Annual survey report 2011

ABSENCE MANAGEMENT

2011

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FOREWORD

Welcome to the twelfth edition of our *Absence Management* survey report in partnership with Simplyhealth. As in previous years, we provide useful benchmarking data for organisations on absence levels and the cost and causes of absence, as well as a focus on employee well-being. In addition, we report on the topical questions we asked about the abolition of the Default Retirement Age and levels of turnover due to ill health, and we continue to track the effect of the economic climate on employee absence.

Comparing this year's survey results with those of previous years suggests that the economic climate has a considerable effect on employee absence, affecting absence levels, the prevalence of reported stress and mental health problems, and the number of employees coming to work ill. Our results show that it is therefore imperative to manage absence effectively, regularly reviewing the suitability of approaches.

Reassuringly, this year's results show that organisations are taking a proactive approach to absence management overall, responding to the need to constantly reassess their absence management policies, particularly in view of the economic climate. For example, many public sector organisations have further increased their focus on employee well-being, in response to the considerable organisation change and uncertainty faced, despite reduced budgets.

However, there is still more that can be done and this report refers to some of the challenges organisations are facing now and anticipating over the next year. A focus on well-being and active health promotion is essential given the prevailing uncertain environment, particularly in the public sector where many organisations we surveyed are anticipating redundancies. Furthermore, this year, for the first time, we found stress to be the most common cause of long-term absence, making an even stronger case for action.

We feature Kent County Council as a case study in this report, identifying the key factors that underpin the success of their approach to attendance management and how they are actively promoting health and well-being. They take a holistic approach to ensure a positive attendance culture is firmly embedded in the council.

Sickness absence has also been a significant focus for policy-makers over the last few months with the launch in February 2011 of the Government-commissioned independent review on this subject.

The review, jointly chaired by David Frost, formerly director general of the British Chambers of Commerce, and Dame Carol Black, National Director for Health and Work, is exploring radical new ways in which the current system can be changed to help more people stay in work and reduce costs.

The CIPD has been closely involved in the review and the data from the *Absence Management* survey series has helped inform it.

We will be feeding our views into the Government once the recommendations from the review have been published.

Dr Jill Miller
Research Adviser, CIPD

Simplyhealth is delighted to partner with the CIPD for a second year to bring you the *Absence Management* survey report. We believe that health is the most important thing of all and that employer health and well-being strategies play a fundamental role in the management of absence. The survey offers us, as HR professionals, insights that help us to develop a strategy to keep absence at a sustainable level and enable our employees to manage their health and well-being.

The current economic climate is presenting additional challenges as employers try to adapt to the difficult economic conditions. They often have to make quick decisions, which means that organisational change can take place rapidly and more frequently, leaving employees feeling the pressure.

In addition, their own household budgets are being squeezed, pay rises are now less likely, and the price of food and household bills continues to rise. This means that the potential for employees to suffer from stress is ever greater.

The fact that stress is a key cause of absence perhaps suggests that its symptoms are not being identified quickly enough. Alternatively, it could be that employees are masking their symptoms so as not to draw the attention of their employer. Many are concerned about keeping their jobs and do not want to ask for help.

By taking a proactive approach, employers can reduce absence levels by educating employees and introducing offerings which enable early detection of health issues along with quick access to treatment and support.

The survey provides us with insights that invite us to ask what more employers can do to get employees back to work quickly and to keep those at work motivated and engaged.

Gill Phipps
HR Policy Manager, Simplyhealth

ABOUT US

CIPD

The Chartered Institute of Personnel and Development (CIPD) is the world's largest chartered HR and development professional body. As a globally recognised brand with over 135,000 members, we pride ourselves on supporting and developing those responsible for the management and development of people within organisations.

Our aim is to drive sustained organisation performance through HR, shaping thinking, leading practice and building HR capability within the profession. Our topical research and public policy activities set the vision, provide a voice for the profession and promote new and improved HR and management practices.

We know what good HR looks like and what HR professionals need to know, do and deliver at different stages of their career, be they specialists or generalists, working in the UK or internationally.

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We offer private medical insurance, health cash plans, dental plans and self-funded health plans to help people with their everyday health and get cover for the unexpected.

We're committed to delivering exceptional personal customer service and go out of our way to do the right thing, not the easy thing. We were recently named Best Private Health Provider at the Consumer Moneyfacts Awards.

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SUMMARY OF KEY FINDINGS

This report sets out the findings of the CIPD's twelfth national survey of absence management trends, policy and practice. The analysis is based on replies from 592 organisations across the UK, employing a total of nearly 2 million employees.

Absence levels

Most organisations record their annual employee absence rate, with larger organisations and the public sector most likely to do so.

The average level of employee absence remains at the 2010 level of 7.7 days per employee per year; however, there is high variation across organisations, with some reporting extremely high levels of absence.

The average level of absence remains highest in the public sector at 9.1 days per employee per year, a decrease of 0.5 day from 2010. This year the public sector figure is nearly matched by the level of absence in the non-profit sector at 8.8 days per employee.

Absence is lowest in the private sector, particularly in manufacturing and production organisations, where levels have reduced in comparison with previous years (5.7 days compared with 6.9 days in 2010). In contrast, average absence levels have increased in the private services sector (2011: 7.1 days; 2010: 6.6 days), although there is particularly high variation within this sector.

As in previous years, we found that overall, larger organisations have higher average levels of absence than smaller organisations, although this trend is not reflected in the public sector.

Overall, more organisations report their absence levels have decreased (41%) compared with the previous year than said it has increased (27%). One-third report it has remained the same. The public sector was most likely to report their absence levels have improved compared with the previous year.

The majority of respondents, particularly in the public sector, believe it is possible to reduce absence.

Length of absence

Two-thirds of working time lost to absence is accounted for by short-term absences of up to seven days.

A larger proportion of manual workers' absence is long term compared with their non-manual counterparts.

As found in previous years, a higher proportion of absence in the public and non-profit sectors is due to long-term absences of four weeks or longer compared with the private sector, where nearly three-quarters of absence is short term.

Smaller organisations are more likely to attribute a higher proportion of their absence to short-term leave compared with larger organisations.

Cost of absence

Fewer than half of employers monitor the cost of absence. The public sector and larger organisations are most likely to do so.

The average annual cost of employee absence per employee varies considerably across organisations, partly because they include different costs in their calculations. The median cost of absence has increased compared with last year (£673 per employee per year compared with £600 in 2010).

The public and non-profit sectors report higher costs of absence per employee than the private sector. The median annual cost per employee in the public sector is £800 and in the non-profit sector it is £743 compared with £446 in private services and £444 in the production and manufacturing sector.

Causes of absence

Minor illnesses (such as colds, flu, stomach upsets, headaches and migraines) are by far the most common cause of short-term absence.

Musculoskeletal injuries, back pain and stress are the next most common causes of short-term absence. Stress is more common for non-manual workers, while musculoskeletal injuries and back pain are more common for manual workers.

Home/family responsibilities are in the top five most common causes of absence for two-fifths of organisations.

As last year, approximately one in five employers report that absences not due to genuine ill health rank among the top five most common causes of short-term absence for both manual and non-manual workers. Non-genuine absence is reportedly most common in private services organisations.

The most common causes of long-term absence are stress, acute medical conditions (for example stroke, heart attacks and cancer), musculoskeletal injuries, mental ill health and back pain. Musculoskeletal injuries and back pain are particularly common for manual workers while stress is more common for non-manual workers.

Stress is particularly common in the public and non-profit sectors.

Work-related stress

Nearly two-fifths of employers overall (50% in the public sector) report that stress-related absence has increased over the past year.

The top causes of stress at work are workloads, management style, non-work factors such as relationships and family, relationships at work and considerable organisational change/restructuring.

Job insecurity is a more common cause of stress in the public sector this year compared with last year and is higher there than in the private or non-profit sectors.

Three-fifths of organisations are taking steps to identify and reduce stress in the workplace. As in previous years, public services employers are most likely to be proactively managing stress; however, the proportion doing so has fallen in comparison with previous years.

Popular methods to identify and reduce workplace stress include using staff surveys, training for managers/staff and flexible working options/improved work–life balance.

Managing absence

Almost all organisations surveyed have a written absence/attendance management policy.

Just over half have introduced changes to some aspect of their approach in the last year, with public sector organisations most likely to have made changes.

Overall, just under half of employers have a target in place for reducing employee absence, although this rises to 71% in the public sector.

The most common methods used to manage short-term absence are return-to-work interviews, trigger mechanisms to review attendance, giving sickness absence information to line managers and disciplinary procedures for unacceptable absence.

The most common methods used to manage long-term absence are return-to-work interviews, occupational health involvement and giving sickness absence information to line managers, followed by trigger mechanisms to review attendance and risk assessments to aid return to work.

Line managers take primary responsibility for managing short-term absence in two-thirds of organisations overall and more than three-quarters in the public sector. They take responsibility for managing long-term absence in 55% of organisations overall (73% of the public sector).

Private sector employers are much more likely to restrict sick pay than the public sector. They are also more likely to offer private medical insurance and attendance bonuses or incentives.

The public sector (and to a lesser extent the non-profit sector) are more likely to use a range of methods aimed at promoting good health and flexibility and are more likely to report that attendance is driven by the board. Nevertheless, fewer public sector organisations are using stress counselling to manage absence compared with last year.

Impact of the abolition of the Default Retirement Age (DRA) on absence

The majority of organisations believe the abolition of the DRA will have no impact on their absence levels, while a quarter believe it will increase absence.

One in six organisations report they will increase their focus on well-being provisions as a result of the abolition of the DRA and three out of ten that they will increase their use of flexible working practices as a consequence.

Most organisations report that the abolition of the DRA will have no impact on their provisions of private medical insurance to employees.

Return to work versus turnover from ill health

Nearly three-fifths of employers report that no employees had left their organisation due to ill health in the last 12 months. A small proportion (7%) had lost more than 10% of employees due to ill health.

Two-thirds of organisations report that all their employees who left in the last 12 months due to ill health left after the first 28 weeks of absence. Fewer than one in ten report that all employees who had left due to ill health had left during the first 28 weeks of absence.

Two-fifths of employers report that everyone who left during the first 28 weeks of absence did so voluntarily, while one-fifth report all who left were dismissed and a small minority (5%) that all took early retirement. After the first 28 weeks of absence leavers were less likely to leave voluntarily.

Employee well-being

Two-thirds of the public sector and one-third of the private sector have an employee well-being strategy in place.

The most commonly provided well-being benefits are access to counselling services, followed by employee assistance programmes and stop smoking support.

The public sector are most likely to promote well-being through benefits to facilitate healthy lifestyles. The private sector are more likely to provide insurance for employees.

One-quarter of organisations report their well-being spend has increased this year, while one in six report it has decreased. Similar changes in the same direction are anticipated in 2012.

Public sector organisations are most likely to report their well-being spend has decreased over the past year and anticipate further cuts in 2012.

Organisations that evaluate their well-being spend are more likely to have increased their spend this year and are more likely to increase it in 2012 compared with those who don't evaluate.

Employee absence and the recession
More than two-fifths of public sector organisations report they will be making redundancies over the next six months (and a further third that redundancies are a possibility), compared with one in six in the private sector and a quarter of non-profits.

Half of employers use employee absence records as part of their criteria for selecting for redundancy. This figure rises to nearly three-quarters in the manufacturing and production sector.

Over a quarter of organisations report an increase in people coming to work ill in the last 12 months and almost two-fifths have noted an increase in reported mental health problems. These issues are more common in organisations that are anticipating redundancies in the next six months.

Over a quarter of organisations (two-fifths in the public sector) report they have increased their focus on employee well-being and health promotion as a result of the economic context.

RATES OF EMPLOYEE ABSENCE

Average absence rates overall remain at the 2010 level of 7.7 days per employee, per year. While, as in previous years, the absence rate tends to be highest in the public sector, many in this sector have noted improvements compared with previous years.

Most organisations now record their annual employee absence rate, reflecting the relevance of absence to productivity (2011: 81%; 2010: 82%; 2009: 70%; 2008: 72%). Larger organisations are most likely to record this information, as are the public sector (92% compared with 85% of manufacturing and production, 80% of non-profits and 72% of private services organisations).[1]

Table 1 shows that absence levels overall remain the same as in 2010 at 7.7 days per employee per year (or 3.4% of working time).

There was considerable variation in the levels of absence reported by organisations in this year's survey, with a few organisations reporting very high absence levels (standard deviation 3.5%, or 8.0 days, compared with 1.9%, or 4.3 days in 2010).[2] In order to avoid a few extreme cases skewing the results, this year we report here on the 5% trimmed mean.[3] Last year we reported the arithmetic mean because the standard deviation was within acceptable limits.

Table 1: Average level of employee absence, all employees						
	Average working time lost per year (%)			Average number of days lost per employee per year		
	Mean	Standard deviation	5% trimmed mean	Mean	Standard deviation	5% trimmed mean
2011: all employees	3.8	3.5	3.4	8.7	8.0	**7.7***
2010: all employees	3.4	1.9	3.2	**7.7***	4.3	7.4

Base: 403 (2011); 429 (2010)

*This year we are using the 5% trimmed mean because the large standard deviation shows there is high variation across organisations, with some reporting extremely high levels of absence. In 2010 we reported the arithmetic mean because the standard deviation was within acceptable limits, showing less variation in the level of absence reported by organisations. We have included both the mean and 5% trimmed mean in Table 1 for reference.

Sector variations

There is considerable variation in levels of employee absence across sectors (Table 2). As in previous years, the average level of absence remains highest in the public sector at 9.1 days per employee per year (2010: 9.6 days; 2009: 9.7 days; 2008: 9.8 days), although this year it is nearly matched by the level of absence in the non-profit sector at 8.8 days (2010: 8.3 days; 2009: 9.4 days; 2008: 8.5 days).

Absence levels are lowest in the manufacturing and production sector where they have reduced in comparison with previous years (2011: 5.7 days; 2010: 6.9 days). In contrast, average absence levels have increased in the private services sector (2011: 7.1 days; 2010: 6.6 days), although there

is particularly high variation within this sector (Table 3). Call centres, finance, insurance and real estate, and transport, distribution and storage organisations were most likely to report higher absence rates, although comparisons should be treated with caution due to the small number of responses in each industry. There is also considerable variation within sectors. For example, of the two call centres in our sample who recorded an absence level, one reported their average working time lost per year was 4%, the other 48%.

It is interesting to compare absence levels across sectors since 2008 (Figure 1), which suggests that changes in absence levels are reflecting the economic climate.

Table 2: Average level of employee absence, by sector for all, manual and non-manual employees					
		Average working time lost per year (%)		Average number of days lost per employee per year	
	Number of respondents	5% trimmed mean	Standard deviation	5% trimmed mean	Standard deviation
All employees					
Manufacturing and production	53	2.5	1.1	5.7	2.5
Private sector services	143	3.1	5.0	7.1	11.4
Public services	138	4.0	2.4	9.1	5.5
Non-profit organisations	68	3.9	2.5	8.8	5.6
Total	403	3.4	3.5	7.7	8.0
Manual employees					
Manufacturing and production	24	2.7	1.2	6.2	2.8
Private sector services	24	2.3	5.6	5.3	12.9
Public services	7	2.8	2.6	6.4	6.0
Non-profit organisations	5	3.6	3.8	8.1	8.8
Total	61	2.5	3.8	5.7	8.7
Non-manual employees					
Manufacturing and production	24	2.0	3.5	4.6	8.1
Private sector services	46	2.2	2.9	5.0	6.6
Public services	19	3.4	2.2	7.8	4.9
Non-profit organisations	13	2.7	1.7	6.0	3.9
Total	103	2.4	2.8	5.5	6.4

Figure 1: Average number of days lost per employee per year by sector

Sector / Year	Average number of days
All employees	
2011	7.7
2010	7.7
2009	7.4
2008	8.0
Manufacturing and production	
2011	5.7
2010	6.9
2009	6.5
2008	7.2
Private sector services	
2011	7.1
2010	6.6
2009	6.4
2008	7.2
Public services	
2011	9.1
2010	9.6
2009	9.7
2008	9.8
Non-profit organisations	
2011	8.8
2010	8.3
2009	9.4
2008	8.5

Average number of days

		Average working time lost per year (%)	Average working time lost per year (%)	Average days lost per year	Average days lost per year
	Number of respondents	5% trimmed mean	Mean	5% trimmed mean	Mean
Manufacturing and production	Agriculture and forestry	0	–	–	–	–
	Chemicals, oils and pharmaceuticals	8	2.6	2.5	5.8	5.8
	Construction	4	1.9	1.9	4.2	4.4
	Electricity, gas and water	1	N/A*	2.8	N/A*	6.4
	Engineering, electronics and metals	9	2.3	2.3	5.2	5.3
	Food, drink and tobacco	8	3.1	3.1	7.0	7.0
	General manufacturing	4	2.8	2.8	6.3	6.3
	Mining and quarrying	1	N/A*	3.5	N/A*	8.0
	Paper and printing	1	N/A*	3.0	N/A*	6.8
	Textiles	1	N/A*	0.9	N/A*	2.0
	Other manufacturing/ production	16	2.4	2.4	5.5	5.5
Private sector services	Professional services (accountancy, advertising, consultancy, legal, etc)	23	2.1	2.4	4.7	5.4
	Finance, insurance and real estate	23	3.7	4.1	8.4	9.4
	Hotels, catering and leisure	5	2.6	2.7	5.9	6.1
	IT services	13	2.7	3.2	6.2	7.3
	Call centres	2	N/A*	25.8	N/A*	58.8
	Media (broadcasting and publishing, etc)	2	N/A*	1.8	N/A*	4.0
	Retail and wholesale	16	2.7	3.0	6.2	6.8
	Transport, distribution and storage	14	3.7	3.9	8.4	8.9
	Communications	2	N/A*	1.3	N/A*	3.0
	Other private services	43	3.5	4.0	8.1	9.2
Public services	Central government	21	3.7	3.7	8.4	8.5
	Education	18	2.8	3.3	6.4	7.6
	Health	42	4.6	4.8	10.6	10.9
	Local government	37	4.2	4.8	9.6	10.9
	Other public services	21	3.6	3.6	8.2	8.2
Non-profit organisations	Care services	14	5.2	5.3	11.9	12.1
	Charity services	16	3.4	3.8	7.8	8.6
	Housing association	22	3.9	4.2	8.9	9.6
	Other voluntary	17	3.2	3.4	7.4	7.7

*With a low number of respondents, it is not meaningful to calculate the 5% trimmed mean.

Table 3: Average level of employee absence, all employees by sector breakdowns

Manual and non-manual absence levels

Previous years' surveys have found that manual workers have a higher level of absence than non-manual workers. This year differences between manual and non-manual absence levels are not significant, although findings here are limited by the small number of organisations reporting both manual and non-manual levels of absence.

The effect of workforce size

Our overall findings (Table 4) show a clear relationship between workforce size and levels of absence,[4] with larger organisations having higher average levels of absence than smaller organisations. Further analysis, however, shows that this relationship is strongest in the private sector and size has no significant impact on absence levels in the public or non-profit sectors (see Table 4a). Previously we have hypothesised that because people in smaller organisations tend to work in smaller teams, their absence from work is likely to be more disruptive and noticeable and this may serve as a deterrent. This is clearly not the case, however, in the public sector. It appears more likely from this data that organisational culture, and perhaps the sick pay schemes on offer, which are more generous in larger organisations in the private sector and the public sector generally (see Table 22 and Table 24), are more likely to account for the effect of workforce size.

Table 4: The effect of workforce size					
		Average working time lost per year (%)		Average number of days lost per employee per year (days)	
No. of UK employees	Number of respondents	5% trimmed mean	Standard deviation	5% trimmed mean	Standard deviation
1–49	37	2.5	4.5	5.6	10.3
50–249	131	2.8	2.7	6.4	6.2
250–999	111	3.6	4.9	8.2	11.1
1,000–4,999	73	4.0	2.3	9.2	5.3
5,000+	46	4.2	1.9	9.6	4.2

Table 4a: The effect of workforce size on absence levels by sector				
	Average number of days lost per employee per year (5% trimmed mean)			
No. of UK employees	Manufacturing and production	Private sector services	Public services	Non-profit organisations
1–49	4.4	3.5	12.6	7.9
50–249	5.2	5.6	9.1	8.7
250–999	6.0	9.8	8.0	9.7
1,000–4,999	6.9	9.4	9.6	8.9
5,000+	–	11.8	9.6	–

Regional breakdown

There are no significant regional differences in employee absence levels (Table 5).

Changes in levels of absence within organisations

Overall two-fifths of organisations report a decrease in their levels of absence compared with the previous year, although there are significant differences across sectors (Table 6).[5] Public sector organisations, which had the highest levels of absence (Table 2), were most likely to report improvements, with more than half reporting their absence levels have decreased compared with just over a third of organisations from other sectors. Just over a quarter of organisations across all sectors report an increase in absence levels.

Table 5: Average level of absence by region					
		Average working time lost per year (%)		Average number of days lost per employee per year (days)	
	Number of respondents	5% trimmed mean	Standard deviation	5% trimmed mean	Standard deviation
East Anglia	15	3.9	3.3	8.9	7.4
East Midlands	16	4.4	2.3	10.0	5.3
West Midlands	21	3.1	1.6	7.2	3.6
North-east of England	17	3.8	3.6	8.6	8.1
North-west of England	40	3.2	2.8	7.2	6.3
South-west of England	37	3.2	8.1	7.3	18.4
Yorkshire and Humberside	23	3.8	2.4	8.7	5.5
South-east of England (excluding London)	46	3.2	1.9	7.3	4.4
London	39	2.8	1.8	6.4	4.1
Scotland	34	4.7	2.8	10.6	6.4
Wales	15	3.0	1.4	6.9	3.1
Northern Ireland	9	3.9	3.4	9.0	7.7
Ireland	6	4.6	2.3	10.5	5.2
Whole of UK	82	3.3	3.3	7.4	7.4

Table 6: Changes in levels of absence within organisations compared with the previous year (%)			
	Increased	Decreased	Stayed the same
All	27	41	32
Manufacturing and production	24	37	39
Private sector services	27	34	39
Public services	28	55	17
Non-profit organisations	26	39	35

Base: 559

Most employers believe it is possible to further reduce employee absence (81%). Only one in ten do not think it is possible (9% reported they don't know). As in previous years, the public sector is most likely to believe they can reduce employee absence (90% compared with 76% in the private sector).[6] Larger organisations are also more likely to believe they can reduce absence.[7]

Length of absence

There has been very little change in the length of employee absences over the past few years. Overall, two-thirds of working time lost to absence is accounted for by short-term absences of up to seven days. Absences of between eight days and four weeks account for 16% of short-term absence, and a similar proportion is caused by absences of four weeks or longer (Table 7). Length of absence does, however, appear to vary across manual and

non-manual employees. A larger proportion of manual workers' absence is long term[8] and a smaller proportion is short term than their non-manual counterparts.[9]

Our findings also show, as in previous years, that a higher proportion of absence in the public and non-profit sectors is due to long-term absences of four weeks or longer (Table 7). In contrast, nearly three-quarters of private sector absence is due to short-term absence, compared with just over half in the public sector.

Length of absence is also related to workforce size. Smaller organisations are more likely to attribute more of their absence to short-term leave than larger organisations.[10] This relationship was observed for both private and public sector organisations.

	Number of respondents	Up to seven days (%)	Eight days up to four weeks (%)	Four weeks or longer (%)
All employees	343	64	16	19
Manual employees	61	62	17	22
Non-manual employees	105	73	12	15
Industry sector				
Manufacturing and production	51	71	16	14
Private sector services	146	72	14	14
Public services	86	52	18	29
Non-profit organisations	63	57	20	22
Number of UK employees				
1–49	35	78	12	9
50–249	119	70	16	14
250–999	106	61	16	14
1,000–4,999	53	56	20	25
5,000+	29	46	20	34

Table 7: The average proportion of sickness absence attributed to short-, medium- and long-term absence, by workforce size and industry sector

THE COST OF ABSENCE

The average annual absence costs per employee have increased compared with last year, although they vary considerably across organisations. Fewer than half of employers monitor the cost of absence.

As in previous years, fewer than half (2011: 42%; 2010: 45%; 2009: 41%) of organisations surveyed report they monitor the cost of employee absence, despite the importance of this information for identifying the cost-benefits of investing in better absence management practices (Table 8). Unsurprisingly, larger organisations are significantly more likely to monitor the cost[11] as are public services organisations.[12]

There is considerable variation in the reported average annual cost of employee absence per employee (Table 9). This is at least partly due to our findings that organisations include different costs in their calculations (Table 10). On average, the reported cost of absence per employee was higher than last year (median £673 compared with £600 in 2010). This figure masks considerable variation across sectors. The public and non-profit sectors report higher costs of absence per employee than the private sector, no doubt due to their more generous sick pay schemes (Table 22 and Table 24) but perhaps also because in these sectors a higher proportion of absence is long term (Table 7) and consequently more costly to the business.

Table 8: Proportion of organisations that monitor the cost of employee absence (%)			
	Does your organisation monitor the cost of employee absence?		
	Yes	No	Don't know
All organisations	43	46	11
Industry sector			
Manufacturing and production	32	58	10
Private sector services	40	51	9
Public services	54	34	11
Non-profit organisations	38	47	15
Number of UK employees			
1–49	23	68	9
50–249	39	54	7
250–999	43	50	7
1,000–4,999	49	33	19
5,000+	66	18	16

Base: 591

Table 9: Average annual cost of absence per employee per year					
		Cost (£) per employee per year			
	Number of respondents	Median (2010)	5% trimmed mean[A] (2010)	Minimum	Maximum
All	135	673 (600)	798 (693)	13	1,080,925
Manufacturing and production	13	444 (400)	598 (530)	40	2,236
Private sector services	57	446 (600)	686 (790)	28	1,080,925
Public services	39	800 (889)	1538 (862)	13	500,000
Non-profit organisations	22	743 (600)	803 (581)	60	3,000

[A]The 5% trimmed mean is used where there are some extreme outliers. The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results in a better estimate of central tendency when extreme outliers exist.

Table 10: Criteria included in calculation of average cost of employee absence per employee	
	%
Occupational sick pay	81
Statutory sick pay	65
Temporary cover	27
Additional overtime costs	23
Lost production or service provision	21
Other	6

Base: 233

CAUSES OF ABSENCE

By far the most common cause of short-term absence is minor illness, including colds, flu, stomach upsets, headaches and migraines. The most common causes of long-term absence are stress, acute medical conditions, musculoskeletal injuries, mental ill health and back pain.

Most organisations (84%) collect information on the causes of employee absence (2010: 86%). The public and non-profit sectors are particularly likely to do this (93% and 95% respectively compared with 81% in the private sector).[13] Respondents were asked to rank the five most common causes of short- and long-term absence, for both manual and non-manual workers.

Short-term absence

As in previous years, almost all organisations report that the main cause of short-term absence (four weeks or less) for both manual and non-manual workers is minor illness, including colds, flu, stomach upsets, headaches and migraines (Table 11). The next most common causes of short-term absence are musculoskeletal injuries, back pain and stress, although musculoskeletal injuries and back pain are more common causes of absence for manual workers, while stress appears to be more common for non-manual workers.

Similar to previous years, home/family responsibilities are in the top five most common causes of absence for two-fifths of organisations, reflecting the continued need for flexible working arrangements. There has also been little change in the proportion of organisations reporting that absences not due to genuine ill health rank among the top five most common causes of absence for both manual and non-manual workers. Addressing such 'illegitimate' absences through appropriate attendance policies and absence information systems could have a significant impact on productivity for these employers.

Sector differences

In line with findings from previous years, stress and mental ill health are more common causes of absence in the public sector than in the private for both manual and non-manual workers (Table 12 and Table 13). Musculoskeletal injuries in both manual and non-manual workers and back pain in non-manual workers are also more common in the public sector.

In contrast, private sector organisations are more likely than the public or non-profit sectors to report home/family responsibilities among their top five causes of absence for both manual and non-manual workers. This may partly reflect the typically better flexible working practices offered by public sector employers (see Table 22 and Table 24) and underlines the importance of providing good work–life balance opportunities to employees.

Private services organisations are also more likely to cite non-genuine absence as a common cause of short-term absence for manual and non-manual workers than public services or non-profit employers.

Manufacturing and production organisations are more likely to report injuries not related to work as a key cause of absence for both manual and non-manual workers.

Table 11: Common causes of short-term absence (%)

	Most common cause		In top 5 most common causes	
	Manual	Non-manual	Manual	Non-manual
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	81	91	97	98
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	8	2	62	50
Back pain	4	1	61	43
Stress	3	4	49	57
Home/family responsibilities	1	0	39	40
Recurring medical conditions (for example asthma, angina and allergies)	1	0	37	40
Mental ill health (for example clinical depression and anxiety)	1	1	25	31
Injuries/accidents not related to work	1	0	24	22
Other absences not due to genuine ill health	1	1	21	21
Acute medical conditions (for example stroke, heart attack and cancer)	0	1	17	18
Work-related injuries/accidents	0	0	15	3
Pregnancy-related absence (not maternity leave)	0	0	9	14
Drink- or drug-related conditions	0	0	2	1

Base: Manual: 306; Non-manual: 350

Table 12: Top five most common causes of short-term absence for manual workers, by sector (%)

	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	97	97	95	99	98
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	62	61	57	72	61
Back pain	61	69	56	64	61
Stress	49	28	46	69	53
Home/family responsibilities	39	47	48	27	27
Recurring medical conditions (for example asthma, angina and allergies)	37	41	40	32	33
Mental ill health (for example clinical depression and anxiety)	25	19	21	31	35
Injuries/accidents not related to work	24	38	20	16	27
Other absences not due to genuine ill health	21	17	30	11	20
Acute medical conditions (for example stroke, heart attack and cancer)	17	19	19	16	14
Work-related injuries/accidents	15	20	10	20	14
Pregnancy-related absence (not maternity leave)	9	3	13	9	6
Drink- or drug-related conditions	2	2	2	4	0

Base: 305

Table 13: Top five most common causes of short-term absence for non-manual workers, by sector (%)					
	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Minor illness (for example colds/ flu, stomach upsets, headaches and migraines)	98	94	99	98	100
Stress	57	53	48	72	58
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	50	28	46	65	55
Back pain	43	38	37	54	47
Home/family responsibilities	40	43	52	24	33
Recurring medical conditions (for example asthma, angina and allergies)	40	32	42	37	45
Mental ill health (for example clinical depression and anxiety)	31	25	26	38	35
Injuries/accidents not related to work	22	32	21	16	27
Other absences not due to genuine ill health	22	23	29	13	17
Acute medical conditions (for example stroke, heart attack and cancer)	18	25	16	16	22
Pregnancy-related absence (not maternity leave)	14	9	18	13	13
Work-related injuries/accidents	3	0	2	7	3
Drink- or drug-related conditions	1	0	1	2	2

Base: 348

Long-term absence

The most common causes of long-term absence (four weeks or more) among manual and non-manual workers are stress, acute medical conditions (for example stroke, heart attack and cancer), musculoskeletal injuries (for example neck strains and repetitive strain injury), mental ill health and back pain (Table 14). Musculoskeletal injuries and back pain are particularly common for manual workers while stress is more common for non-manual workers. These findings are very similar to last year; however, stress is now the top cause of long-term absence. The proportion of organisations reporting that stress is the most common cause of absence for non-manual workers has risen to a third this year (33%) from a quarter last year (24%). While illegitimate absence is more commonly reported to be a cause of short-term than long-term absence, 6% still report this among their top five most common causes of long-term absence for manual and 8% for non-manual workers.

Sector differences

The public and non-profit sectors are most likely to report stress is a common cause of long-term absence (as well as short-term absence) compared with organisations in the private sector (Table 15 and Table 16). Manufacturing and production employers least frequently cited mental ill health as a major cause of long-term absence, compared with the other sectors. Musculoskeletal injuries and back pain are least common in the private services sector.

Table 14: Common causes of long-term absence (%)

	Most common cause		In top 5 most common causes	
	Manual	Non-manual	Manual	Non-manual
Stress	21	33	58	68
Acute medical conditions (for example stroke, heart attack and cancer)	21	24	57	62
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	17	7	57	46
Mental ill health (for example clinical depression and anxiety)	11	18	46	54
Back pain	11	4	50	41
Injuries/accidents not related to work	8	6	30	32
Recurring medical conditions (for example asthma, angina and allergies)	4	3	28	29
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	3	3	11	8
Pregnancy-related absence (not maternity leave)	2	1	10	12
Work-related injuries/accidents	1	1	20	7
Home/family responsibilities	1	0	13	11
Other absences not due to genuine ill health	0	1	6	8
Drink- or drug-related conditions	0	0	1	2

Base: Manual: 286; Non-manual: 304

Table 15: Top five most common causes of long-term absence for manual workers, by sector (%)

	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Stress	58	38	55	70	69
Acute medical conditions (for example stroke, heart attack and cancer)	57	61	56	59	51
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	57	61	44	73	55
Back pain	50	55	41	56	57
Mental ill health (for example clinical depression and anxiety)	46	32	50	53	43
Injuries/accidents not related to work	30	30	32	25	31
Recurring medical conditions (for example asthma, angina and allergies)	28	34	29	29	20
Work-related injuries/accidents	20	27	12	29	16
Home/family responsibilities	13	11	15	14	8
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	11	4	13	14	10
Pregnancy-related absence (not maternity leave)	10	5	15	10	6
Other absences not due to genuine ill health	6	4	8	5	4
Drink- or drug-related conditions	1	0	2	3	0

Base: 286

Table 16: Top five most common causes of long-term absence for non-manual workers, by sector (%)					
	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Stress	68	54	63	80	70
Acute medical conditions (for example stroke, heart attack and cancer)	62	64	57	67	64
Mental ill health (for example clinical depression and anxiety)	53	33	54	57	62
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	46	38	36	65	43
Back pain	42	38	29	59	43
Injuries/accidents not related to work	32	33	30	23	49
Recurring medical conditions (for example asthma, angina and allergies)	29	33	32	24	28
Pregnancy-related absence (not maternity leave)	12	8	20	8	6
Home/family responsibilities	11	10	12	13	8
Minor illness (for example colds/ flu, stomach upsets, headaches and migraines)	8	8	8	13	2
Other absences not due to genuine ill health	8	5	13	6	2
Work-related injuries/accidents	7	5	5	10	6
Drink- or drug-related conditions	2	0	0	6	2

Base: 303

WORK-RELATED STRESS

Half of public sector organisations report an increase in stress-related absence over the past year. The top causes of stress at work are workloads, management styles and external relationships. The public sector is most likely to be proactively managing stress.

Nearly two-fifths of employers report that stress-related absence has increased over the past year, although the figure rises to half of public sector employers (Table 17).[14] Just one in eight organisations report a decrease in stress-related absence, while a third report it has stayed the same and 15% don't know.

Larger organisations (in the public and private sector) are most likely to report stress-related absence has increased.[15]

Causes of stress at work

Employers were asked to rank the top three causes of work-related stress. As in previous years, workload is the most common cause (Table 18). Management style, non-work factors such as relationships and family, relationships at work and considerable organisational change/restructuring are most frequently ranked among the top causes.

Over the past few years we have found that organisational change/restructuring is a particularly

Table 17: Proportion of employers reporting increases or decreases in stress-related absence over the past year (%)			
	Increased	Stayed the same	Decreased	Don't know
All	39	34	12	15
Sector				
Manufacturing and production	32	40	18	10
Private sector services	35	38	13	14
Public services	50	23	17	10
Non-profit organisations	37	36	14	12
Workforce size				
1–49	19	54	9	18
50–249	30	43	10	16
250–999	43	31	15	11
1,000–4,999	55	19	17	9
5,000+	48	18	31	3

Base: 576

Table 18: The causes of work-related stress (top three causes, %)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Workloads/volume of work	48	34	49	48	54
Management style	40	44	41	41	35
Non-work factors – relationships/family	37	40	41	24	48
Relationships at work	31	34	29	31	37
Considerable organisational change/restructuring	31	21	19	52	29
Poorly managed organisational change/restructuring	18	21	15	24	13
Pressure to meet targets	17	16	24	13	8
Job insecurity	17	12	14	24	14
Lack of employee support from line managers	16	14	20	13	11
Long hours	12	14	13	8	14
Non-work factors – financial concerns	11	16	13	8	8
Lack of control over how work is carried out	7	11	8	4	5
Poorly designed jobs/poorly designed roles	5	10	5	4	2
Lack of training	4	4	4	3	2
Lack of consultation	4	3	5	4	1

Base: 526

common cause of stress in the public services sector. This year we rephrased this response category and included an additional item to ascertain whether it is the ineffective management of organisational change in the public sector or the quantity of change in this sector that is the key issue. The findings suggest the latter, as twice as many public as private sector employers report that considerable organisational change/restructuring is a main cause of stress. While a quarter of the public sector also report that poorly managed organisational change/restructuring is a main cause of stress, the proportion is more similar to that in the other sectors.

Unsurprisingly, given the significant budget cuts and the anticipated redundancies in much of the public sector (see section on employee absence and the economic climate), job insecurity is a more common cause of stress in the public sector this year (24%) compared with last year (10%) and is higher than in the private or non-profit sectors (Table 18).

Managing stress

Three out of five respondents (58%) report that their organisations are taking steps to identify and reduce stress in the workplace. Just under a third (29%) report their organisations are not doing anything to reduce stress, while 13% report they don't know. There is no relationship between whether organisations have noted an increase in stress-related absence and whether they are taking steps to identify and reduce stress, suggesting that many organisations may fail to respond to information about the causes of absence.

While, as in previous years, public sector employers are most likely to be proactively managing stress (69% compared with 59% of non-profit employers, 58% of manufacturing and production and 49% of private sector services employers),[16] the proportion doing so has fallen in comparison with previous years (2011: 69%; 2010: 81%; 2009: 85%; 2008: 84%). This may be a consequence of the current

budget cuts; however, ensuring well-being is particularly important at times of significant change to protect employees and both short- and long-term productivity. Size of organisation is not a relevant factor.

Organisations use a range of methods to identify and reduce stress in the workplace (Table 19). The most popular approaches include staff surveys, training for managers/staff and flexible working options/improved work–life balance. Public sector organisations are most likely to use almost all of the methods we listed. Overall, there is little change compared with previous years, although more private services employers report they are conducting risk assessments/stress audits this year (56% compared with 43% in 2010, 49% in 2009 and 45% in 2008).

Table 19: Methods used to identify and reduce stress in the workplace (% of employers)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Staff surveys	67	49	56	84	71
Training for managers/staff	65	60	56	73	69
Flexible working options/improved work–life balance	63	38	61	70	75
Risk assessments/stress audits	62	64	56	70	58
Written stress policy/guidance	52	40	47	66	42
Employee assistance programme	46	40	44	53	38
Greater involvement of occupational health specialists	44	51	27	59	38
Health and Safety Executive's stress management standards	30	20	21	41	33
Changes in work organisation	21	20	23	22	13
Focus groups	20	13	15	26	21

Base: 333

MANAGING ABSENCE

Most organisations use return-to-work interviews and trigger mechanisms to review attendance to manage absence in addition to giving sickness absence information to line managers. Occupational health involvement is also commonly used for the management of long-term absence. Disciplinary procedures for unacceptable absence are commonly used for the management of short-term absence.

Absence management policy

Almost all organisations surveyed (94%), regardless of sector, have a written absence/attendance management policy. Just over half have introduced changes to some aspect of their approach in the last year, with public sector organisations most likely to have made changes (68% compared with 47% of private sector organisations and 59% of non-profits).[17]

The most common changes made were to introduce a new or revised absence management policy, to introduce or revise monitoring procedures and to reinforce existing employee absence policies (particularly common in the public sector, Table 20). The public sector are least likely to have introduced return-to-work interviews, while private services organisations are least likely to report that the absence rate has become a key performance indicator.

Table 20: Changes made to employee absence management in the last year (% of employers who have made changes)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Introduced or revised monitoring procedures	51	56	50	54	42
Introduced a new or revised absence management policy	50	39	48	54	53
Reinforced existing employee absence policy	42	31	37	52	38
Absence rate has become a key performance indicator	25	31	14	29	31
Introduced return-to-work interviews	23	36	25	12	29
Introduced Bradford points or another trigger system	22	17	28	17	25
Introduced well-being benefits	18	11	15	18	25
Involved occupational health professionals	15	14	15	12	20
Introduced an attendance strategy	9	8	8	13	7
Introduced an attendance incentive scheme	3	3	5	1	4
Other	11	6	7	14	13

Base: 318

Table 21: Organisations that have a target for reducing absence, by sector (%)			
	Does your organisation have a target for reducing employee absence?		
	Yes	No	Don't know
All	48	46	7
Manufacturing and production	44	54	3
Private sector services	34	58	9
Public services	71	24	5
Non-profit organisations	45	46	9

Base: 588

With little change from the last few years, just under half of employers have a target in place for reducing employee absence. Public services organisations are much more likely than employers from other sectors to have an absence target (Table 21).[18]

Managing short-term absence

The most popular approaches used to manage short-term absence have changed little over the past few years. Most commonly used, by more than three-quarters of organisations, are return-to-work interviews, trigger mechanisms to review attendance, giving sickness absence information to line managers and disciplinary procedures for unacceptable absence (Table 22).

While last year we noted an increase in the use of almost all the methods used to manage short-term absence, there has been little further change this year. We have, however, noted a decline in the use of attendance records as a recruitment criterion (2011: 12%; 2010: 23%; 2009: 25%; 2008: 33%). Stress counselling is less common this year compared with last year in the public sector (2011: 60%; 2010: 72%), although there is little change in other sectors. This fits with our findings above (see section on work-related stress) that fewer public sector organisations this year report they are managing stress proactively.

Line managers take primary responsibility for managing short-term absence in two-thirds of organisations overall and more than three-quarters of the public sector. Three-fifths of employers report that managers are trained in absence-handling (80%

of the public sector), although only a third (half in the public sector) provide them with continued tailored support (for example online support, care conference with HR).

On the whole the public sector, and to a lesser extent the non-profit sector, take a more proactive approach to managing short-term absence. As found in previous years, they are more likely to use a range of methods aimed at promoting good health and flexibility – providing leave for family circumstances, flexible working, stress counselling, health promotion, occupational health involvement, employee assistance programmes, risk assessment to aid return to work after long-term absence – and, moreover, are more likely to report that attendance is driven by the board.

Private sector employers are more likely to offer private medical insurance and attendance bonuses or incentives than the public sector. They are also much more likely to restrict sick pay. The same sector differences were observed in approaches to managing long-term absence (Table 24).

Most effective approaches for managing short-term absence

Employers were asked to rank the top three most effective approaches for managing short-term absence from the list in Table 22. As with previous years, return-to-work interviews and trigger mechanisms to review attendance are most commonly cited as among the top three most effective methods by employers from all sectors, highlighting the importance of follow-up procedures for monitoring absence proactively (Table 23).

Disciplinary procedures for unacceptable absence are also among the most effective approaches for

Table 22: Approaches used to manage short-term absence (% of respondents)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Return-to-work interviews	87	89	81	94	86
Trigger mechanisms to review attendance	82	83	77	91	76
Sickness absence information given to line managers	79	82	75	88	73
Disciplinary procedures for unacceptable absence	75	84	75	76	70
Line managers take primary responsibility for managing absence	69	67	64	79	63
Leave for family circumstances	66	58	59	72	79
Managers are trained in absence-handling	62	61	51	80	60
Flexible working	54	28	48	70	64
Occupational health involvement	53	58	33	75	59
Capability procedure	48	42	36	64	55
Changes to working patterns or environment	48	29	46	58	50
Restricting sick pay	44	61	54	26	36
Employee assistance programmes	44	33	39	59	42
Absence rate is a key performance indicator	43	43	31	57	46
Health promotion	38	26	27	59	35
Stress counselling	38	24	25	60	41
Tailored support for line managers (for example online support, care conference with HR)	33	18	29	48	28
Well-being benefits	32	29	30	35	33
Risk assessment to aid return to work after long-term absence	25	18	21	34	23
Offering private medical insurance	24	28	41	5	14
Employees' absence records taken into account when considering promotion	22	24	27	22	10
Rehabilitation programme	16	17	12	23	11
Nominated absence case manager/ management team	15	9	14	23	9
Attendance driven by board	15	9	10	29	9
Attendance bonuses or incentives	12	18	18	5	8
Attendance record is a recruitment criterion	12	14	13	13	8
Outsourced absence management process	1	0	1	0	1

Base: 561

about a third of private sector employers, a quarter of the public sector and one in ten non-profit organisations. Restricting sick pay is also seen to be particularly effective in the private sector, where it is most commonly used.

About one in six employers from all sectors report that giving line managers primary responsibility for managing absence is effective, although the public and non-profit sectors are most likely to stress the effectiveness of training them in absence-handling.

Table 23: Most effective approaches for managing short-term absence (% of respondents citing as one of top three most effective methods)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Return-to-work interviews	63	68	65	60	59
Trigger mechanisms to review attendance	57	54	47	70	64
Disciplinary procedures for unacceptable absence	28	39	31	28	11
Restricting sick pay	18	25	27	8	10
Line managers take primary responsibility for managing absence	17	17	18	16	16
Managers are trained in absence-handling	17	13	12	20	28
Sickness absence information given to line managers	16	25	14	16	15
Occupational health involvement	13	12	7	19	16
Flexible working	10	4	9	9	19
Leave for family circumstances	5	1	7	4	8
Capability procedure	5	3	4	6	5
Attendance bonuses or incentives	4	9	6	2	1
Tailored support for line managers (for example online support, care conference with HR)	3	1	4	5	1
Employee assistance programmes	3	0	4	1	8
Nominated absence case manager/ management team	3	3	3	2	3
Changes to working patterns or environment	3	0	3	3	4
Offering private medical insurance	2	0	4	0	1
Attendance driven by board	1	1	1	3	0
Stress counselling	1	0	1	1	1
Rehabilitation programme	1	1	1	1	0
Risk assessment to aid return to work after long-term absence	1	0	2	0	0
Employees' absence records taken into account when considering promotion	1	0	1	1	0
Health promotion	0	0	0	1	0
Attendance record is a recruitment criterion	0	0	0	0	1

Base: 486

Case study: Building line manager confidence in managing attendance and promoting well-being at Kent County Council

For Kent County Council (KCC), managing attendance and promoting employee well-being is an integral part of improving people and organisational performance. It takes a holistic approach, using the internal expertise of HR, health and safety, learning and development, occupational health colleagues and line managers, who work together to ensure that a positive attendance culture is firmly embedded in KCC.

KCC has achieved a significant and sustained improvement in attendance levels since 2006, reducing days lost through sickness by 40,000. The team driving the initiative to improve attendance was made up of HR professionals working in organisational performance and well-being, HR policy and health and safety. The team's core belief was that improvement could be achieved by *'developing internal capability and confidence, both of HR and line managers'* and that *'the management role in managing attendance was central and reduced the costs of using external providers'*. However, they have also developed effective partnerships (such as with Jobcentre Plus and mental health charities, particularly those that help people with depression and anxiety-related illnesses), which have proved valuable in developing internal capability and providing additional support services for staff.

Amplifying attendance management and well-being

Over the last several years, the council has made significant changes to the way they manage absence, developing a positive attendance culture with proactive health promotion and where people feel supported to return to work after being absent. Starting back in 2004, it moved away from having a 'sickness policy' to having an 'attendance policy'. This new policy was accompanied by guidance for line managers on 'managing positive attendance at work' and a communication to all staff about work and attendance.

In 2006 the council further increased its focus on attendance and well-being, and is now reaping the benefits of supporting staff in managing their health and well-being at work. An initial kick-off meeting with colleagues from different, relevant disciplines, including an occupational health physician, isolated the key factors affecting attendance. They focused on achieving sustained improvement and identified four broad areas for attention, around which the project group created an action plan:

- communication
- entitlements, including the need to review their reward offer, identifying those elements likely to impact most on attendance
- reporting systems, including looking at how absence was being categorised
- interventions.

Examples of the actions taken include: focusing on long-term absence initially, where the impact was greatest, then moving to short-term/frequent absence at a later stage; establishing automatic email alerts for managers at trigger points; categorising 'stress' more accurately; providing more regular management information and training on handling sick staff; and reviewing sick pay. A review of current entitlements resulted in the decision not to change sick pay at that time, as more pragmatic, thoughtful management action proved successful in achieving better outcomes.

The critical role of line managers

Line managers were central to the success of the council's new approach to attendance and well-being. Over the course of the four-year initiative, the core aim has been to build line managers' confidence and competence in managing people with health or disability issues. A number of training courses are offered to line managers, and these are regularly reviewed for their relevance and for any gaps in provision. Training courses offered include coaching skills, managing difficult conversations well, stress management and living skills, positive management of mental health and – particularly valuable in the current climate – a course on managing change successfully.

The council believed many of the attendance issues it observed could be resolved through more robust discussions between employees and their line manager. For example, managers were anxious about contacting people off sick who had GP certificates or fit notes, or those who were off work with stress-related illness. The council worked to change perceptions, advocating the value to both the employee and the organisation of keeping in contact. HR have found this focus helps people stay connected to work; the longer people stay away from the workplace, the harder it can be for them to return successfully.

In addition, HR arranged 'speed surgeries' for managers to 'myth-bust' around what they can and can't do in managing attendance. To be best equipped to advise managers on taking more positive, direct action, the HR advisory team further developed its understanding of case law around disability and health. As a result of HR's support and guidance, line managers now feel much more confident and empowered to have conversations about absence and health issues without necessarily referring automatically to occupational health advisers.

The council's approach to attendance management, being manager-led, is very effective, is embedded and has helped to bring about a shift in culture. In more complex cases, such as those concerning mental health issues, HR has developed a case management model which brings together at one meeting all those able to provide specialist advice to managers to investigate interventions or solutions to improve the situation or resolve problems. Importantly, the line manager stays central to the decision-making. Particularly popular among managers is the 'Positive Management of Mental Health' course, which is provided by a consultant occupational psychologist. Part of that training focuses on busting the myths around helping people with mental health issues at work. A member of the OH team also takes part in this training to make sure managers know about the resources available to them in their 'toolkit' to support staff within the work environment: for example, the in-house staff counselling, workplace mediation services and return-to-work coaching.

Positive health promotion across a diverse workforce

Kent County Council provides support directly to staff to encourage people to take responsibility for their own health and well-being in the broadest sense. Care is taken to ensure that what is offered appeals to as many people as possible, across demographics and geographical areas. For example, opportunities for flexible working patterns are now available to anyone and 'carer' leave has been introduced to allow people to better plan absence related to caring responsibilities.

Carer leave was seen as an important innovation given KCC's workforce demographic (85% female) because it recognises the potential impact that balancing domestic and work responsibilities can have on health and attendance.

In terms of health promotion, online resources are proving very popular with KCC staff as they are able to access them from their workplace as well as remotely. For example, there is online access to physical exercise demonstrations, identifying strengths and areas of development for increasing personal resilience, nutritional advice, healthy eating recipes and details of walks in Kent. The council also provides mini health checks, including through a 'well point' kiosk that's sited at different locations around the county where staff can have their blood pressure and BMI (body mass index) checked. Free or minimal cost facilities are identified to maximise availability for staff.

Looking ahead

Amanda Beer, Corporate Director of HR, believes that *'one of the key challenges Kent County Council faces is to continue to improve attendance levels whilst being mindful of the context within which public sector staff are now working. It is important for us to maintain the motivation and engagement of our staff throughout this period of significant change and to continue to build line manager confidence to handle the wide range of people management issues they face daily.'*

Managing long-term absence

Return-to-work interviews, occupational health involvement and giving sickness absence information to line managers are the most commonly used approaches for managing long-term absence, followed by trigger mechanisms to review attendance and risk assessments to aid return to

work (Table 24). As might be expected, occupational health involvement, risk assessments to aid return to work and rehabilitation programmes are more commonly used for long-term absence than for short-term. In contrast, disciplinary procedures and leave for family circumstances are more commonly used to manage short-term absence.

Table 24: Approaches used to manage long-term absence (% of respondents)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Return-to-work interviews	86	82	82	93	84
Occupational health involvement	74	77	61	89	75
Sickness absence information given to line managers	73	67	65	86	74
Trigger mechanisms to review attendance	71	64	67	82	66
Risk assessment to aid return to work after long-term absence	69	74	63	78	64
Flexible working	63	45	58	75	66
Changes to working patterns or environment	61	49	56	72	63
Capability procedure	60	58	54	68	61
Disciplinary procedures for unacceptable absence	57	63	52	61	57
Managers are trained in absence-handling	56	49	45	73	60
Line managers take primary responsibility for managing absence	55	45	47	73	51
Employee assistance programmes	47	36	43	58	45
Restricting sick pay	45	58	52	33	42
Leave for family circumstances	44	38	38	49	55
Stress counselling	43	29	31	64	47
Rehabilitation programme	40	52	36	47	25
Absence rate is a key performance indicator	40	38	28	56	45
Tailored support for line managers (for example online support, care conference with HR)	39	23	34	57	34
Health promotion	37	29	26	58	35
Well-being benefits	32	29	32	35	33
Nominated absence case manager/ management team	26	21	24	35	16
Offering private medical insurance	25	30	43	4	15
Employees' absence records taken into account when considering promotion	19	21	22	20	10
Attendance driven by board	14	7	8	29	9
Attendance record is a recruitment criterion	11	14	11	11	7
Attendance bonuses or incentives	10	11	15	4	7
Outsourced absence management process	0	0	0	0	1

Base: 538

The findings are very similar to last year, with the exception of the use of disciplinary procedures. Fewer organisations this year report they use these for long-term absence compared with last year, when we noted a big increase in their use (2011: 57%, 2010: 80%, 2009: 44%, 2008: 49%). Nevertheless, the figures suggest that the use of disciplinary procedures to manage unacceptable long-term absence has increased compared with 2009 and 2008.

In line with findings on managing short-term absence, the public sector are more likely to use most of the methods listed for managing long-term absence than their private sector counterparts. They are less likely, however, to restrict sick pay or offer private medical insurance than the private sector (Table 24).

Table 25: Most effective approaches for managing long-term absence (% of respondents citing as one of top three most effective methods)					
	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Occupational health involvement	49	51	36	62	55
Return-to-work interviews	29	31	32	21	37
Trigger mechanisms to review attendance	23	22	22	26	21
Rehabilitation programme	18	27	18	14	15
Changes to working patterns or environment	17	12	14	19	24
Restricting sick pay	16	19	21	11	15
Flexible working	14	9	15	12	20
Risk assessment to aid return to work after long-term absence	13	15	13	12	12
Capability procedure	12	10	12	14	11
Managers are trained in absence-handling	11	12	7	14	17
Line managers take primary responsibility for managing absence	10	9	10	11	9
Disciplinary procedures for unacceptable absence	10	9	10	11	7
Sickness absence information given to line managers	9	12	9	6	9
Tailored support for line managers (for example online support, care conference with HR)	9	3	10	14	7
Nominated absence case manager/ management team	8	8	8	9	7
Employee assistance programmes	7	5	10	4	7
Offering private medical insurance	7	6	15	0	1
Stress counselling	4	0	4	7	5
Attendance bonuses or incentives	2	5	3	2	0
Leave for family circumstances	1	0	3	0	3
Employees' absence records taken into account when considering promotion	1	2	1	1	0
Attendance driven by board	1	2	1	3	0
Health promotion	0	0	0	1	0

Base: 467

Most effective approaches for managing long-term absence

The two most commonly used methods for managing long-term absence, the involvement of occupational health professionals and return-to-work interviews, are also considered to be the most effective approaches (Table 25). A fifth report that rehabilitation programmes are among their most effective methods, although these are only used by two-fifths of organisations. Trigger mechanisms to review attendance are also commonly considered to be effective for managing long-term as well as short-term absence.

Impact of the abolition of the Default Retirement Age (DRA) on absence

From April 2011 employers are no longer able to serve employees with a notice of retirement. (They are still able to retire staff who are or will turn 65 by 30 September 2011 and if they were served a retirement notice before 6 April 2011.) This year's survey included new questions to examine the anticipated impact of the abolition of the DRA on absence levels and practices.

Overall, a quarter (23%) of employers believe that the abolition of the DRA will increase their absence levels. The majority (76%) believe it will have no impact and just 1% that it will result in lower absence levels. While there are no significant sector differences, larger organisations are most likely to anticipate a negative impact on absence. Over a third (36%) of very large organisations (5,000+ employees) expect higher absence levels, compared with a quarter (25%) of organisations with 250–999 employees and just one in ten (11%) of those with fewer than 50 employees.[19]

One in six organisations report they will increase their focus on well-being provisions as a result of the abolition of the DRA and three out of ten that they will increase their use of flexible working practices. Just under a third are unsure whether there will be any change in well-being (32%) and flexible working practices (28%). There are no significant differences across sectors or size of organisations.

According to our sample, the abolition of the DRA will have little impact on their provision of private medical insurance to employees. The vast majority report either that they do not offer insurance benefits (50%) or that provision will stay the same (41%). Only 4% report they will increase provision, 1% that they will decrease provision for all employees and a further 4% that they will decrease provision to certain groups.

RETURN TO WORK VERSUS TURNOVER FROM ILL HEALTH

The Government commissioned an independent review into sickness absence, due to report later in 2011, looking at how the current sickness absence system could be changed to help people stay in work and reduce overall costs to the state, individuals and employers. One question the review aims to address is why some people with a certain health condition return to work while others with the same condition do not. In this year's survey we asked some questions related to this intriguing issue; namely, the number of people who return to work versus leave the organisation each year from ill health and when they do so.

Nearly three-fifths of employers report that no employees had left their organisation due to ill health in the last 12 months and a further fifth (18%) report that just 1% of leavers left for health reasons. A small proportion (7%) had lost more than 10% of their leavers due to ill health (Table 26). The proportion of leavers who left due to ill health increased with organisation size.[20]

Table 26: Proportion of leavers who left due to ill health in the past 12 months (% of respondents)							
	0	1%	2–5%	6–10%	11–25%	26–50%	51–100%
All organisations	58	18	11	6	3	2	2
Number of UK employees							
1–49	88	7	0	2	2	2	0
50–249	72	16	5	3	1	1	3
250–999	46	25	20	5	2	1	1
1,000–4,999	30	26	19	11	7	4	4
5,000+	22	19	15	19	19	7	0

Two-thirds (67%) of organisations report that all their employees who left in the last 12 months due to ill health left after the first 28 weeks of absence (Table 27). Fewer than one in ten report that all employees who had left due to ill health had left during the first 28 weeks of absence, while 5% report that half left during the first 28 weeks and half after.

Employees from private sector services are somewhat more likely to have left in the first 28 weeks of absence (Table 27). Fewer than three-fifths (57%) report that, of the employees who left in the past year due to ill health, none left during the first 28 weeks of absence compared with 70% or more in the other sectors. They are five times as likely as the public sector to report that all employees who had left due to ill health did so in the first 28 weeks of absence.

Size of organisation also appears to play a role (Table 27). Larger organisations are more likely to report they have lost some, but not all, of their employees to ill health in the first 28 weeks of absence.

Drives for leaving

Seventy-six respondents provided information on whether those who left due to ill health during the first 28 weeks of absence did so voluntarily or because they were dismissed or took early retirement. Two-fifths of employers report that everyone who left during this period did so voluntarily, while one-fifth report all who left were dismissed and a small minority (5%) that all took early retirement (Table 28).

After the first 28 weeks of absence, leavers were less likely to go voluntarily. Just over a fifth of organisations report all those who left due to ill health after the first 28 weeks of absence did so voluntarily compared with just over two-fifths of those during the first 28 weeks (Table 28 and Table 29). There is little difference in the proportion that were dismissed during or after the first 28 weeks of absence, but more who left after the statutory period took early retirement.

Table 27: Proportion of employees that left in the last 12 months due to ill health who left in the first 28 weeks of absence (% of respondents)

	0	1–10%	11–50%	51–90%	91–100%	Base
All organisations	67	10	11	3	9	223
Sector						
Manufacturing and production	79	3	12	0	6	34
Private sector services	57	10	11	6	15	87
Public services	70	16	9	1	3	67
Non-profit organisations	73	3	15	3	6	33
Number of UK employees						
1–49	78	0	0	0	22	9
50–249	61	2	14	0	24	51
250–999	80	6	7	1	6	84
1,000–4,999	59	18	14	10	0	51
5,000+	48	28	20	4	0	25

The relevance of different conditions on return to work

Table 30 shows the proportion of employees with different conditions who return to work after absences of four weeks or more. The data suggests that people with acute medical conditions are least likely to return to work. Fewer than a third of organisations report that all their employees who were absent for more than four weeks with such conditions returned to work. The second most common condition to prevent people returning to work after absences of more than four weeks is mental ill health. Fifteen per cent of organisations report that fewer than a quarter of employees with this condition return to work after an absence of four weeks or more.

With all the listed conditions, the proportion of respondents who returned to work is inversely related to organisational size (Table 31).[21]

Table 28: Proportion of those who left DURING the first 28 weeks of absence voluntarily, were dismissed or took early retirement (% of respondents)

	Voluntarily	Were dismissed	Took early retirement
0	26	54	78
1–50%	12	18	17
51–99%	18	8	0
100%	43	20	5

Base: 76

Table 29: Proportion of those who left AFTER the first 28 weeks of absence voluntarily, were dismissed or took early retirement (% of respondents)

	Voluntarily	Were dismissed	Took early retirement
0	47	44	62
1–50%	21	20	20
51–99%	9	11	4
100%	23	25	15

Base: 179

Table 30: The proportion of employees with the following conditions who return to work after absences of four weeks or longer (% of respondents)

	Musculoskeletal injuries	Back pain	Stress	Mental ill health	Acute medical conditions	Other conditions
0	2	3	2	5	8	6
1–25%	8	9	10	10	13	10
26–50%	5	7	11	10	17	7
51–75%	6	3	5	9	10	2
76–99%	19	20	26	27	22	22
100%	60	58	46	39	30	52
Mean	*85*	*82*	*80*	*75*	*66*	*78*
Standard deviation	*28*	*31*	*30*	*33*	*36*	*35*
Base	*186*	*179*	*178*	*174*	*187*	*109*

Table 31: The percentage of organisations who report that all employees absent for four weeks or more with the following conditions return to work, by organisation size (%)

Number of employees	Musculoskeletal injuries	Back pain	Stress	Mental ill health	Acute medical conditions	Other conditions
1–49	100	83	55	63	79	78
50–249	78	77	68	53	44	77
250–999	55	55	40	39	21	40
1,000–4,999	22	15	15	4	4	21
5,000+	29	29	14	0	0	0

EMPLOYEE WELL-BEING

Nearly half of employers have an employee well-being strategy in place. The most common benefits provided are access to counselling services and employee assistance programmes.

Last year we noted an increase in the proportion of organisations that had an employee well-being strategy (or similar) in place (2010: 46%, 2009: 33%; 2008: 30%). There has been no further increase this year, although the level has been maintained (2011: 46%). Public sector organisations are almost twice as likely as the private sector to have a well-being strategy in place (67% compared with 36% of the private sector and 40% of non-profits).[22] Larger organisations are also more likely to have a strategy (5,000+ employees: 81%; 250–999 employees: 44%; 1–49 employees: 39%).[23]

Well-being benefits
Nearly three-quarters of organisations with a well-being strategy provide access to counselling services and more than two-thirds offer employee assistance programmes to all employees (Table 32). About half offer stop smoking support and advice on healthy eating. There is, however, a considerable difference in the benefits offered by different sectors. The public sector are most likely to promote well-being through benefits such as access to counselling services, stop

smoking support, advice on healthy eating, access to physiotherapy, in-house gyms and walking/pedometer initiatives. The private sector are more likely to provide insurance for employees, including private medical insurance, long-term disability/permanent health insurance/income protection and critical illness insurance. Manufacturing and production organisations are particularly likely to offer health screening, healthy canteen options and self-funded health plans.

Most benefits on offer are available to all employees, particularly in the public sector. There are, however, a few notable exceptions in the private sector. For example, 79% of private sector organisations offer private medical insurance to employees but about half of these only offer it to certain employees depending on grade or seniority. Health screening, critical illness insurance and long-term disability/permanent health insurance/income protection benefits are also dependent on grade or seniority in about one-fifth of private sector organisations (Table 32).

Table 32: Employee well-being benefits provided by employers (% of employers with well-being strategy)					
	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Access to counselling services					
All employees	73	68	54	87	79
Depends on grade/seniority	3	0	7	0	0
Employee assistance programme					
All employees	69	73	65	73	61
Depends on grade/seniority	1	0	4	0	0
Stop smoking support					
All employees	51	50	38	65	39
Depends on grade/seniority	1	0	1	1	0
Advice on healthy eating					
All employees	49	55	38	59	39
Depends on grade/seniority	0	0	1	0	0
Healthy canteen options					
All employees	38	68	37	40	9
Depends on grade/seniority	1	0	2	1	0
Access to physiotherapy					
All employees	37	41	27	48	21
Depends on grade/seniority	1	0	1	2	0
Subsidised gym membership					
All employees	36	36	35	37	33
Depends on grade/seniority	1	1	1	2	0
Health screening					
All employees	35	50	31	38	27
Depends on grade/seniority	10	18	17	4	6
Healthcare cash plans					
All employees	24	32	27	12	48
Depends on grade/seniority	3	5	6	0	0
In-house gym					
All employees	23	27	12	37	0
Depends on grade/seniority	1	0	4	0	0
Private medical insurance					
All employees	22	32	46	3	9
Depends on grade/seniority	21	59	33	4	15
Walking/pedometer initiatives					
All employees	22	9	14	28	27
Depends on grade/seniority	1	5	2	0	0
Long-term disability/permanent health insurance/income protection					
All employees	21	36	33	9	15
Depends on grade/seniority	10	18	23	0	3
Critical illness insurance					
All employees	20	32	33	7	18
Depends on grade/seniority	10	23	20	1	3

Table 32: Employee well-being benefits provided by employers (%) (continued)					
	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Dental illness insurance					
All employees	20	9	33	6	36
Depends on grade/seniority	5	9	12	0	0
On-site massages					
All employees	17	23	13	14	30
Depends on grade/seniority	1	0	2	0	0
Self-funded health plans					
All employees	15	27	17	12	12
Depends on grade/seniority	3	5	7	0	0
Free fresh fruit					
All employees	15	14	29	4	18
Depends on grade/seniority	1	0	1	0	3
Personalised healthy living programmes for employees					
All employees	13	14	15	15	0
Depends on grade/seniority	1	0	2	0	0
Personal accident insurance					
All employees	8	9	13	5	6
Depends on grade/seniority	4	5	10	0	0

Base: 240

Well-being spend

Approximately two-thirds of respondents were able to provide information regarding their organisations' well-being spend. Of these a quarter (24%) report their well-being spend had increased this year compared with the last financial year, while one in six (16%) report it had decreased and three-fifths (60%) that it had remained the same.

Organisations expect more of the same in 2012 with almost identical proportions anticipating increases (24%), decreases (16%) or no change to spending (59%). Moreover, there is a relationship between changes in well-being spend this year and predictions for 2012, such that organisations that had decreased their well-being spend this year are likely to anticipate further decreases in 2012 and those that had increased are more likely to anticipate further increases.[24]

Public sector organisations are most likely to report their well-being spend has decreased over the past year and anticipate further cuts in 2012, no doubt in response to the widespread cuts to public sector budgets that began in earnest in 2010 and are planned to continue over the next four years. Public sector organisations are more than twice as likely to report well-being spend had decreased in comparison with the previous year (28% compared with 12% in the private and non-profit sectors) and three times as likely to anticipate reductions in 2012 (33% compared with 10% in the private and non-profit sectors).[25] Nevertheless, one in six public sector organisations reported increases in well-being spend compared with the previous year and one-fifth predicted increases in 2012. Many public sector organisations are clearly experiencing significant change and upheaval as a result of the budget cuts required to address the UK deficit.

Guarding employees' well-being through these difficult times is essential to maintain levels of service and retain talent.

Fewer than a third of employers (30%) evaluate the impact of their well-being spend,[26] which is an increase on 17% in the 2010 survey. Public sector employers are most likely to evaluate well-being spend (37% compared with 24% in the private sector and 33% of non-profits).[27]

Organisations that evaluate their well-being spend are twice as likely to have increased their spend this year (38% compared with 19%).[28] They are also more likely to predict it would increase in 2012 (36% compared with 21%).[29] This confirms last year's findings and implies that evaluations of well-being spend generally conclude that investing in well-being is worthwhile.

Further evidence to support this comes from our findings that organisations that had reduced absence over the past year are more likely to have a well-being strategy (52%) compared with those that had seen an increase in their absence levels (40%) or no change in their absence levels (41%).[30]

EMPLOYEE ABSENCE AND THE ECONOMIC CLIMATE

More than a quarter of employers have noticed an increase in the number of people coming to work ill in the last 12 months and nearly two-fifths report an increase in mental health problems, such as anxiety and depression, among employees.

Redundancies and absence

The last couple of years have seen widespread redundancies in the private sector. Economic indicators for this year show signs of slow growth; however, the public sector faces considerable cuts and change as the Government attempts to address the fiscal deficit. More than two-fifths (43%) of public sector organisations report they will be making redundancies over the next six months compared with one in six in the private sector (17%) and a quarter (24%) of non-profits. An additional 37% of the public sector report that redundancies are a possibility in the next six months (29% of the private sector and 34% of non-profits).[31] Clearly, many organisations are still dealing with the fall-out from the recession.

Half of organisations (52%) report they use employee absence records as part of their criteria for selecting for redundancy.[32] As in previous years, this is most common in manufacturing and production organisations (73%) and lowest in non-profit organisations (non-profits: 41%; public sector: 47%; private services 55%).[33]

Presenteeism

More than a quarter (28%) of employers report an increase in the number of people coming to work ill in the last 12 months. Organisations that are expecting redundancies in the coming six months were more likely to report an increase (32% compared with 27% of those who are not expecting to make further redundancies). They were also less likely to report they had not noticed an increase (48% compared with 66%) and less

certain (20% report they don't know if there had been an increase compared with 7% of those not making redundancies).[34]

It is likely that the threat of redundancies and the consequent increase in employees' concerns over job security leads to an increase in the proportion of employees who struggle into work when unwell. Such presenteeism can negatively affect an organisation's productivity, not only if illness is transmitted to other colleagues, but also because ill employees are likely to work less effectively than usual, may be more prone to costly mistakes and take longer to recover from their illness. Presenteeism is also a sign of anxiety. Failure by organisations to address employees' concerns may lead to mental health problems and costly longer-term consequences. Organisations that had noted an increase in presenteeism over the past year were more likely to report an increase in stress-related absence over the same period (49% compared with 33% of those who did not report an increase in people coming to work ill).[35]

Mental health

Last year we noted a big increase in reported mental health problems, such as anxiety and depression, among employees; figures are similar this year with nearly two-fifths (39%) reporting an increase over the last 12 months (2010: 38%, 2009: 21%).

As with the findings on presenteeism reported above, organisations that are planning to make redundancies in the next six months were more likely to report an increase in mental health

problems (51% compared with 32% who are not planning redundancies).[36]

More than a quarter of organisations (29%) report they have increased their focus on employee well-being and health promotion as a result of the economic context. This is a slight increase on last year, mainly due to an increase in the proportion of public sector organisations reporting an increase in focus (Table 33). More than two-fifths of the public

sector report an increase in focus compared with just over one-fifth of the private sector.[37]

Once sector is taken into account, whether or not organisations are planning redundancies has no impact on their focus on well-being, despite the negative impact this can have on employees, including on those who are retained because they often have to cope with increased workload as well as the loss of colleagues.

Table 33: Respondents reporting an increased focus on employee well-being and health promotion as a result of the economic context (%)					
	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Yes	29	23	23	43	29
No	63	71	70	50	63
Don't know	8	5	7	8	9

Base: 577

CONCLUSIONS

This year's survey shows mixed results. Absence rates remain at the 2010 low level overall, although there is considerable variation across and within sectors and industries. Two-fifths of organisations report their absence levels have decreased compared with the previous year, while just over a quarter report they have increased.

Comparing absence levels across the past few years suggests that they are not just a function of management approach or organisational culture, but are also related to the economic environment. Consistent with this is the slight rise in absence levels this year in the private sector corresponding with small improvements in the employment market and our findings that the public sector, which faces most cuts and redundancies this year, is more likely to report improvements in absence.

However, such improvements in absence levels need to be regarded with caution, as when unemployment levels are rising and redundancies anticipated, concerns over job security can lead to 'presenteeism' – employees struggling to work ill to demonstrate their commitment. Our findings highlight the negative effects presenteeism can have for both the individual and the organisation.

In addition, we are once again reporting high levels of stress-related illness and mental health problems, akin to last year's worrying rates. Nearly two-fifths of employers report an increase in mental health problems, such as anxiety and depression, among employees and this year stress is the most common cause of long-term absence. These figures are not surprising given the economic context, but our results show that employers can do more to address these issues as a priority.

Our survey findings and case studies over the years have demonstrated that organisations' approaches to absence and attendance have a significant impact on absence and consequently business efficiency and performance. We present clear indicators that this is well recognised. Almost all organisations surveyed have a written absence/attendance management policy and most organisations record their annual employee absence rate and the causes of absence. Moreover, just over half of organisations have introduced changes to some aspect of their approach in the last year, suggesting that their policies are reviewed and adjusted. Another positive sign is that the methods deemed by organisations to be most effective in managing absence are also those most commonly used.

At the same time, year after year, the majority of respondents assert their belief that it is possible to further reduce absence. So how can this be achieved?

Targeted action
Clearly it is not enough to simply collect data on the causes of absence. Targeted action across the organisation as well as with observed 'hot spots' is required to address specific issues and aid early return to work.

Strong, attendance-focused leadership
The high costs of absence make it an issue of utmost relevance to organisation leaders, yet only a minority of respondents report that attendance is driven by the board. Cohesive leadership on attendance is required to ensure illegitimate absence is not tolerated and attendance-focused initiatives are supported if real and lasting improvements to absence levels are to be achieved. It is surprising, particularly given the increased focus on costs in the current climate, that fewer

than half of employers monitor the cost of absence. These figures can help make a strong business case for organisation investment in targeted and timely initiatives to promote attendance and early return to work.

Provide ongoing support to line managers

Giving line managers primary responsibility for managing absence remains one of the most commonly used approaches for managing absence. However, the approach of providing ongoing support to line managers, such as online and via HR, is used significantly less, despite its value, especially when line managers are dealing with complex cases. In particular, both stress and mental health problems have increased in prevalence over the past few years and these can often be difficult issues for line managers to address, with commonly held myths surrounding them which can impede the level of support employees receive.

Ensure an open and supportive culture

Within a supportive work environment employees are more likely to feel they can take time off when they are genuinely ill, helping to reduce the spread of such illnesses to colleagues and avoid costly mistakes. The absence of such a culture will encourage presenteeism, which we have found associated with stress and mental health problems.

Having an open and supportive culture can also make it easier for employees to return to work after a period of absence, aiding the rehabilitation process.

Flexible/homeworking

Serious commitment to flexible working practices may help reduce absence due to stress, home/ family responsibilities and 'illegitimate' reasons, all of which remain common causes of absence for a sizeable proportion of organisations.

Investment in employee well-being and engagement

Despite the high costs of absence, organisations vary considerably in how proactively they promote employee well-being and manage stress at work. Our findings imply that evaluations of well-being spend generally conclude that the investment is worthwhile. A focus on these issues and employee engagement will promote attendance and organisational performance. Professionally conducted employee surveys that address well-being and engagement concerns and are acted upon by the senior executive can be useful in promoting engagement and combating absence.

A proactive approach to managing stress

Stress being the most common cause of long-term absence is a worrying finding and makes an even stronger case for why employers need to be taking action. Half of public sector employers say they have seen an increase in stress-related absence in the past year (compared with one-third of organisations overall). However, just 58% of organisations say they are taking steps to identify and manage stress at work, which indicates that there is a lot more that needs to be done.

Overall, there is still more that can be done across the board in terms of both absence management and employee well-being. In particular, the public sector is faced with a large degree of uncertainty through which the workforce will require their employer, and in particular their line manager, to be increasingly aware of issues among staff and provide the appropriate support. It is important that the public sector maintains its proactive approach to health promotion.

In sum, effective absence management involves finding a balance between providing support to help employees with health problems stay in and return to work and taking consistent action against employees who try to take advantage of an organisation's sick pay schemes. However, employers need to be mindful about observed decreases in absence levels, ensuring they are attributable to the effective management of attendance and active health promotion, rather than reflecting the negative effects of presenteeism.

BACKGROUND TO THE SURVEY

In June 2011 we received 592 valid responses to an online survey questionnaire. The survey comprised 40 questions exploring absence levels, causes and costs as well as how organisations attempt to manage absence and promote health and well-being at work and the impact of the economic climate on employee absence rates. Two new sections this year explore the anticipated impact of the abolition of the Default Retirement Age on absence levels and strategies and finally levels of turnover due to ill health.

As in previous years, most respondents (82%) answered the questions in relation to their whole company/organisation, while 11% answered in relation to a single site and 5% in relation to a single division.

Respondents come from across the UK in a similar spread to last year. A quarter responded in relation to employees across the UK, while others replied in relation to employees in specific UK regions (see Table A1).

Table A1: Distribution of responses by region			
	Number of respondents 2011	% 2011	% 2010
East Anglia	20	3	4
East Midlands	25	4	6
West Midlands	32	5	7
North-east of England	18	3	4
North-west of England	54	9	7
South-west of England	50	9	7
Yorkshire and Humberside	33	6	5
South-east of England (excluding London)	67	12	13
London	62	11	10
Scotland	41	7	7
Wales	20	3	3
Northern Ireland	15	3	4
Ireland	8	1	0
Whole of UK	137	24	26

Base: 582 (2011); 564 (2010)

Most respondents work in small to medium-sized organisations, in terms of the number of UK-based employees, but larger organisations are also represented (Table A2).

Respondents predominantly work for private services organisations (2011: 42%; 2010: 39%), or the public sector (2011: 29%; 2010: 25%). A smaller proportion of this year's respondents

work in manufacturing and production (13% compared with 23% in 2010). Sixteen per cent work in voluntary, community and not-for-profit organisations (referred to in the report as 'non-profit organisations'; 2010: 13%) (Table A4). Public sector organisations are more likely to be larger in size than those in the private or non-profit sectors (Table A3).

Table A2: Number of UK employees in respondents' organisations (% of respondents reporting for whole organisation)		
	2011	2010
Fewer than 50	12	6
50–249	30	28
250–999	28	35
1,000–4,999	18	16
More than 5,000	11	15

Base: 579 (2011); 429 (2010)

Table A3: Size of organisation, by sector (%)				
	Manufacturing and production	Private sector services	Public services	Non-profit organisations
1–49	12	15	5	18
50–249	36	39	12	37
250–999	36	27	28	28
1,000–4,999	14	13	29	17
More than 5,000	1	7	27	1

Table A4: Distribution of responses by sector	Number of responses	%
Manufacturing and production	**78**	**13**
Agriculture and forestry	0	0
Chemicals, oils and pharmaceuticals	9	2
Construction	5	1
Electricity, gas and water	1	0
Engineering, electronics and metals	16	3
Food, drink and tobacco	12	2
General manufacturing	8	1
Mining and quarrying	2	0
Paper and printing	1	0
Textiles	1	0
Other manufacturing/production	23	4
Private sector services	**247**	**42**
Professional services (accountancy, advertising, consultancy, legal, etc)	37	6
Finance, insurance and real estate	37	6
Hotels, catering and leisure	11	2
IT services	20	3
Call centres	5	1
Media (broadcasting and publishing, etc)	6	1
Retail and wholesale	39	7
Transport, distribution and storage	17	3
Communications	5	1
Other private services	70	12
Public services	**169**	**29**
Central government	25	4
Education	26	4
Health	46	8
Local government	41	7
Other public services	31	5
Voluntary, community and not-for-profit ('non-profit organisations')	**93**	**16**
Care services	19	3
Charity services	27	5
Housing association	23	4
Other voluntary	24	4

Base: 587

Note on statistics and figures used

Some respondents did not answer all questions, so where percentages are reported in tables or figures, the respondent 'base' for that question is given.

'Average' in the report is used to refer to the arithmetic mean; the standard deviation from the mean is reported where appropriate. The median is used in cases where the distribution is significantly skewed and the 5% trimmed mean where there are some extreme outliers. The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results in a better estimate of central tendency when extreme outliers exist. When the median or 5% trimmed mean is used it is noted.

With the exception of average working time and days lost, all figures in tables have been rounded to the nearest percentage point. Due to rounding, percentages may not always total 100.

Different statistical tests have been used, depending on the type of analysis and the measures used in the questionnaire to examine whether differences between groups are significantly different than could be expected by chance and to examine associations between measures. Tests used include Chi-Square (χ^2), t-tests, Spearman's rho and Tau-b. We report on statistics at the generally accepted level of significance, $p < 0.05$.

FURTHER SOURCES OF INFORMATION

Visit **cipd.co.uk/2011absencemanagementsurvey** to access related products and services and to view previous *Absence Management* survey reports.

Absence measurement and management

Read our factsheet, which provides guidance on absence policies, measuring absence levels and managing short- and long-term absence.
cipd.co.uk/atozresources

Acas have published an advisory booklet on how to manage attendance and employee turnover. Available at: **www.acas.org.uk/**

Download the guidance produced jointly by the National Institute for Health and Clinical Excellence (NICE) and the CIPD, which offers advice to employers: *Managing Long-term Sickness Absence and Incapacity for Work*.
cipd.co.uk/atozresources

Well-being

Read our change agenda *What's Happening with Well-being at Work?* which provides case study examples of how employers are introducing the concepts of employee well-being into their organisations and identifies the impact of well-being on individuals and organisations.
cipd.co.uk/atozresources

Stress

The CIPD factsheet *Stress and Mental Health at Work* provides advice on identifying the key indicators of employees' stress and outlines steps that people management specialists can take to manage organisational stress.
cipd.co.uk/atozresources

Read our research insight *Preventing Stress: Promoting positive manager behaviour*. This report is the result of ongoing collaboration between the CIPD, Investors in People and the Health and Safety Executive on research into management competencies for preventing and reducing stress at work. Case studies are included of organisations that have implemented the findings from previous stages of the research.
cipd.co.uk/atozresources

Health and safety

The CIPD factsheet *Health and Well-being at Work* gives introductory guidance on employers' duties to provide a safe and healthy working environment. It introduces the law on health and safety at work and outlines employers' obligations.
cipd.co.uk/atozresources

Occupational health

Take a look at our factsheet *Occupational Health*.
cipd.co.uk/atozresources

To stay up to date with the latest thinking from the CIPD, visit **cipd.co.uk/research**

Sign up to receive our weekly e-newsletter and get the latest news and updates on CIPD research straight into your inbox. Sign up by visiting **cipd.co.uk/cipdupdate**

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- Simplyhealth for their support and commitment at every stage of the research.

We hope that you find the research useful when considering your own absence management practices.

Please contact us if you have any questions or ideas based on our findings (**research@cipd.co.uk**).

NOTES

[1] Recording the annual employee absence rate by size: Chi Square=21.6, df=4, p<0.001, n=560. Recording the annual employee absence rate by sector: Chi Square=26.1, df=3, p<0.001, n=568

[2] One call centre reported an absence rate of 48% of working time.

[3] The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results in a better estimate of central tendency when extreme outliers exist.

[4] Rho=.37, p<.001, n=398

[5] Chi Square=26.3, df=6, p<0.001, n=556

[6] Chi Square=22.7, df=6, p<0.01, n=583

[7] Chi Square=53.1, df=8, p<0.001, n=575

[8] Paired sample t=2.6, df=53, p<.05, n=54

[9] Paired sample t=-3.4, df=56, p<.01, n=57

[10] Percentage of absence accounted for by short-term leave by UK workforce size: rho=-.36, p<.001, n=338

[11] Chi Square=52.5, df=8, p<0.001, n=579

[12] Chi Square=19.5, df=6, p<0.01, n=587

[13] Chi Square=19.6, df=3, p<0.001, n=547

[14] Chi Square=18.4, df=9, p<0.05, n=573

[15] Rho=-.31, p<.001, n=481

[16] Chi Square=17.4, df=6, p<0.01, n=587

[17] Chi Square=18.7, df=2, p<0.001, n=578

[18] Chi Square=59.6, df=6, p<0.001, n=585

[19] Rho=-.14, p<.01, n=553

[20] Rho=.44, p<.001, n=439

[21] Organisational size and musculoskeletal injuries: Rho=-.37, p<.001, n=182; organisational size and back pain: Rho=-.37, p<.001, n=175; Organisational size and stress: Rho=-.34, p<.001, n=174; Organisational size and mental ill health: Rho=-.28, p<.001, n=171; Organisational size and acute medical conditions: Rho=-.34, p<.001, n=183; Organisational size and other conditions: Rho=-.40, p<.001, n=107;

[22] Chi Square=40.5, df=2, p<0.001, n=548

[23] Chi Square=40.1, df=4, p<0.001, n=540

[24] Kendal's tau-b=.47, p<.001, n=362

[25] Compared with the last financial year, did your organisation's well-being spend this year…? By sector: Chi Square=19.2, df=6, p<0.01, n=378; In 2012, do you predict that your organisation's well-being spend will…? by Sector: Chi Square=29.3, df=6, p<0.001, n=390

[26] 30% of respondents report they didn't know. They are excluded from the analysis here.

[27] Chi Square=0.05, df=2, p<0.05, n=385

[28] Chi Square=17.2, df=2, p<0.001, n=325

[29] Chi Square=11.8, df=2, p<0.01, n=328

[30] Chi Square=6.8, df=2, p<0.05, n=526

[31] Chi Square=58.3, df=4, p<0.001, n=544

[32] One in five (19%) report they didn't know so are excluded from this analysis.

[33] Chi Square=16.9, df=3, p<0.01, n=469

[34] Chi Square=17.9, df=2, p<0.001, n=367

[35] Chi Square=58.0, df=6, p<0.001, n=570

[36] Chi Square=35.4, df=6, p<0.001, n=581 (1 cell has expected count less than 5. The minimum expected count is 4.46)

[37] Chi Square=22.5, df=6, p<0.01, n=577

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