior managers are negative towards employee well-being and 11% say they don't know what the views of their top managers are on the issue.

What are the biggest obstacles to employee well-being initiatives?
Lack of resources is regarded by respondents as the biggest obstacle to providing initiatives to support employee well-being, and nearly half identify this as a problem. This is particularly seen as an issue by public sector respondents (66%) and less likely to be seen as so critical by those in the manufacturing and production sector (44%).

Nearly 30% of respondents identify lack of senior management buy-in as a significant obstacle. This rises to 34% among private services sector respondents and falls to 20% for those working in the public services.

Just over a quarter of respondents say that one of the biggest barriers to the introduction or success of employee well-being initiatives is the difficulty in building the business case to justify investment in such interventions.

Private services organisations (33%) and manufacturing and production employers (30%) are more likely than the other two main sectors to cite difficulty in building the business case as a significant obstacle to employee well-being initiatives.

Lack of employee buy-in is another factor regarded as a barrier to the introduction or success of employee well-being interventions. A fifth of organisations identify this as a problem. Manufacturing and production employers most commonly regard lack of employee buy-in as an obstacle.

Evaluation of employee well-being initiatives
Just 7% of organisations have carried out or are currently carrying out evaluation to assess whether their employee well-being initiatives have contributed to lower sickness absence rates or brought other benefits. Public service organisations are most likely to be evaluating this, with about 10% doing so, and the non-profit sector is least likely to be doing so (4%).

Prudential

The Prudential has proved the value of investing in employee well-being following the introduction of its wellness strategy and the success of two pilot studies which have focused on improving employees' health.

The company introduced its wellness strategy at the beginning of 2005 as part of its drive to move its focus from managing absence towards preventing absence through promoting healthier lifestyles.

Andrew Powles, People Policy Manager, said: 'In 2004 we spent little time on promoting healthy lifestyles and were reaching only people who fell ill. In other words: by only tackling the symptoms we were missing an opportunity to reach all our employees.'

'The Wellness strategy, aims by 2008, to have moved the resource and time allocation spent on Wellness vis-à-vis Managing Absence from 20:80 to 80:20.'

The driving principle of the strategy is enabling people to make simple lifestyle changes. It reaches far beyond gym membership to include, among other areas, nutrition, back maintenance and sickness prevention. To deliver the strategy the Prudential has worked closely with its health partners PruHealth, BUPA Wellness and health consultancy vielife. The wellness strategy has three elements: promoting wellness, managing absence and supporting employees.

As part of the Prudential's interventions on actively promoting wellness, the organisation has run two pilot initiatives within two different business units.

The first pilot was for 100 people with the Prudential's Customer Services and IT Departments across two sites. The trial involved a mini health screen by BUPA Wellness, online health assessments from vielife and team sessions using lifestyle coaching. In addition, an eight-week vielife nutrition programme was run. Before the trial, the absence rate for the pilot group was an average of six days per absence per year. This dropped to 2 days per employee over a rolling 12-month period. Participants were an estimated 6.9 days a year more productive, using a measurement tool developed by vielife.

The second pilot was for 500 people on one site where there was an exceptional 70% take-up rate. The trial used primarily the vielife online assessment and information health tool, plus a focus on nutrition and hydration. Short-term absence was reduced by 11%, productivity was up by 1.77 days and turnover down by 3%.

The number of employees in the second pilot deemed to be high risk has fallen by 7%, medium risk has been reduced by 3%, above average down by 2% and good health up by 12%. This is important as, intuitively, people in good health are going to be more effective than those in poor health, and individuals with poor health are going to be more likely to be absent from work than those with above-average health.

Looking specifically at the interventions made on nutrition, the results showed that employees with a good nutritional balance have 20% less self-reported sickness than those with a poor nutritional balance, are 14% more effective at work, and are more effective at managing stress.

The company has also introduced a Health Awareness Business Calendar for all employees, covering muscle pain, healthy eating, skin cancer and resilience. This involves holding week-long awareness-raising campaigns on these issues across the business at different times of the year.

Disciplinary procedures, capability and termination of employment

In all, 82% of respondents report that their organisation's sickness absence policy refers to the use of the disciplinary procedure in relation to persistent absence.

Almost 90% of manufacturing and production organisations' absence policies refer to the disciplinary procedure. This is just 74% in public services organisations. See Table 28.

Just over 60% of organisations' absence policies refer to the use of capability procedures in relation to persistent absence.

Public services are, by some degree, the most likely of all the main sectors to refer to the use of capability procedures in their sickness absence policies (79%), with manufacturing and production organisations being least likely (55%). See Table 29.

The greater emphasis on the use of capability procedures rather than disciplinary measures by public service organisations appears to indicate that public services employers are more likely than those in other sectors to deal with persistent or long-term employee absence as a matter of health rather than conduct.

The survey asked respondents how many employees had attended a disciplinary hearing in relation to their absence from work in the past 12 months.

On average, employers had held disciplinary hearings to discuss absence with just over 3% of their workforce in the past 12 months. See Table 30.

A significantly bigger proportion of employees among manufacturing and production employers had attended disciplinary hearings in relation to absence in the past 12 months (4.4%) compared to employees of non-profit organisations (1.3%) and those in the public services (1.7%).

Table 28: Does your organisation's absence policy refer to the use of the disciplinary procedure in relation to persistent absence?

	Respondents' (%)					
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Yes	82	89	81	76	74	86
No	17	11	18	22	26	13

Table 29: Does your organisation's absence policy refer to the use of capability procedures in relation to persistent absence?

	Respondents' (%)					
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Yes	62	55	59	67	79	41
No	35	41	38	33	19	56

Table 30: The proportion of the workforce attending a displinary meeting in relation to absence in the past year

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Workforce (%)	3.2	4.4	2.9	1.3	1.7	3.4

On average, respondents estimate that just under 2% of their organisation's workforce had attended a capability meeting to discuss absence in the past 12 months, with little variation between sectors. A very slightly larger proportion of public services employees had attended capability meetings compared to those employed in the other main sectors. See Table 31.

However, considering that the survey shows public services organisations have the highest levels of absence and being most likely to refer to capability procedures in their absence management policies, it's perhaps surprising that such a comparatively small percentage of public sector workers had attended meetings to discuss their capability in relation to their absence from work.

In all, organisations had dismissed 0.5% of their employees in the past 12 months following unacceptable levels of absence.

Manufacturing and production employers are most likely to dismiss employees for absence. The survey shows that employers in this sector had on average dismissed 0.7% of their workforce in the past 12 months for absence. Private services sector respondents report that they had dismissed 0.4% of their employees for absence in the past year. See Table 32.

Non-profit organisations (0.2%) and public services employers (0.3%) are least likely to have dismissed employees for absence.

The survey asked respondents what proportion of these absence-related dismissals were for absences related to ill health and what proportion were for absences not related to ill health.

Overall, 38% of dismissals were for absence related to ill health and 30% of absence-related dismissals were for non-health-related reasons. See Table 33.

Public services organisations are almost twice as likely to dismiss staff for absence for health-related reasons than manufacturing and production employers.

Non-profit organisations are also much more likely than the survey average to dismiss employees for absence related to health.

Manufacturing and production employers are nearly four times more likely than public services employers to dismiss staff for absences not related to health.

Private services organisations are equally likely to dismiss for absences related to health as they are for non-health-related absence.

The survey asked respondents to estimate what proportion of absence-related dismissals were justified by: capability; conduct; or some other substantial reason.

On average, 46% of absence-related dismissals are justified on the basis of capability. Just under a third of such dismissals are argued on the grounds of conduct

Table 31: The proportion of the workforce attending a capability meeting in relation to absence in the past year

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Workforce (%)	1.8	1.7	1.8	1.8	1.9	2.2

Table 32: The number of employees dismissed in the last 12 months following unacceptable levels of absence

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Workforce (%)	0.5	0.7	0.4	0.2	0.3	0.2

Table 33: Of employees dismissed for absence in the past 12 months, approximately what percentage were dismissed for reasons related to ill health and non-ill health absence?

| | | Respondents (%) | | | | |
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Ill health	38	31	32	42	59	12
Absence not related to ill health	30	43	32	16	11	59

and only 9% are justified by some other substantial reason. See Table 34.

However, there is a very marked difference between the sectors in terms of which reasons are most commonly used.

Public services employers estimate that 66% of absence-related dismissals are argued on the grounds of capability and just 13% of such dismissals are for the reason of conduct.

Non-profit organisations also more frequently justify absence-related dismissals for the reason of capability (61%) than for conduct (14%).

Private services sector employers estimate that under half of absence-related dismissals are justified on the basis of capability and a quarter are attributed to conduct.

Manufacturing and production employers, however, are much more likely to cite conduct as a reason for absence-related dismissal. These employers report that 44% of dismissals for absence are argued on the grounds of conduct, while 33% are justified by the reason of capability.

There was little difference between the sectors when it came to the proportion of dismissals justified on the basis of some other substantial reason, with about 10% typically attributed to this reason.

Long-term sick leave
On average, 1% of the workforce is on long-term sick leave across all sectors. This rises to 1.1% among public services, manufacturing and production and non-profit organisations, and falls to just 0.8% among private services organisations. See Table 35.

Table 34: Reasons used to justify the dismissal

| | | Percentage of absence-related dismissals carried out for this reason | | | | |
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Capability	46	33	48	61	66	47
Conduct	29	44	25	14	13	30
Some other substantial reason	9	10	9	8	9	12

Table 35: The proportion of employees currently on long-term sick leave (absent from work for four weeks or longer)

	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Workforce (%)	1	1.1	0.8	1.1	1.1	1.4

Ill-health retirement

Respondents across all sectors estimate that 0.2% of their workforce had left their organisation on ill-health retirement in the past 12 months.

Irish respondents estimate that just 0.1% of the workforce had left their organisation on ill-health retirement in the past year.

Compromise agreements

Very few employees left their organisations in the previous 12 months as a result of compromise agreements related to absence from work.

For the purpose of this survey compromise agreements are defined as 'formal contracts aimed at resolving any dispute between employer and employee at the point at which employment ends and almost always involving a payment on the employer's part'.

Manufacturing and production employers most commonly enter into compromise agreements related to absence – respondents from this sector estimate that 0.3% of their employees had left the organisation as a result of such an agreement in the past year. This compares to just 0.1% of the workforce among private services sector and public sector employers.

Irish employers estimate that just 0.1% of their employees left as a result of compromise agreements related to absence from work in the past year.

Long-term absences covered by the Disability Discrimination Act

Respondents estimate that 12% of employees on long-term absence are covered by the Disability Discrimination Act (DDA).

Public services respondents are much more likely to report that employees on long-term absence are covered by the DDA, particularly compared to respondents in the private services, who estimate that only 9% of employees on long-term absence are covered by the legislation. See Table 36.

Only 16% of respondents report that the proportion of employees who are on long-term sick leave claiming that they are covered by the DDA has increased in the last 12 months, with 65% reporting no change.

However, 24% of public services respondents report that they believe there has been an increase in the number of employees on long-term sick leave who are claiming that they are covered by the legislation.

Employers have a duty to make reasonable adjustments to help employees suffering from conditions covered by the DDA to return to work.

Respondents were asked to identify which adjustments they typically make to help employees return to work. Nearly 90% of organisations reduce employees' hours to help those covered by the DDA to return to work.

About 80% of respondent organisations also make adjustments to the way the job is structured, provide different hours and make adjustments to the physical working environment. See Table 37.

Just under three-quarters of organisations allow time off for rehabilitation and seven in ten re-deploy employees to an alternative post.

The provision of retraining to help employees adjust to or take on another role is less common, with only half of respondents reporting that they provide this support.

Table 36: The percentage of employees on long-term absence from work (four weeks or longer) covered by the Disability Discrimination Act					
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services
Employees (%)	12	12	9	12	20

Table 37: Reasonable adjustments made by organisations to help employees covered by the DDA to return to work

		Percentage (%)			
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services
Reduced hours	87	77	91	91	93
Making adjustments to the physical working environment	81	74	81	87	94
Different hours	80	69	81	89	90
Modifications to the way the job is structured	76	74	72	86	81
Allowing time off for rehabilitation	74	70	75	77	75
Redeployment to another post	70	68	67	73	78
Providing retraining	50	44	50	56	58

Performance targets and appraisals

An ongoing challenge for organisations seeking to manage absence effectively is how to ensure that the issue remains a priority for senior managers and line managers under pressure to achieve a range of business objectives.

Unless effective absence management becomes a key management objective and unless this is linked to how managers' performance is reviewed, it's unlikely that managing absence will be given the attention that it requires.

The survey asked respondents if the absence management performance of their senior and line managers was linked to their appraisals/performance targets and, if so, whether they thought this approach was effective.

In all, just 27% of organisations include absence management performance as an element of senior managers' appraisals/performance targets, with manufacturing and production and public services organisations being most likely to do so. Irish organisations are more likely than UK-based organisations to link the absence management performance of senior managers to their appraisals/ performance targets. See Table 38.

However, the majority of these respondents (52%) believe this approach contributes to lower levels of absence, whereas just 17% think it makes no difference.

Table 38: Organisations that include absence management as an element of senior managers' appraisals/performance targets

		Percentage (%)				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Yes	27	29	27	13	29	34
No	68	66	69	85	29	65

Under a third of organisations include absence management performance as an element of line managers' appraisals/performance targets. See Table 39.

Of these, 61% of respondents report that this approach is effective in reducing employee absence, compared to just 13% who are not convinced it has an impact.

Appraisals

The survey also asked whether employees' attendance records are part of the performance measures for their appraisals.

A total of 43% of respondents' organisations include employees' absence records as part of performance measures for individuals' appraisals. Manufacturing and production employers are most likely (50%) and public services organisations are least likely (25%) to do this. See Table 40.

Absence that is not genuine

Respondents estimate that 15% of absence is not genuine. Manufacturing and production respondents believe that a bigger proportion of absence is not genuine (17%) compared to those in the public services (12%).

In all, 36% of respondents report that employee absence is higher on Mondays and Fridays than on other days of the week, but 33% disagree. Nearly 19% of organisations don't record this information and 12% of respondents say they don't know.

A greater proportion of manufacturing and production employers believe that employee absence is higher just before and just after the weekend (44%) compared to the other main sectors and particularly those in the public services (24%).

Table 39: Organisations that include absence management as an element of line managers' appraisals/performance targets

| | | Percentage (%) | | | | |
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Yes	31	33	33	18	30	39
No	66	64	65	79	64	59

Table 40: Organisations that take into account attendance records as part of performance measures for individuals

| | | Percentage (%) | | | | |
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services	Ireland
Yes	43	50	48	32	25	63
No	55	47	51	64	69	37

Background to the survey

In March 2006, 11,000 survey questionnaires were sent out to a sample of people management specialists in the UK. An online version of the questionnaire was also sent out to 456 HR practitioners in the UK.

A total of 1,083 usable replies were received from UK-based HR practitioners, made up of 790 paper questionnaires and 293 electronic questionnaires. The response rate was 7.2% for the paper-based mailing and 64% for the electronic version of the survey.

In addition, 1,000 paper questionnaires were sent out to HR practitioners in Ireland, which attracted 72 usable replies, a response rate of just over 7%.

The questionnaire included 58 questions on the level of absence as well as the costs and causes and the most effective management interventions. The survey was similar in many ways to previous surveys in order to provide accurate benchmarking data but included a number of new questions on employee well-being initiatives, as well as on how organisations use disciplinary and capability processes to manage absence.

The average UK-based organisation surveyed employed 1,416 people.

In all, 17% of UK-based responses were from the public services, 35% were from manufacturing and production organisations, 43% were from the private services sector and 8% were from non-profit organisations.

Acknowledgements

Table 41: Distribution of responses, by sector

	Number of responses (UK organisations)
Base	**1,083**
Manufacturing and production	**380**
Agriculture and forestry	4
Chemicals, pharmaceuticals and oil	50
Construction	35
Electricity, gas and water	11
Engineering , electronics and metals	89
Food, drink and tobacco	59
General manufacturing	48
Mining and quarrying	0
Paper and printing	19
Textiles	4
Other manufacturing	63
Non-profit organisations	**88**
Housing associations	26
Charity services	29
Care services	18
Other voluntary services	16
Private services	**463**
Professional services	61
Financial services (including insurance)	59
Hotels, restaurants and leisure	37
IT services	36
Legal and property service	34
Media and publishing	23
Retail and wholesale	75
Transport and storage	35
Telecommunications	13
Other private services	88
Call centres	10
Public services	**186**
Education	48
Local government	35
Central government (including defence)	24
Police	8
Fire	2
Health	46
Other public services	23
Total	**1,083**

Conclusions

Employers are beginning to make sustained progress in their attempts to manage employee absence. For the first time the average level of employee absence has fallen for two consecutive years and, at 3.5%, is at the lowest level recorded by the CIPD's annual absence management survey in the seven years that it has been running.

Reductions in absence levels were recorded by all sectors with the exception of the private services, where levels remained the same as the previous year.

The public services recorded a second consecutive annual reduction in the level of absence to 4.3% of working time lost. However, this remains much higher compared to manufacturing and production organisations (3.5%) and particularly private services sector employers (3%).

It is still unclear why the public sector should have consistently higher levels of employee absence than the private sector, because in lots of ways the public services have superior absence management practices.

They are more likely than the other main sectors to: use return-to-work interviews; provide absence data to line managers; use trigger mechanisms; provide flexible working; provide access to occupational health professionals; and use rehabilitation programmes.

It has been argued that one reason for the difference in absence levels is size. Public services' organisations are on average larger than their private sector counterparts, and research consistently shows that smaller organisations have lower levels of absence.

This theory though does not stand up to closer examination. Our survey finds that public sector organisations have higher levels of employee absence than their private sector counterparts regardless of size.

Another difference between the public sector and the private sector that might help explain the higher levels

of absence among public services organisations is the use of disciplinary and capability procedures.

Public services organisations are least likely to refer to disciplinary procedures in their absence management policies and are also less likely to rate the use of the disciplinary procedures for unacceptable levels of absence as an effective intervention.

In addition public services employers are also least likely to require individuals to attend disciplinary hearings in relation to absence from work, and dismiss proportionately fewer employees per year for absence-related reasons compared to private sector organisations.

Another contrast is that public services employers more commonly rely on capability procedures to manage unacceptable levels of employee absence than their private sector counterparts.

There are also significant differences between the sectors in the reasons used to justify absence-related dismissals.

Public services employers estimate that 66% of absence-related dismissals are argued on the grounds of capability and that just 13% of such dismissals are for the reason of conduct.

Manufacturing and production organisations, in contrast, are most likely to cite conduct as a reason for absence-related dismissal. These employers report that 44% of dismissals for absence are argued on the grounds of conduct, while 33% are justified on capability grounds.

These findings indicate that there is a cultural difference between how absence is managed between the private and public sectors. The public services much more frequently address problem levels of employee absence as a matter of health and capability while private sector organisations are proportionately more likely to manage absence as an issue of conduct. This contrast is perhaps

an area that public services organisations should consider when they are looking at ways of continuing to reduce high levels of employee absence.

There is little change in the main causes of absence from last year's survey. However, organisations report that employees taking time off to deal with home and family responsibilities is a growing cause of absence. This is the case across all sectors, apart from the public services, which are most likely to provide flexible working opportunities. This underlines the importance of – where possible – helping employees to balance their work and home lives.

The survey also indicates that many employers still have to do more to manage stress in the workplace. Stress-related absence continues to increase, yet only two-thirds of organisations are taking steps to try to improve how they identify and manage stress at work. Organisations have a duty under the Management of Health and Safety at Work Regulations 1999 to assess the risk of stress-related ill health caused by work, but less than 60% of respondents report that they carry out risk assessments for stress.

The management of long-term absence is another area which employers need to focus more closely on and, in some instances, invest more resources in.

Less than two-thirds of organisations provide employees with access to occupational health professionals, and just one-third use rehabilitation programmes to help employees make successful returns to work – yet these are rated as the two most successful approaches to managing long-term absence.

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