



Chartered Institute  
of Personnel and  
Development

# Employee absence 2002

A survey of management policy and practice



Survey report  
July 2002

This report sets out the findings of the third national survey by the Chartered Institute of Personnel and Development (CIPD) of sickness absence policy and practice. The analysis is based on replies from 1,312 organisations employing a total of over 1.7 million people. The report provides benchmark data on the rates and costs of sickness absence to enable readers to compare the performance of their organisation with that of others. Major causes of employee absence are identified and the survey highlights those absence management approaches that have been found to be most effective in tackling long-term absence.

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# Executive summary

## Levels

- The mean (average) rate of sickness absence among employers who participated in the survey was 4.4% of working time, or ten working days per employee, based on a working year of 228 days. This is a half percentage point increase on the figure for 2001.
- However, a large number of employers (15%) do not know the level of sickness absence in their organisation.
- Employers are more likely to consider that absence levels in their organisation have decreased rather than increased over the past two years.
- The main reason given for success in reducing absence levels is the introduction of a tightened policy for reviewing attendance.
- The large majority of employers (88%) considers that it is possible to reduce their current level of sickness absence.
- Just under half of employers participating in the survey have a target for a reduction in aggregate absence rates. Where such targets are in place they typically take the form of a reduction to between 3% and 3.9% of working time – around seven to nine days per employee per year.
- Most organisations do not benchmark their absence management performance against those of other organisations.

## Costs

- The average cost of sickness absence across the economy is £522 per employee per year. This is a 7% increase on the average figure in the 2001 survey.
- For almost all organisations (91%) sickness constitutes a 'significant' or 'very significant' business burden.
- Around 10% of all retirements take the form of early retirements on the grounds of ill health.

## Causes

- Most employers (79%) monitor the causes of sickness absence.
- The most common cause of absence for both manual and non-manual employees is minor illness such as colds or flu, according to people management professionals who participated in the survey.
- Stress is seen as the main cause of long-term absence among non-manual staff, while manual workers are most likely to have longer-term absences resulting from back pain.

## Management of long-term absence

- Employers have a range of strategies for minimising the incidence of long-term absence in their organisations. The most common of these are: providing sickness absence information to line managers (used by 81% of organisations); absence triggers (78%); involvement of occupational health professionals (77%); reducing sick pay after a specified period of absence (76%); and disciplinary action for unjustified absence (75%).
- The most common measures used to help employees back into work after a period of long-term absence are maintaining regular contact with the employee, providing return-to-work interviews, and offering them reduced working hours on a temporary or permanent basis.
- According to human resources practitioners, the most effective tools in the management of long-term absence are maintaining regular contact with the absent employee and referring the individual to the occupational health department.

# Introduction

This report sets out the findings of the CIPD's third national survey of sickness absence policy and practice. The first two surveys were conducted in 2000 and 2001. The more recent of these indicated that the average rate of sickness absence among surveyed organisations was just under 4% of working time, or around nine working days per employee, costing employers an average of £487 per employee per year.

The previous survey had indicated that, while most employers believed that sickness rates could be reduced further, fewer than half had targets for reduction in place at that time. Proportionally fewer public sector organisations had targets in place for the reduction of sickness absence than did organisations within the private sector. The 2002 survey is designed to update these figures and to determine whether there have been any further changes to the implementation of sickness absence targets and in average days lost through sickness.

During the past year, increased government attention has been placed on the need to improve rehabilitation and return-to-work rates for those on long-term sick leave. Lord Whitty, previously Parliamentary Under-Secretary of State at the Department of the Environment, Transport and the Regions, has described rehabilitation as the 'poor relation' of health priorities and employment practice.<sup>1</sup> One key additional focus of this year's survey, therefore, was the extent to which organisations attempt to minimise the number of long-term absence cases, and the methods that are used to help employees return to work after long-term absence. Respondents were also asked their views regarding which of the various approaches to long-term absence were considered the most effective.

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<sup>1</sup> Cited in *Employee Health Bulletin*, 20 April 2001.

## Methodology

In February 2002, 7,000 questionnaires were sent out to a random sample of people management specialists. The questionnaire included 25 detailed questions on managing sickness absence and the levels, causes and costs of absence. While many of the questions were the same as, or similar to, those asked in the previous two surveys of employee absence, some additional areas were covered by the 2002 survey to address the new concerns highlighted above:

- measures to minimise long-term absence
- measures to help employees return to work after long-term absence
- the extent to which employees were being retired early on grounds of ill health.

A total of 1,312 usable replies were received – a response rate of 17.5%. Over 1.75 million (1,754,159) people were employed by the organisations that responded to the survey – around 6.2% of the total UK workforce of 28.23 million.<sup>2</sup>

The proportion of participating organisations from the public sector was 28%, the same as for the 2000 survey and a slight increase on 2001. To reflect changes in the sectoral composition of the workforce, some changes were made to the categories offered to respondents for the sector in which their organisation operated: the category 'transport, storage and communications' used in earlier surveys was split into 'transport and storage' and 'telecommunications' to reflect the growth in the telecommunications sector; for similar reasons, information technology (IT) services was introduced as a separate category, as were media and publishing, legal services and not-for-profit organisations. Consultancy was also added as a service category. 'Defence activities' was removed as a separate category in the public sector. Table 1 shows the distribution of responses by sector. Figure 1 shows how the organisations that responded to the 2002 survey were distributed by workforce size.

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<sup>2</sup> Using Labour Force Survey figures for those in employment for the quarter October–December 2001. *Labour Market Trends*, March 2002.

Table 1: Distribution of responses by sector

Sector	Total replies from sector	% of survey responses
<b>Manufacturing and production:</b>	<b>518</b>	<b>39.5</b>
Agriculture and forestry	6	0.4
Chemicals	22	1.7
Construction	34	2.6
Electricity, gas and water	7	0.5
Engineering and metals	122	9.3
Food, drink and tobacco	70	5.3
General manufacturing	130	9.9
Mining and quarrying	3	0.2
Paper and printing	23	1.7
Textiles	23	1.7
Other private sector	78	5.9
<b>Private sector services:</b>	<b>355</b>	<b>27.1</b>
Consultancy	19	1.4
Financial services	64	4.9
Hotels, restaurants, leisure	35	2.7
IT services	29	2.2
Legal services	26	2.0
Media and publishing	19	1.4
Retail and wholesale	108	8.2
Telecommunications	9	0.7
Transport and storage	46	3.5
<b>Public services:</b>	<b>364</b>	<b>27.7</b>
Central government	24	1.8
Education	85	6.5
Health	78	5.9
Local government	118	9.0
Other public sector	59	4.5
<b>Not-for-profit</b>	<b>72</b>	<b>5.5</b>
No sector information provided	3	0.2
<b>Total</b>	<b>1,312</b>	<b>100</b>

Figure 1: Distribution of responses by workforce size

Workforce size	Number of respondents	% of survey respondents
Not known	126	10
1–99	66	5
100–249	269	20
250–499	305	23
500–749	76	6
750–999	168	13
1,000–1,499	86	6
1,500–1,999	36	3
2,000+	180	14

## Rates of sickness absence

The survey revealed that the mean (average) rate of sickness absence in responding organisations was 4.4% of working time or ten working days per employee. This is a marked increase on the figures for 2000 and 2001. However, just over 15% of employers do not collect information on the level of sickness absence in their organisation.

The 2002 survey indicates that aggregate information on sickness absence rates have been collected by just over 84% of employers in the past year. There are sectoral differences: the public sector has the highest proportion of employers that collect this information, with over 90% of organisations collecting sickness absence data. However, in the private service sector almost a quarter of employers (23.6%) do not collect sickness absence information. In manufacturing and production, these data are not collected by around 14% of organisations.

Those employers that had data available were asked to provide information either on the proportion of working time lost through sickness absence or the number of working days lost per employee per year. Table 2 shows average sickness absence data by sector. The data are presented both in terms of working time lost and by the equivalent number of working days lost. In producing an average, the working year has been assumed to be 228 days. As in previous years, the highest levels of absence were found in particular parts of manufacturing, notably food, drink and tobacco, and among public sector employers.

**Table 2: Average level of sickness absence by sector**

Sector	Average % of working time lost per year	Average days lost per employee
Food, drink and tobacco (n=64)	6.4	14.6
Paper and printing (n=22)	5.5	12.5
Other public sector (n=54)	5.5	12.5
Health (n=67)	4.9	11.2
Local government (n=124)	4.7	10.7
General manufacturing (n=112)	4.5	10.3
Legal services (n=16)	4.5	10.3
Central government (n=24)	4.5	10.3
Education (n=63)	4.4	10.0
Textiles (n=21)	4.3	9.8
Chemicals (n=20)	4.3	9.8
Agriculture and forestry (n=6)	4.2	9.6
Retail and wholesale (n=78)	4.2	9.6
Transport and storage (n=36)	4.2	9.6
Engineering and metals (n=112)	4.0	9.1
Financial services (n=48)	3.9	8.9
Not-for-profit (n=61)	3.8	8.7
Other private sector (n=55)	3.5	8.0
Electricity, gas and water (n=5)	3.3	7.5
Telecommunications (n=7)	3.2	7.3
Construction (n=29)	3.1	7.1
Media and publishing (n=18)	2.8	6.4
Consultancy (n=13)	2.5	5.7
Hotels, restaurants, leisure (n=20)	2.5	5.7
IT services (n=19)	2.3	5.2
Mining and quarrying (n=1)	0.9	2.0
<b>Survey average (n=1,095)</b>	<b>4.4</b>	<b>10.0</b>
All public services	4.8	10.9
All manufacturing and production	4.2	9.6
All private sector services	3.7	8.4

The average level of sickness absence for the sample as a whole was 4.4% (10 working days per employee). This figure is more than half a percentage point higher than the 2001 survey average (3.8%). This year's survey shows higher levels of absence across most sectors, regions and size of organisation.

Our figure remains higher than that produced by some other surveys, a reflection of the large number of major employers among our respondents – 42% have a workforce of 500 or more.<sup>3</sup> Table 3 shows that larger employers record considerably higher levels of employee absence than smaller organisations. The average level of absence in organisations with fewer than 100 employees is 3.7% of working time, compared to 4.7% where the workforce is 2,000 or greater.

The survey findings show lower average absence levels in the south-east (3.6%) than for other parts of the UK. These findings are set out in Table 4. For example, the average absence levels for employers in Wales is 5.1% and for the north-east this figure is 5.0%.

**Table 3: Average length of sickness absence by workforce size**

Size of organisation	Average % of working time lost	Average days lost per employee per year
1–99 (n=45)	3.7	8.4
100–249 (n=220)	3.5	8.0
250–499 (n=250)	4.5	10.3
500–749 (n=140)	4.7	10.7
750–999 (n=71)	4.9	11.2
1,000–1,499 (n=67)	5.0	11.4
1,500–1,999 (n=33)	4.1	9.3
2,000+ (n=160)	4.7	10.7
<b>Survey average (n=986)</b>	<b>4.4</b>	<b>10.0</b>

**Table 4: Average level of sickness absence by region**

Size of organisation	Average % of working time lost	Average days lost per employee per year
Wales (n=63)	5.1	11.6
North-east (n=139)	5.0	11.4
East Anglia (n=66)	4.5	10.3
North-west (n=165)	4.5	10.3
Scotland (n=93)	4.5	10.3
South-west (n=120)	4.3	9.8
Nationwide (n=183)	3.7	8.4
South-east (n=251)	3.6	8.2
Northern Ireland (n=2)	3.0	6.8
<b>Survey average (n=1,082)</b>	<b>4.4</b>	<b>10.0</b>

<sup>3</sup> Large employers tend to report higher absence figures, but this may be the result of more sophisticated reporting mechanisms rather than actual differences in employee sickness behaviour.

## Importance of short-term absence

Respondents were asked to estimate what proportion of absence was accounted for by periods of short- (fewer than five days), medium- (five days to four weeks) and long-term absence. Around 35% were unable to supply this information. Those that did reply to the question provided figures that suggest that over half of all absence (57%) is accounted for by employee absence of fewer than five days. An average of 19%

of absence is made up of absences of five days to four weeks and 18% of four weeks or longer.

Organisations with lower levels of sickness absence tend to have a higher proportion of absence made up of short-term absence. Tables 5 and 6 indicate that medium- and long-term absence is a particular problem for large employers and those in the public sector.

**Table 5: Importance of short-term absence by workforce size**

Size of organisation	Average % of absence accounted for by absences of:		
	Fewer than five days	Five days to four weeks	Four weeks or longer
1–99 (n=52)	71.6	13.3	11.0
100–249 (n=202)	62.0	19.1	13.6
250–499 (n=220)	56.8	18.8	16.7
500–749 (n=118)	59.8	17.6	15.9
750–999 (n=51)	53.0	20.3	20.1
1,000–1,499 (n=53)	58.8	23.3	22.8
1,500–1,999 (n=21)	46.3	21.2	20.8
2,000+ (n=104)	50.4	21.8	24.3
<b>Survey average</b>	<b>57.4</b>	<b>19.1</b>	<b>17.6</b>

**Table 6: Importance of short-term absence by major sector**

Size of organisation	Average % of absence accounted for by absences of:		
	Fewer than five days	Five days to four weeks	Four weeks or longer
Manufacturing and production (n=374)	54.8	18.4	15.7
Services (n=321)	66.7	18.7	12.4
Public services (n=216)	47.10	21.1	27.8
<b>Survey average</b>	<b>57.4</b>	<b>19.1</b>	<b>17.6</b>

## Changes in absence levels

**Employers are more likely to consider that absence levels have decreased rather than increased over the past two years. Most employers believe the reason for such a reduction is a 'tightened policy for reviewing attendance'.**

The people management professionals who responded to the survey were asked to assess whether the absence rate in their organisations has increased, decreased or stayed the same compared with two years ago. Despite the upward trend in aggregate absence data, more employers said that absence levels have decreased than those that said they had increased. Forty-one per cent of respondents believe that absence in their organisation has decreased over the past two years and 28% believe absence levels have risen, while in 31% of cases the absence level is thought to have remained about the same. However, nearly a quarter of survey participants (23%) was unable to answer this question.

Employers in manufacturing and production are more likely to report a decline in absence levels than employers in other sectors (46% compared with 40% and 35%, respectively, for public sector and private services). Proportionally more public sector employers (36%) reported an increase in absence rates, compared with the service sector (27%) and manufacturing and production (23%).

Respondents were asked to explore the reasons for any change in absence levels. Table 7 summarises the reasons given by respondents for increases in absence and Table 8 the explanations given by the relevant respondents for a decrease in absence levels.

Changes in methods of recording absence, followed by changes in workload were the most frequently cited reasons for increased absence levels. A third of those respondents who had seen absence levels rise said that a reason for this was change in workload.

Once again, the key reason for a perceived reduction in absence levels – given by 86% of respondents who had seen a decrease – was a tightened policy for reviewing attendance. In addition, over a third (36%) of the relevant respondents cited changes in methods of recording absence as a reason for a decreased level of absence.

**Table 7: Reasons for increases in absence levels**

Reason	% of respondents saying that absence has increased for this reason (n=281)
Changes in methods of recording absence	34.5
Changes in workload	32.7
Changes in workforce composition	29.5
Changes in work organisation (eg shift patterns, flexibility, self-managed working teams)	23.1
Tightened policies for reviewing attendance	22.1

**Table 8: Reasons for decreases in absence levels**

Reason	% of respondents saying that absence has decreased for this reason (n=414)
Tightened policies for reviewing attendance	86.4
Changes in methods of recording absence	35.7
Changes in work organisation (eg shift patterns, flexibility, self-managed working teams)	16.7
Changes in workforce composition	14.5
Changes in workload	3.6

## Targets for reducing the level of absence

**Most employers (88%) consider that it is possible to reduce their current level of sickness absence; however, under half (47%) have a target for such a reduction. Absolute targets typically take the form of a reduction to between 3% and 3.9% of working time – around seven to nine days per employee per year.**

This year's survey indicates a slight increase in the number of organisations across the economy that have a target for reducing the level of employee sickness absence – 47% compared with 42% in 2001. Once again, public sector employers were more likely to have a target for reducing sickness absence levels, with 67% reporting such a target, similar to the figure obtained in 2001 in which 65% of public sector respondents said that they had a target to reduce absence.<sup>4</sup> Nearly half of manufacturing and production employers had such targets (48%), but they remain much less common among private sector service organisations (29%).

Organisations with a target for reducing absence were asked to indicate what form that target takes. The most common target – used by 39% of the relevant respondents – is one that is expressed as a reduction to an absolute percentage of working time lost.

The average target absence level for this group is 3.9% of working time. In addition, 29% of those with a target express that target as a reduction to an average number of days lost per employee. In this case the mean target is 6.8 days per employee (equivalent to 3% of working time). A further 22% of relevant respondents said that their target takes the form of an annual reduction in level of absence, and 15% operated some other form of 'target' of which the most common is 'a general reduction'.

Although only a minority of organisations actually target sickness absence reduction, most (88%) consider that such a reduction is possible, with public sector respondents particularly likely to take this view. Ninety-three per cent of employers in the public sector said that their absence levels could be reduced.

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<sup>4</sup> The DETR's Revitalising Health and Safety Strategy Statement, June 2000, included specific initiatives aimed at continuous improvement in occupational safety and health monitoring and performance.

## Cost of sickness absence

Based on figures provided by nearly a third of respondents, the average cost of sickness absence is £522 per employee per year. This is a significant increase on figures obtained in previous years. For almost all organisations, sickness absence constitutes a 'significant' or 'very significant' business burden.

The cost of sickness absence is monitored by just under half (48%) of the employers who responded to the survey. Such monitoring is most common in the manufacturing and production sector (56%), with just 46% of service sector employers monitoring this cost, and only just over a third of public sector employers (36%).

Figure 2 shows the elements that are included in the calculation of absence costs. Most employers include occupational sick pay costs (79%) and/or statutory sick pay (72%) in their calculations. However, only 40% include the costs of replacement labour and just over a third (35%) include overtime costs. Just one-fifth (21%) take into account reduced performance. These findings indicate that, where the costs of sickness absence are calculated by an organisation, they are likely to be underestimated.

Respondents were asked to indicate the average cost of sickness absence per employee per year, and just under a third (31%) provided this information. Analysis of the cost data suggests an average cost each year to organisations of £522 per employee. This is some 7% higher than the figure for our 2001 survey of £487.

**Figure 2: What is included in the calculation of the cost of sickness absence?**

Cost element	% of organisations monitoring cost that include this element (n = 603)
Occupational sick pay	79.1
Statutory sick pay	72.0
Replacement labour	39.8
Overtime	34.7
Reduced performance	21.4
Administration	9.9
Other costs	6.0

Table 9 indicates the variation in the costs of sickness absence by sector. However, given the small number of responses from some sectors, these figures should be treated with caution. Small sample size is likely to be the main explanation for considerable differences in the figures for some sectors in 2002 when compared to 2001.

**Table 9: Cost of sickness absence by sector**

Sector	Average cost per employee per year £
Consultancy (n=6)	765
IT services (n=11)	710
Transport and storage (n=18)	690
Legal services (n=7)	687
Textiles (n=7)	632
Media and publishing (n=5)	613
Agriculture and forestry (n=4)	612.50
Health (n=8)	610
Education (n=19)	608
Central government (n=9)	598
Other public sector (n=15)	585
Paper and printing (n=10)	578
Engineering and metals (n=57)	576
General manufacturing (n=46)	563
Food, drink and tobacco (n=24)	542
Local government (n=24)	474
Not-for-profit (n=30)	471
Financial services (n=22)	463
Other private sector (n=25)	451
Chemicals (n=5)	441
Telecommunications (n=4)	413
Electricity, gas and water (n=3)	412
Construction (n=13)	357
Mining and quarrying (n=1)	285
Retail and wholesale (n=26)	272
Hotels, restaurants, leisure (n=10)	191
<b>All (n=411)</b>	<b>522</b>
<i>Public services</i>	<i>560</i>
<i>Manufacturing and production</i>	<i>534</i>
<i>Private sector services</i>	<i>486</i>

## To what extent is sickness a business burden?

All respondents, irrespective of whether or not they carried out precise monitoring of the costs of sickness absence, were asked to say how significant a cost sickness absence represented for their business. Two-thirds of employers view the cost as significant (66%) or very significant (25%). Only 9% of respondents said that the cost was insignificant.

Once again, in keeping with the findings from the previous two years, there is little difference between sectors on this issue. Also, smaller organisations again expressed the least concern about the costs of sickness absence, with 40% of those employing under 100 people saying that sickness costs are insignificant. In contrast, only 2% of those with workforces of 2,000 or over take the same view (see Figure 3).

**Figure 3: Is sickness absence a significant cost to business?**

Workforce size	% of respondents saying 'insignificant'	% of respondents saying 'significant'	% of respondents saying 'very significant'
1–99	39.7	50.8	9.5
100–249	14.8	68.8	16.4
250–499	7.6	66.7	25.8
500–749	7.4	67.5	25.1
750–999	4.2	62.5	33.3
1,000–1,499	1.2	67.9	30.9
1,500–1,999	6.2	62.5	31.2
2000+	2.4	68.4	29.2
<b>Survey average</b>	<b>9.2</b>	<b>66.1</b>	<b>24.7</b>

## Causes of sickness absence

Taking short- and long-term absences together, the most common causes of absence for both manual and non-manual employees are minor illnesses such as colds or flu, according to the people management professionals who participated in the survey. However, when it comes to absences of four weeks or more, they see stress as the main cause of absence among non-manual staff, while manual workers are most likely to have longer-term absences resulting from back pain.

Most of the respondents in this survey (79%) collect data on the causes of employee absence. This figure is fairly consistent across sectors, with 85% of public sector organisations, 79% of service sector employers and 75% of manufacturing and production organisations collecting this information.

## Main causes of employee absence

Respondents were asked to rank up to five causes of absence out of a list of ten in terms of the proportion of working time lost by manual and non-manual employees. Tables 10 and 11 summarise the findings by giving a score derived from the ranking supplied by respondents.

In line with the last survey and with other research on the issue, the tables show that for both manual and non-manual employees minor complaints such as colds and headaches are the most significant causes of absence. Almost all respondents to this question (97%) say that this is one of the top five causes of absence. However, fewer employers this year, compared with 2001, placed this as the main cause of absence: 63% in the case of non-manual workers and 43% of employers in respect of manual workers.

Differences in the rankings of the potential causes of absence for these two broad occupational groups are similar to those obtained in the previous year. However, it should be noted that the top five positions are occupied by the same conditions in each occupational group, just in a slightly different order.

Stress is the second most common cause of absence for non-manual workers. In the case of manual workers back pain is the second most significant cause of absence followed by recurring medical conditions and stress. Work-related injuries are more likely to afflict manual workers, but acute medical conditions are more likely to be a cause of non-manual workers' absence.

**Table 10: Causes of absence – manual workers**

Cause	Score: importance of this cause (highest possible score = 5)
Minor illness	4.3
Back pain	2.5
Musculo-skeletal	1.6
Stress	1.2
Recurring medical conditions	1.0
Work-related injuries	0.9
Home responsibilities	0.8
Mental ill health	0.7
Injuries not related to work	0.7
Other absences not due to genuine ill health	0.7
Acute medical conditions	0.5
Drink- or drugs-related	0.1

**Table 11: Causes of absence – non-manual workers**

Cause	Score: importance of this cause (highest possible score = 5)
Minor illness	4.6
Stress	1.9
Back pain	1.4
Recurring medical conditions	1.4
Musculo-skeletal	1.1
Home responsibilities	1.0
Mental ill health	1.0
Acute medical conditions	0.7
Injuries not related to work	0.7
Other absences not due to genuine ill health	0.5
Work-related injuries	0.6
Drink- or drugs-related	0.05

## Causes of longer-term absence

Employers were also asked to specify what they saw as the leading cause of long-term absence (incidents of four weeks or longer) for non-manual workers. As Table 12 shows, stress is once again more likely than any other cause to be seen as the single most significant reason for longer-term absence on the part of non-manual workers, with 44% of employers citing this as the leading cause.

There are considerable differences in responses to this question between kinds of organisations surveyed. The likelihood that stress will be given as the main cause of non-manual longer-term absence increases with the size of the organisation. Sixty-eight per cent of organisations with at least 2,000 employees say that it is the main cause, compared to 33% of employers with workforces of under 100. In addition, stress seems to be a particularly acute problem for the public sector. Nearly two-thirds (64%) of public sector employers report that it is the leading cause of long-term absence for their non-manual staff, compared with 30% in manufacturing and production.

An analysis of what employers see as the leading cause of longer-term absence among manual employees puts back pain at the top of the list again, with 29% of organisations citing this (see Table 13). There was little variation either between organisations of different sizes or between sectors in the importance attributed to this as a factor in longer-term absence of manual staff.

**Table 12: Causes of long-term absence – non-manual workers**

Cause	% of organisations citing as leading cause (n=1,010)
Stress	44.2
Acute medical conditions	28.3
Mental ill health	21.2
Minor illness	8.3
Recurring medical conditions	7.2
Back pain	6.7
Musculo-skeletal	5.0
Injuries not related to work	5.0
Home responsibilities	1.2
Other absences not due to genuine ill health	1.2
Work-related injuries	0.7

**Table 13: Causes of long-term absences – manual employees**

Cause	% of organisations citing as leading cause (n=807)
Back pain	29.5
Musculo-skeletal	21.2
Acute medical conditions	19.1
Stress	15.0
Work-related injuries	11.1
Mental ill health	10.9
Recurring medical conditions	6.9
Injuries not related to work	6.7
Minor illness	5.4
Other absences not due to genuine ill health	1.4
Home responsibilities	0.1

## Managing long-term absence

Most organisations have specific strategies for managing long-term absence (four weeks or longer). Providing sickness absence information to line managers, absence triggers and the involvement of occupational health professionals are among the most common strategies to minimise cases of long-term absence. Once employees have had a period of sick leave, the measures most frequently used to help them back to work are maintaining regular contact with the employee, providing return-to-work interviews, and offering them reduced working hours on a temporary or permanent basis. Survey respondents say that the most effective tools in managing long-term absence are maintaining regular contact and referring the individual to the occupational health department.

This survey focused specifically on the management of long-term absence. Organisations across this survey estimate that around 18% of all absence was made up of absences of four weeks or longer. However, public sector organisations have a higher incidence of long-term absence.

Eighty-nine per cent of respondents indicated that their organisation has a strategy for dealing with long-term absence (defined as four weeks or longer).

Respondents were asked to say whether their organisation used any of a range of possible measures to minimise the number of cases of long-term absence. Five of these measures were cited by over three-quarters of respondents: providing sickness absence information to line managers (81%); absence triggers (78%); involvement of occupational health professionals (77%); reducing sick pay after a specified period of absence (76%); and disciplinary action for unjustified absence (75%). In addition, 40% reported that special training is provided for line managers.

In general, public sector employers are the most likely to use all of these means of minimising long-term absence, with the exception of the use of disciplinary action, which was more common in manufacturing and production and in private sector services (see Table 14). Disciplinary action was the most common tool cited for minimising long-term absence by manufacturing and production companies.

**Table 14: Measures to minimise cases of long-term absence**

Measure	% of organisations using measure			
	Manufacturing and production	Services	Public services	All
Providing sickness absence information to line managers	78.7	77.1	87.6	<b>80.7</b>
Absence triggers	77.8	74.0	81.8	<b>77.8</b>
Involvement of occupational health	75.4	59.3	96.8	<b>76.8</b>
Reducing sick pay after a specified period of absence	70.1	77.4	81.8	<b>75.6</b>
Disciplinary action for unjustified absence	80.0	75.7	66.5	<b>74.6</b>
Special training for line managers	31.2	34.2	58.7	<b>40.2</b>

## Helping employees return to work

The most widely reported measure used in helping employees to return to work after long-term absence was maintaining regular contact with the absent employee, used by 90% of the 1,157 organisations that responded to this question. Over four-fifths of organisations also reported the use of: return-to-work interviews; reduced hours of work (either on a temporary or permanent basis); and/or changes in work tasks or workload (again, either temporary or permanent). Over two-thirds (68%) referred the individual to the occupational health department and nearly half (46%) provided stress counselling or an employee assistance programme. Almost all of the measures are more likely to be used by public sector organisations. Two measures – stress counselling/employee assistance programmes and changes to work equipment – are more than twice as common in the public as in the private sector. The only measure used by a higher proportion of private than public sector employers was a fast referral to private medical care (see Table 15).

Some three-quarters of respondents (74.8%) gave their view on the most effective tools for managing long-term absence. Forty-three percent of those expressing a view believe that maintenance of regular contact with the absent employee is most effective, and just over a third opted for referral to the occupational health department (35%). While employers in manufacturing and production are more likely to find maintenance of regular contact was most effective (49% compared with 33% of public sector employers), organisations in the public sector are more likely to report that referral to the occupational health department is most effective (52% compared with 32% of manufacturing and production employers).

**Table 15: Measures to help employees to return to work**

Measure	% of organisations using measure			
	Manufacturing and production	Services	Public services	All
Maintaining regular contact with the absent employee	89.8	88.2	91.9	<b>90.0</b>
Return-to-work interview	80.3	79.7	87.9	<b>82.4</b>
Temporary or permanent reduction in working hours	68.4	84.8	93.3	<b>80.8</b>
Temporary or permanent change in work tasks/workload	77.5	77.7	87.9	<b>80.5</b>
Referral to occupational health department	65.3	45.3	95.1	<b>68.0</b>
Stress counselling/employee assistance programme	24.9	40.8	78.3	<b>45.8</b>
Additional training on return	30.5	42.2	54.9	<b>41.3</b>
Formal return-to-work programme	37.1	33.2	53.5	<b>40.7</b>
Change in work equipment	23.2	35.2	61.6	<b>38.3</b>
Possibility of working from home as required	12.8	28.7	29.2	<b>22.6</b>
Access to physiotherapy services	14.8	11.5	30.9	<b>18.6</b>
Fast referral to private medical care	21.0	22.2	6.4	<b>16.9</b>

# Benchmarking absence management performance

**Most organisations do not benchmark their absence management performance against that of other organisations. Public sector organisations are more likely than other employers to benchmark absence.**

The benchmarking of absence management performance remains an activity that is conducted by only a minority of organisations. Just 38% of employers currently benchmark their absence management performance against those of others in their sector, while only 23% of employers compare absence levels with those in other organisations in the same region. The public sector remains more likely than others to carry out benchmarking: 68% of public sector organisations benchmarked absence against other organisations in the sector, compared with 28% and 25% of manufacturing and production and private service sector employers, respectively.<sup>5</sup> The public sector is also more likely to benchmark against other organisations in the same region.

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<sup>5</sup> This may, at least in part, be a reflection of the influence of the DETR statement (ibid.), which encouraged public sector employers to publish details of their occupational safety and health performance and plans.

# Absence management policies

**The majority of employers across all sectors have a sickness absence management policy. Policies are particularly common among larger employers and those in the public sector.**

Respondents were asked if their organisation has a written absence management policy. Eighty-four per cent of those who responded to this question said that they did. The likelihood that an organisation will have a written policy increases with workforce size. Although 94% of organisations with 2,000 or more employees have a formal policy; this falls to 71% for smaller employers.

Almost all of the public sector organisations (94%) who took part in the survey have an absence management policy. However, the figures are lower for manufacturing (82%) and private sector services (78%).

## Change in absence management

Absence management continues to be an area of policy development in most organisations. Over half of the employers (57%) had made changes in their approach to absence management in the past two years. Almost twice as many of the organisations with more than 2,000 employees reported introducing changes (67%) compared to those with fewer than 100 employees (34%). Respondents were asked to specify the nature of any changes made. A quarter of respondents have introduced new or revised policies, and just over a fifth (22%) have started using return-to-work interviews, while follow-up, review or monitoring procedures have been introduced by 21%.

A further 14% of employers mentioned the involvement of occupational health in managing sickness absence, and 12% have introduced an absence management policy. The same proportion has introduced a Bradford Points or other form of trigger points system.

## Early retirement on grounds of ill health

The majority of organisations have seen little change in the numbers of employees taking early retirement on grounds of ill health. Only a minority of organisations have a policy objective of reducing the number of ill-health retirements. However, just under 10% of retirements are believed to be early retirements on these grounds.

Respondents were asked whether the number of employees taking early retirement for reasons of ill health had increased, decreased or remained at about the same level over the past five years. The majority, almost two-thirds (64%), believe that it has not changed. Just under a fifth (19%) believe it has decreased, and 17% that it has increased. The majority of organisations (83%) have no policy objective of reducing the number of ill-health retirements. However, organisations in the public sector are most likely to have such an objective: 43% of public sector organisations reported such a target, compared with 6% in the private service sector and 9% in manufacturing and production.

Respondents estimate that just under 10% of all retirements in the previous year had been early retirements on grounds of ill health. There are considerable differences by sector and size of organisation. In the private service sector an average of 6% of retirements are due to ill health, while in manufacturing and production the figure is 9%. However, in the public sector an average of 16% of retirements over the past year were on ill-health grounds. Ill-health retirement is also far more common in large than in small organisations, as Table 16 shows.

**Table 16: Proportion of retirements resulting from ill health**

Size of organisation	Average % of retirements over past 12 months accounted for by ill health
1–99 (n=57)	1.5
100–249 (n=224)	5.6
250–499 (n=259)	8.6
500–749 (n=130)	8.2
750–999 (n=59)	13.5
1,000–1,499 (n=67)	16.1
1,500–1,999 (n=25)	12.3
2,000+ (n=112)	14.7
<b>Survey average</b>	<b>9.6</b>

## Year-on-year comparison

The 2002 survey confirms the main findings from 2000 and 2001, but with some important changes:

- The cost of sickness absence this year has jumped to an average estimate of £522 per employee, in comparison with £487 for 2001.
- The average level of sickness absence cited by organisations has also increased.

However, other findings show little change on the previous surveys:

- Over half of all absence is made up of absences of fewer than five days.
- Only a minority of employers have a target for reducing the rate of sickness absence, although most consider that it can be reduced.
- Stress is second only to minor illnesses as a cause of absence among non-manual staff and is the main cause of long-term absence.
- The involvement of occupational health professionals is key to the management of long-term absence.

New or revised questions have produced other findings that were not available from last year's survey, including:

- Around 10% of retirements over the past year in organisations in this survey were on ill-health grounds.
- The incidence of ill-health retirement is highest in the public sector, and employers in this sector are most likely to have an objective of reducing the level of ill-health retirement.
- Large organisations and those in the public sector have the greatest incidence of medium and long-term absence.

# Notes

# Notes



The CIPD explores leading-edge people management and development issues at a strategic level. Our aim is to share knowledge to increase learning and understanding. Our purpose is to make people more effective in their jobs and enhance their contribution to the business.

We produce annual survey reports on:

- employee absence
- recruitment
- labour turnover
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