



Annual survey report 2008

Absence management

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Summary of key findings

This report sets out the findings of the CIPD's ninth national survey of absence management policy and practice. The analysis is based on replies from 819 UK-based HR professionals in organisations employing a total of more than 2.3 million employees.

Absence levels

The average level of employee absence has reduced slightly to eight days per employee per year from 8.4 days for the previous 12 months. In terms of working time lost the level of absence has decreased to 3.5% from 3.7% over the same period.

Just 72% of organisations record their average annual level of employee absence. Public sector organisations are most likely to record the average level of absence (84%) and private services sector employers are least likely to do so (61%).

Absence levels in the public sector remain the highest at an average of 9.8 days per employee, per year but have reduced slightly compared with the previous year when the absence level was 10.3 days.

Non-profit sector organisations had the next highest level of absence at 8.5 days, down from 9.6 days for the previous year. Among private services organisations the average level of absence remained static at 7.2 days per employee per year.

Manufacturing and production employers also recorded a reduction in the average level of absence to 7.4 days per employee per year from 7.6 days for the year before.

Costs

The average cost of absence has increased to £666 per employee per year, from the previous year's figure of £659 per employee per year.

Only 40% of respondent organisations monitor the cost of absence. There is little difference between the sectors in this respect, although manufacturing and production organisations are most likely to cost absence (44%) and private services are least likely to (37%).

More than eight out of ten respondents report that absence is a significant or very significant cost to their organisation.

Causes of absence

The main cause of short-term absence for both manual and non-manual workers is minor illness such as colds, flu and stomach upsets.

Among manual workers the next main causes of short-term absence are back pain, musculoskeletal injuries, stress and home and family responsibilities.

Besides minor illness, the major causes of short-term absence for non-manual workers are stress, musculoskeletal injuries, back pain and home and family responsibilities.

The main causes of long-term absence among manual workers are acute medical conditions, followed by back pain, musculoskeletal conditions, stress and mental health problems.

Among non-manual workers, stress is the number-one cause of long-term absence, followed by acute medical conditions, mental health problems such as anxiety and depression, musculoskeletal conditions and back pain.

Managing absence

Return-to-work interviews are rated as the most effective approach to managing short-term absence, followed by trigger mechanisms for reviewing attendance and the use of disciplinary procedures.

The top three most highly rated approaches to managing long-term absence are occupational health support, the provision of rehabilitation programmes and flexible working.

Employee well-being

Nearly a third of survey respondents report their organisation has an employee well-being strategy or similar.

Among organisations providing employee well-being benefits, the most commonly provided benefits to all employees are access to counselling services, stop smoking support, employee assistance programmes and healthy eating options in staff restaurants.

Other popularly offered benefits include subsidised gym membership, advice on healthy eating and access to physiotherapy.

Rehabilitation

Six in ten employers provide vocational rehabilitation services to their employees. Public services employers are most likely to provide rehabilitation support (83%) and private services sector employers are least likely to do so (48%).

However, just a quarter of the smallest organisations employing fewer than 50 people provide any form of rehabilitation support.

Of employers that provide such services, more than 90% provide flexible working options, 84% provide rehabilitation and return-to-work support, and 83% provide access to occupational health services.

On average individuals with long-term health problems receive rehabilitation support after almost nine weeks.

Rates of employee absence

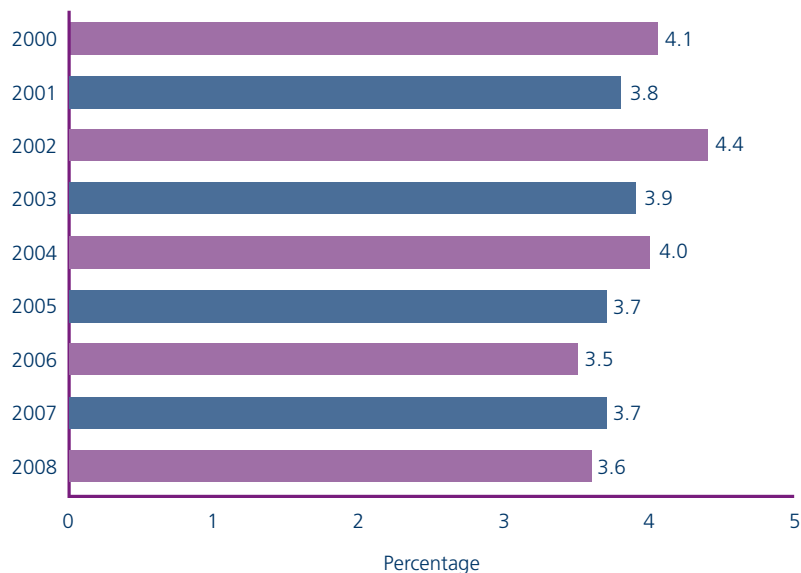
Average employee absence levels have fallen slightly to eight days per employee per year. However, nearly a quarter of employers don't record this critical information.

The average level of employee absence has reduced slightly to eight days per employee per year from 8.4 days for the previous 12 months. In terms of working time lost the level of absence has decreased to 3.5% from 3.7% over the same period. See Figure 1.

Respondents were asked to provide either the percentage of working time lost or the number of working days lost per employee, based on a 228-day working year. The absence data is from the year 1 January 2007 to 31 December 2007.

Just 72% of organisations record the annual level of absence. Public sector organisations are most likely to record the average level of absence (84%) and private services sector employers are least likely to do so (61%). Measuring the level of absence is an essential starting point for managing absence effectively. Without this information it is impossible to understand whether there is a problem and to track trends and hot spots within organisations. See Table 1.

Figure 1: Average working time lost (days), 2000–07 (UK organisations)



The CIPD's annual absence survey has been characterised by a 'yo-yo' effect in the overall level of absence since it started in 2000. An increase one year has usually been followed by a reduction the following year. This highlights one of the challenges of managing absence for many employers, which is that absence management tends to become an organisational priority only when absence levels climb to a particular point – leading to management action and often to changes to policies and procedures. However, once absence levels fall again it ceases to be a management priority and it creeps back up. The only way to prevent this pattern being repeated is to ensure that line managers are made accountable for their absence management performance through their annual appraisals and performance targets. However, our 2006 survey showed that only a third of organisations include absence management performance as an element of line managers' appraisals/performance targets.

Table 1: Proportion of organisations that record the annual employee absence rate

	Respondents (%)				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Yes	72	77	61	75	84
No	21	17	32	23	9
Don't know	2	2	3	1	2

Sectoral variations

Absence levels in the public sector remain the highest at an average of 9.8 days per employee per year, but have reduced slightly compared with the previous year, when the absence level was 10.3 days.

Non-profit sector organisations had the next highest level of absence at 8.5 days, down from 9.6 days for the previous year. Among private services organisations the average level of absence remained static at 7.2 days per employee per year.

Manufacturing and production employers also recorded a reduction in the average level of absence to 7.2 days per employee per year compared with 7.6 days for the year before.

Table 2 shows a more detailed breakdown of absence levels across the different sectors and industries.

Among public services employers, those in the health sector recorded the highest average level of employee absence at 11.7 days per employee per year, a fall compared with the previous year's figure of 12.6 days. Education employers had the lowest average level of absence of 7.8 days per employee per year, a reduction from 9.6 days for the year before.

Housing associations recorded the highest level of absence in the non-profit sector at 11 days per employee per year. This was a slight increase compared with last year's figure of 10.5 days. The lowest level of absence in this sector was reported by 'other' voluntary sector organisations, with a figure of 6 days per employee per year, a fall from last year's figure of 7.2 days.

Communications employers recorded the highest average level of absence in the private services sector of 14.2 days per employee per year, a very significant increase compared with the previous year's figure of 3.7 days. Hotels, catering and leisure recorded the lowest level of absence in this sector of 4.6 days, a reduction compared with 6.7 days for the year before.

Table 2: Average level of employee absence, all employees, by sector

	Total	All employees Average working time lost per year	Average days lost per employee per year
Manufacturing and production	182	3.2	7.2
Agriculture and forestry	1	2.2	5.0
Chemicals, pharmaceuticals and oil	19	3.2	7.2
Construction	14	2.5	5.9
Electricity, gas and water	3	2.2	5.1
Engineering, electronics and metals	36	2.7	6.0
Food, drink and tobacco	28	4.0	8.4
General manufacturing	44	3.6	8.1
Paper and printing	3	3.0	6.9
Textiles	6	2.6	5.7
Other manufacturing/production	31	3.2	7.3
Private sector services	196	3.1	7.2
Professional services (accountancy, advertising, consultancy, legal etc.)	34	2.8	6.5
Financial services, insurance and real estate	48	2.9	6.7
Hotels, catering and leisure	11	2.0	4.6
Transport, distribution and storage	17	3.9	9.1
Media (broadcasting and publishing etc.)	10	3.6	8.3
Retail and wholesale	23	3.7	8.5
IT services	7	1.9	4.4
Communications	5	6.7	14.2
Call centres	3	5.6	12.8
Other private services	40	2.9	6.4
Public services	140	4.3	9.8
Central government	12	4.8	11.0
Health	27	5.1	11.7
Education	40	3.6	7.8
Local government	34	4.4	10.1
Other public services	27	4.4	10.1
Voluntary, community and not-for-profit	50	3.7	8.5
Care services	11	3.9	8.9
Housing association	13	4.8	11.0
Charity services	13	3.4	7.6
Other voluntary	6	2.6	6.0
Total	545	3.5	8.0

The average level of absence for manual workers was 10.2 days per employee per year, compared with 6.5

days for non-manual employees. See Tables 3 and 4 for a detailed breakdown.

Table 3: Average levels of employee absence, manual workers, by sector

	Manual employees		
	Total	Average working time lost per year	Average days lost per employee per year
Manufacturing and production	72	4.3	9.8
Chemicals, pharmaceuticals and oil	4	4.7	10.8
Construction	7	2.5	5.7
Electricity, gas and water	1	3.5	8.0
Engineering, electronics and metals	11	4.3	9.7
Food, drink and tobacco	12	5.7	12.9
General manufacturing	30	3.9	9.0
Paper and printing	1	5.0	11.4
Other manufacturing/production	7	4.1	9.3
Private sector services	13	5.9	13.4
Professional services (accountancy, advertising, consultancy, legal etc)	1	2.6	6.0
Transport, distribution and storage	4	3.5	7.9
Retail and wholesale	3	2.9	6.7
IT services	1	9.0	20.5
Other private services	2	3.7	8.3
Public services	17	5.9	13.6
Central government	2	3.0	6.8
Health	1	5.5	12.5
Education	6	6.5	15.1
Local government	5	5.5	12.6
Other public services	3	6.3	14.3
Voluntary, community and not-for-profit	5	5.4	12.3
Care services	1	6.8	15.6
Housing association	3	6.8	13.6
Charity services	1	2.2	5.0
Total	103	4.5	10.2

Table 4: Average levels of employee absence, non-manual workers, by sector

	Non-manual employees		
	Total	Average working time lost per year	Average days lost per employee per year
Manufacturing and production	74	2.2	5.0
Chemicals, pharmaceuticals and oil	5	2.0	4.6
Construction	8	5.8	13.2
Electricity, gas and water	1	1.8	4.0
Engineering, electronics and metals	11	1.6	3.5
Food, drink and tobacco	13	1.7	3.8
General manufacturing	29	1.6	3.6
Paper and printing	1	2.0	4.6
Other manufacturing/production	7	2.0	4.7
Private sector services	40	3.2	7.3
Professional services (accountancy, advertising, consultancy, legal etc.)	8	3.0	6.8
Financial services, insurance and real estate	12	3.0	6.9
Hotels, catering and leisure	2	3.9	9.0
Transport, distribution and storage	4	2.0	4.7
Media (broadcasting and publishing etc.)	3	5.6	12.8
Retail and wholesale	2	1.6	3.8
IT services	2	3.6	8.3
Communications	1	9.0	20.5
Other private services	6	2.6	5.9
Public services	25	4.3	9.8
Central government	5	2.6	6.0
Health	1	4.9	11.2
Education	7	3.5	8.3
Local government	5	4.2	9.6
Other public services	7	5.8	13.2
Voluntary, community and not-for-profit	9	3.0	6.9
Care services	2	2.9	6.6
Housing association	3	3.5	8.0
Charity services	2	1.4	3.2
Other voluntary	2	4.1	9.3
Total	143	2.8	6.5

John Lewis

Very clear triggers and procedures help ensure that line managers working within the John Lewis Distribution Division take a proactive approach to managing absence.

Managers conduct return-to-work interviews after every absence and have a set of questions they ask to help identify any underlying causes of absence at an early stage and to remind individuals that they were missed. If an individual (or partner, as employees at John Lewis are known), has two occasions of absence in a six-month period, then their manager will remind them of the impact their absence has on the business as part of their return-to-work conversation. If there is a third episode of absence in a six-month period then there will be an investigation and the manager will sit down with the partner and talk about the branch average level of absence as a comparison to the partner's level of absence and discuss any reasons in more depth. At this point managers, depending on the circumstances, may choose to initiate disciplinary proceedings.

Managers are given regular training in managing absence, which includes the use of scenarios around managing frequent absence, disability issues and return to work after long-term absence. Informal mentoring is also provided by an experienced manager to help embed learning on the job.

However the organisation balances its approach to absence management by having in place very significant support and flexibility to help individuals with health problems and assist people in balancing their work and home lives. In addition the right to request flexible working is available to all employees across the business.

A unique feature of John Lewis is its Registry, which is a function within the business that is independent of management designed to provide partners with support and to promote democratic involvement across the business. Partners can raise any issue they are concerned about with the Registry department, including medical issues, stress, harassment and bullying. Registry will provide advice and also refer partners to more specialist advice services, for example in debt counselling.

There are also in-house occupational health advisers who can provide partners with access to physiotherapy, counselling and advise on changes in working hours or duties where necessary to assist phased return to work and rehabilitation. There is a partnership doctor who can advise on more complicated medical matters. The Distribution Division's Personnel Procedures Manager, Jo-Anne Tillie, believes good-quality occupational health support is invaluable to the business. She also emphasised how important it is for line managers to remain in regular contact with people who are off work with health problems for long periods in order to prevent them getting depressed and to help them feel more positive about the prospect of returning to work.

There is a clear focus within the company on supporting well-being and partners are able to have an annual health check, and there is advice available on healthy eating and stop smoking support.

Work-related stress is also managed proactively through a clear policy, an annual staff survey and the use of Local Forums, which are the partners' representative committees.

The effect of workforce size

Organisations employing fewer than 100 employees recorded the lowest level of absence of 6.1 days per employee per year, compared with 9.9 days for organisations employing 2,000 or more members of staff. See Table 5. Smaller organisations typically record lower levels of absence because absence is more disruptive and harder to cover for. Smaller employers are also less likely to provide as generous occupational sick pay schemes as larger employers.

There are a number of other factors that might account for consistently higher levels of absence in the public sector. One reason may be that there are a high proportion of challenging public-facing roles in the public sector, with occupations such as policing, nursing and social work putting particular demands on employees when dealing with the public in difficult and frequently highly pressured situations.

Table 5: The effect of workforce size

	Total	Average working time lost per year	Average days lost per employee per year
1–99	94	2.8	6.1
100–249	119	3.1	7.1
250–499	105	3.6	8.1
500–749	45	4.1	9.3
750–999	33	4.4	9.6
1,000–1,499	40	3.4	7.7
1,500–1,999	19	4.7	10.8
2,000 or more	88	4.3	9.9
Survey average	543	3.5	8.0

Public vs private sector absence levels

The average level of absence recorded by public sector organisations is 9.8 days per employee, compared with 7.4 days for private sector employers (manufacturing and production, and private services organisations).

The debate over the reason for the gap between public and private sector absence levels happens each year when the CIPD publishes its annual *Absence Management* survey. It has been suggested that workforce size is one reason public sector absence levels are on average higher than those in the private sector. Public sector organisations are on average larger than private sector employers and, as Table 5 shows, smaller organisations typically have lower levels of absence than larger employers.

However, Tables 6 and 7 show that workforce size is unlikely to be the reason for the higher levels of public sector absence. Public sector employers generally record higher levels of absence than their private sector counterparts, regardless of size.

Another contributory reason for the public–private absence gap could be workforce composition. Research by the Health and Safety Executive (*Survey on Workplace Absence, Sickness and Ill Health 2005*) finds that public sector organisations have a higher proportion of female and older workers who are more likely to record higher than average absence levels.

A final contributory factor appears likely to be a difference in management culture between the public and private sector. Public sector organisations more commonly adopt best practice in absence management procedures. They are more likely than their private sector counterparts to ensure the level of absence is a key performance indicator, have trigger points in place to identify high levels of absence and to provide training for line managers in absence management. They are also more likely to provide access to occupational health support and flexible working opportunities.

However, the CIPD *Absence Management* survey shows that public sector organisations are less likely to rely on disciplinary procedures to manage absence,

they are less likely to restrict sick pay, and their occupational sick pay schemes tend to pay out for longer.

Our 2006 *Absence Management* survey also showed that public sector employers are less likely to discipline or dismiss staff for reasons of absence.

Table 6: The effect of workforce size in the private sector (manufacturing and production, and private services sector combined)

	Total	Average working time lost per year	Average days lost per employee per year
1–99	81	2.7	6.0
100–249	104	3.0	6.7
250–499	66	3.5	8.2
500–749	24	3.8	8.6
750–999	18	4.5	10.0
1,000–1,499	20	2.8	6.5
1,500–1,999	6	3.9	8.6
2,000 or more	40	3.9	8.8
Survey average	359	3.3	7.4

Table 7: The effect of workforce size on absence levels in the public sector

	Total	Average working time lost per year	Average days lost per employee per year
1–99	8	3.7	8.4
100–249	7	3.5	8.3
250–499	23	3.5	8.0
500–749	14	4.8	11.0
750–999	13	4.3	9.0
1,000–1,499	15	3.9	8.5
1,500–1,999	11	5.6	12.7
2,000 or more	47	4.7	10.7
Survey average	138	4.3	9.8

Regional variations

The highest average level of absence across the UK of 9.5 days per employee per year was recorded by employers in the West Midlands. The East Midlands was just behind with the second biggest level of absence of

9.4 days. London employers recorded the lowest level of absence of 6 days per employee per year, followed by the South-west of England and Yorkshire and Humberside regions, both of which recorded average absence levels of 7.5 days. See Table 8.

Table 8: Average levels of absence by region

	Total	Average working time lost per year	Average days lost per employee per year
Base	550	3.5	8.1
East Anglia	29	4.0	9.3
East Midlands	35	4.2	9.4
West Midlands	50	4.2	9.5
North-east of England	20	3.5	7.9
North-west of England	56	4.2	9.3
South-west of England	35	3.3	7.5
Yorkshire and Humberside	43	3.3	7.5
South-east of England (excluding London)	78	3.4	7.6
London	55	2.7	6.0
Scotland	42	4.1	9.2
Wales	21	4.0	9.1
Northern Ireland	12	3.7	8.6
Whole of UK	99	3.1	7.1
Channel Islands	1	2.6	6.0

In all, 66% of absence is accounted for by absences of up to seven days, 16% is accounted for by absences of between eight days and four weeks, and 20% of absence from work is the result of periods of absence of four weeks or longer.

Short-term absence is the biggest problem for private services employers, where absences of up to seven days account for 74% of total time lost to employee absence. Long-term absence of four weeks or longer is most prevalent among public services employers, accounting for 29% of total absence from work. See Table 9.

In all, 23% of respondents recorded an increase in absence compared with the previous year, with 35% reporting a decrease and 31% no change. See Table 10.

Table 9: The length of short- and long-term absence, by workforce size and major sector

Number of employees	% of absence accounted for by:		
	Up to seven days	Eight days up to four weeks	Four weeks or longer
1–99	66	16	20
100–249	76	12	13
250–499	75	14	15
500–749	69	17	17
750–999	57	21	24
1,000–1,499	57	21	21
1,500–1,999	58	18	25
2,000 or more	50	21	29
Industry sector			
Manufacturing and production	66	15	19
Private sector services	74	15	13
Non-profit organisations	65	19	25
Public services	50	20	29
Survey average	66	16	20

Table 10: Absence increase or decrease, compared with last year, by industry sector

	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Increased	23	19	18	31	35
Decreased	35	40	32	25	35
Stayed the same	31	28	37	28	23
Not stated	12	13	13	16	7

Among employers where absence levels increased, respondents identified improved absence monitoring, changes in methods for recording absence and increased workload as the most significant reasons. See Table 11.

Table 11: Reasons for increases in absence levels

	Respondents (%) saying absence has increased				
	Average	Manufacturing and production	Private sector services	Public services	Voluntary, community and not-for-profit
Improved absence monitoring	25.9	28.6	16.1	31.7	27.3
Changes in methods for recording absence	24.3	16.3	24.2	28.3	27.3
Increased workload	20.0	12.2	21.0	25.0	18.2
Changes to workforce composition	18.9	8.2	24.2	21.7	18.2
Tightened policies for reviewing attendance	14.6	10.2	12.9	223.3	9.1
Changes in work organisation (such as shift patterns, flexibility and self-managed teams)	8.1	–	9.7	13.3	9.1
Return-to-work interviews have been introduced	34.9	6.1	6.5	5.0	4.5
Increased management buy-in	3.8	–	3.2	8.3	–
Reduced workload	–	–	–	–	–
Other	27.0	34.7	29.0	23.3	13.6
Don't know	18.9	20.4	12.9	20.0	36.4

Tightened policies for reviewing attendance, improved absence monitoring and the introduction of return-to-work interviews were the top three most commonly cited factors by respondents as contributing to a reduction in absence levels. See Table 12.

Table 12: Reasons for decreases in absence levels

	Respondents (%) saying absence has decreased				
	Average	Manufacturing and production	Private sector services	Public services	Voluntary, community and not-for-profit
Tightened policies for reviewing attendance	69.0	71.4	68.5	75.0	44.4
Improved absence monitoring	67.6	67.6	67.6	70.0	50.0
Return-to-work interviews have been introduced	35.6	38.1	37.0	38.3	16.7
Increased management buy-in	31.3	27.6	32.4	38.3	16.7
Changes in methods for recording absence	28.5	24.8	33.3	38.3	5.6
Changes in work organisation (such as shift patterns, flexibility and self-managed teams)	5.7	4.8	7.4	5.0	5.6
Changes to workforce composition	5.7	7.6	5.6	1.7	5.6
Increased workload	1.4	1.9	1.9	–	–
Reduced workload	–	–	–	–	–
Other	10.0	13.3	11.1	3.3	–
Don't know	5.0	1.9	4.6	1.7	33.3

The cost of absence

Only about 40% of organisations monitor the cost of absence despite more than eight out of ten employers reporting that employee absence is a significant or very significant cost to the business.

The average cost of absence has increased to £666 per employee per year, from the previous year's figure of £659 per employee per year. See Table 13.

From a sector perspective the biggest increase in the cost of absence was in the public services, where the average cost rose to £906 from £732 for the previous 12 months.

Manufacturing and production employers saw the average cost of absence increase to £759 per employee per year from £726. Among private services sector organisations, the cost of absence per employee per year increased from £600 to £663, while average absence costs in the non-profit sector jumped from £648 to £741.

In the public services sector the highest absence costs are recorded by health employers (£1,153) and those in the 'other public services' category (£1,333).

Among manufacturing and production employers, those in the 'other' manufacturing category recorded the highest average cost of absence at £849, followed by organisations in the chemicals, oils and pharmaceuticals industry. Call-centre businesses reported the highest average absence cost in the private services sector of £1,101. Housing associations have the highest absence costs in the non-profit sector, averaging at £936 per employee per year.

Table 13: The average annual cost of absence per employee, by sector

	Total	Cost (£) per employee per year
Manufacturing and production	262	759
Agriculture and forestry	1	0
Chemicals, pharmaceuticals and oil	25	818
Construction	27	671
Electricity, gas and water	5	0
Engineering, electronics and metals	54	580
Food, drink and tobacco	45	659
General manufacturing	53	575
Mining and quarrying	1	0
Paper and printing	9	0
Textiles	6	249
Other manufacturing/production	42	849
Private services	337	663
Professional services (accountancy, advertising, consultancy, legal etc.)	57	801
Financial, insurance and real estate	66	522
Hotels, restaurants and leisure	36	199
Transport, distribution and storage	25	727
Media (broadcasting and publishing etc.)	16	614
Retail and wholesale	42	441
IT services	17	912
Communications	6	512
Call centres	9	1,101
Other private services	68	510
Public services	170	906
Central government	18	827
Health	33	1,153
Education	50	581
Local government	37	584
Other public services	32	1,333
Non-profit organisations	71	741
Care services	16	830
Housing association	14	936
Charity services	36	573
Other voluntary services	9	500
Total	801	666

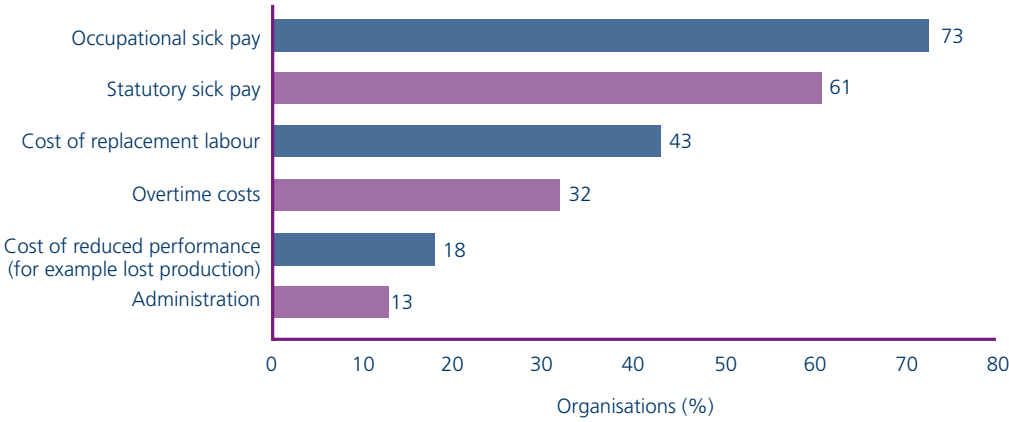
Only 40% of respondent organisations monitor the cost of absence. There is little difference between the sectors in this respect, although manufacturing and production organisations are most likely to cost absence (44%) and private services are least likely to (37%). See Table 14.

Among employers that do monitor the cost of absence, more than 70% of employers include the cost of occupational sick pay, 61% include the cost of Statutory Sick Pay and 43% include the cost of replacement labour. Just under a third of employers include overtime costs, 13% incorporate administration costs and 18% consider the impact of reduced performance such as lost production. See Figure 2.

Table 14: Organisations that monitor the cost of absence

Organisations (%) monitoring the cost of absence					
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Yes	40	44	37	38	42
No	52	52	56	56	45
Don't know	5	2	5	4	11

Figure 2: Elements included in the cost of absence



More than eight out of ten respondents report that absence is a significant or very significant cost to their organisation.

Targets and benchmarking

Four out of ten employers have an absence reduction target in place and a similar proportion benchmark their absence rates against comparable organisations.

In all 40% of respondent organisations have a target in place to help them manage absence and benchmark themselves against similar organisations. Public services are most likely to have an absence target (61%), with private services sector organisations least likely to (26%). See Table 15.

Types of target

Among organisations that have a target, the most common type is one that is based on a reduction to an absolute percentage of working time lost, with more than half of organisations that have a target using this approach. Of these organisations, almost 40% are looking to reduce absence to between 2.5% and 3.49% of working time lost. A further 33% are aiming to reduce absence to a range of between 3.5% and 4.49% of working time lost, 7% of employers have a target of between 4.5% and 5.49% of working time lost, while 12% are looking to reduce absence to between 1.5% and 2.49%.

Fewer than 10% of organisations with an absence reduction target are aiming to reduce absence by a reduction in working time lost. Of these employers, the most common range of target is a reduction of between 0.5% and 1.49% in working time lost.

About a quarter of organisations using a target for reducing absence aim for a reduction to an average number of days lost per employee per year. Among this group, nearly 20% are aiming to reduce absence to a level of eight days per employee per year, 15% have a target of seven days and a similar proportion have a target of nine days. The next most popular targets are five days (12% of respondents) and ten days (11% of respondents).

Only a very few organisations have a target based on a reduction by a certain number of days lost per employee.

Benchmarking

In all, 39% of organisations benchmark their absence performance against other employers. Public sector organisations are most likely to benchmark (67%) and private services organisations are least likely to do so (23%).

Among organisations that benchmark, 88% benchmark by sector and 29% benchmark against other organisations in their region.

Table 15: Organisations that have a target for reducing absence, by sector

	Number of responses	Yes (%)
Survey average	811	40
Manufacturing and production	262	42
Agriculture and forestry	1	100
Chemicals, pharmaceuticals and oil	25	24
Construction	27	19
Electricity, gas and water	5	–
Engineering, electronics and metals	54	41
Food, drink and tobacco	45	58
General manufacturing	53	55
Mining and quarrying	1	100
Paper and printing	9	44
Other manufacturing/production	42	41
Private sector services	337	26
Professional services (accountancy, advertising, consultancy, legal etc.)	57	16
Finance, insurance and real estate	66	27
Hotels, restaurants and leisure	36	28
Transport, distribution and storage	25	44
Media (broadcasting and publishing etc)	16	19
Retail and wholesale	42	41
IT services	17	12
Communications	6	33
Call centres	9	44
Other private services	68	21
Public services	170	61
Central government	18	67
Health	33	85
Education	50	24
Local government	37	81
Other public services	32	66
Voluntary, community and non-profit organisations	88	28
Care services	16	44
Housing associations	14	64
Charity services	36	33
Other voluntary services	9	11

Causes of absence

Stress is the number-one cause of long-term absence for non-manual employees, while acute medical conditions are the biggest cause of long-term absence for manual workers.

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

Short-term absence

The main cause of short-term absence for both manual and non-manual workers is minor illness, such as colds, flu and stomach upsets.

For the purposes of this survey, short-term absence is absence from work lasting four weeks or less.

Among manual workers the next main causes of absence are back pain, musculoskeletal injuries, stress and home and family responsibilities. See Table 16.

Besides minor illness, the major causes of short-term absence for non-manual workers are stress, musculoskeletal injuries, back pain and home and family responsibilities. See Table 17.

Sector differences

Musculoskeletal injuries, stress and mental ill-health are rated most highly as causes of short-term absence for both manual and non-manual workers by public sector and non-profit organisations.

The reverse is true for home and family responsibilities, which is rated more highly as a cause of short-term absence by employers in the manufacturing and private services sector than by those in the other two main sectors. This is probably because the extent of flexible working availability is likely to be greater among public sector and non-profit organisations, and underlines the importance of providing work–life balance opportunities wherever possible.

Manufacturing and production employers and non-profit organisations regard non-genuine absence as a more significant cause of absence among manual workers than those in the public and private services.

Pregnancy-related absence is rated most highly as a cause of absence by private services employers, while drink- or drug-related absence among manual workers is identified as a particular problem by manufacturing and production organisations.

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

	Respondents (%) citing this as a leading cause				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services
Minor illness (such as colds/flu/stomach upsets/headaches and migraines)	97.7	97.9	98.6	100	96.9
Back pain	57.1	60.0	47.9	50.0	64.9
Musculoskeletal injuries (such as neck strains and repetitive strain injury/but excluding back pain)	56.7	53.8	45.2	71.4	79.4
Stress	42.9	29.7	45.9	67.9	57.7
Home/family responsibilities	39.5	45.1	46.6	21.4	19.6
Recurring medical conditions (such as asthma/angina and allergies)	31.2	29.7	32.9	17.9	36.1
Injuries/accidents not related to work	28.9	35.9	30.1	25.0	13.4
Other absences not due to genuine ill-health	28.4	36.4	28.5	32.1	14.4
Work-related injuries/accidents	24.6	29.2	21.2	35.7	17.5
Mental ill-health (such as clinical depression and anxiety)	23.0	15.9	19.9	32.1	37.1
Acute medical conditions (such as stroke/heart attack and cancer)	17.8	20.5	16.4	17.9	18.6
Pregnancy-related (not maternity leave)	7.7	4.6	12.3	7.1	6.2
Drink- or drug-related conditions	3.6	5.6	2.7	–	1.0

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

	Respondents (%) citing this as a leading cause				
	Total	Manufacturing and production	Private services	Non-profit organisations	Public services
Minor illness (such as colds/flu/stomach upsets/headaches and migraines)	99.2	98.6	99.6	98.2	100
Stress	53.9	44.1	48.5	65.5	72.0
Musculoskeletal injuries (such as neck strains and repetitive strain injury/but excluding back pain)	49.2	45	41.1	60.0	68.6
Back pain	45.0	39.3	43.6	40.0	60.2
Home/family responsibilities	41.1	47.9	49.4	29.1	18.6
Recurring medical conditions (such as asthma/angina and allergies)	38.1	37.4	40.2	32.7	40.7
Other absences not due to genuine ill-health	26.2	30.8	34.4	18.2	8.5
Mental-ill health (such as clinical depression and anxiety)	26.0	22.3	21.2	45.5	33.1
Injuries/accidents not related to work	25.0	28.9	28.2	20.0	12.7
Acute medical conditions (such as stroke/heart attack and cancer)	18.6	23.2	12.4	20.0	25.4
Pregnancy-related (not maternity leave)	13.8	11.4	18.7	9.1	9.3
Work-related injuries/accidents	5.5	6.2	6.6	5.5	4.2
Drink- or drug-related conditions	1.5	1.9	2.5	–	–

Long-term absence

The main causes of long-term absence among manual workers are acute medical conditions, followed by back pain, musculoskeletal conditions, stress and mental health problems. See Table 18.

Among non-manual workers, stress is the number-one cause of long-term absence, followed by acute medical conditions, mental health problems such as anxiety and depression, musculoskeletal conditions and back pain. See Table 19.

Long-term absence is a continuous period of absence from work lasting four weeks or more.

Sector differences

Back pain is rated most highly as a cause of long-term absence for manual workers among manufacturing and non-profit employers. Musculoskeletal injuries and stress are regarded as a more significant cause of long-

term absence for manual workers among non-profit and public sector organisations compared with the other two main sectors.

Work-related injuries are more likely to be regarded as a significant cause of long-term manual worker absence among manufacturing and production organisations than those in the three other main sectors.

Pregnancy-related absence is identified by private services organisations as a bigger cause of long-term absence among manual employees compared with employers in other sectors.

In all, 82% of respondents collect information on the causes of employee absence, with public sector organisations most commonly doing so (88%) and private services sector employers least likely to record this information (80%).

Table 18: Causes of long-term absence, manual workers, by major sector

	Respondents (%) citing this as a leading cause				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Acute medical conditions (such as stroke/heart attack and cancer)	61.5	62.6	59.9	61.5	63.9
Back pain	55.2	61.6	46.6	61.5	53.6
Musculoskeletal injuries (such as neck strains and repetitive strain injury/but excluding back pain)	53.6	52.5	36.5	69.2	76.3
Stress	50.9	37.9	52.0	65.4	69.1
Mental-ill health (such as clinical depression and anxiety)	42.6	36.9	39.9	38.5	52.6
Recurring medical conditions (such as asthma/angina and allergies)	33.1	29.8	33.1	30.8	37.1
Injuries/accidents not related to work	32.0	36.4	32.4	34.5	17.5
Work-related injuries/accidents	24.3	31.3	20.9	19.2	17.5
Minor illness (such as colds/flu/stomach upsets/headaches and migraines)	18.5	17.7	18.9	23.1	23.7
Home/family responsibilities	15.1	17.7	16.2	7.7	12.4
Other absences not due to genuine ill-health	9.5	9.6	12.8	11.5	9.3
Pregnancy-related (not maternity leave)	5.9	3.5	11.5	–	4.1
Drink- or drug-related conditions	3.6	4.5	4.1	–	1.0

Table 19: Causes of long-term absence, non-manual workers, by major sector

	Respondents (%) citing this as a leading cause				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Stress	65.8	56.8	62.3	75.9	81.9
Acute medical conditions (such as stroke/heart attack and cancer)	59.9	63.7	55.6	61.1	62.1
Mental ill-health (such as clinical depression and anxiety)	51.4	41.6	48.9	66.7	64.7
Musculoskeletal injuries (such as neck strains and repetitive strain injury/but excluding back pain)	42.4	39.5	31.8	40.7	68.1
Back pain	41.7	41.6	37.2	42.6	49.1
Recurring medical conditions (such as asthma/angina and allergies)	34.9	34.7	33.2	27.8	40.5
Injuries/accidents not related to work	28.1	30.0	32.3	27.8	17.2
Minor illness (such as colds/flu/stomach upsets/headaches and migraines)	23.6	30.0	22.4	14.8	25.0
Home/family responsibilities	19.2	24.2	21.1	11.1	12.1
Pregnancy-related (not maternity leave)	10.4	7.9	16.1	3.7	6.9
Other absences not due to genuine ill-health	10.3	13.2	12.6	7.4	7.8
Work-related injuries/accidents	7.4	8.4	7.6	3.7	6.9
Drink- or drug-related conditions	2.7	3.7	3.1	1.9	0.9

Work-related stress

Workload, management style and relationships at work are the top three causes of work-related stress.

Just under a third of organisations report an increase in work-related stress compared with the previous year, with 11% reporting a decrease and 39% no change.

Although there was a net increase in reported work-related stress, the increase was less than last year's increase in reported work-related stress of 40%. The proportion of organisations reporting a drop in work-related stress also increased from last year's figure of 9%.

Public sector organisations were most likely to report an increase in work-related stress (46%), with private services organisations least likely to (25%).

The top three causes of work-related stress are reported as workload, management style and relationships at work. Other significant causes of work-related stress identified by respondents are organisational change, pressure to meet targets and lack of employee support from line managers. See Table 20.

Public services organisations rate workloads most highly as a cause of work-related stress, while non-profit organisations regard organisational change as a particularly important cause. Private services respondents are most likely to identify management style as a top-three cause of work-related stress. Manufacturing and production organisations report that a lack of control over how work is carried out is more likely to be a problem compared to the other main sectors..

Table 20: The causes of work-related stress

	Respondents (%) identifying as a top-three cause of stress				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Workload	56	56	57	52	60
Management style	40	38	44	37	35
Relationships at work	36	36	34	38	42
Organisational change/restructuring	34	28	29	53	45
Pressure to meet targets	27	26	21	7	30
Lack of employee support from line managers	21	22	25	14	16
Long hours	14	15	17	6	10
Lack of control over how work is carried out	13	15	12	14	13
Job insecurity	9	11	9	13	8
Lack of training	6	9	7	3	2
Poorly designed jobs/roles	5	6	7	7	2
Lack of consultation	5	6	5	4	6
Other	3	2	3	5	2

Respondents estimated that employees' lives outside work was responsible for about 60% of reported stress, with just 40% created by the workplace.

The Health and Safety Executive (HSE) defines stress as the 'adverse reaction that individuals have to excessive pressure or other types of demands placed upon them'. Stress is not an illness in itself but over time it can lead to ill-health, such as depression or anxiety, and it is also linked to coronary heart disease. Much stress is caused by individuals' lives outside work. However, frequently there is a complex interaction between the sources of stress. For example, someone going through a relationship break-up may not be able to cope with the demands of a job that under normal circumstances they would find quite manageable. Regardless of the cause, stress is likely to lead to changes to an individual's behaviour, performance or attendance that will have a negative impact on the business. It is in organisations' interests to have in place policies and procedures to ensure that stress is managed effectively and identified as soon as possible. Line managers play a critical role in managing and preventing stress. Managers can either cause or help prevent stress through how they manage people. They are also the people in an organisation that are most likely to be able to pick up on the early warning signs that might indicate someone is suffering from stress. The CIPD is involved in joint research with the HSE and Investors in People exploring the link between line management behaviour and stress at work. This has led to the development of a competency framework that sets out the positive management behaviours that will help prevent stress at work. The competency framework and guidance is available from www.cipd.co.uk/guides

Just over two-thirds of employers are taking steps to identify and reduce stress in the workplace. Public services organisations are most likely to be proactively managing stress (84%) and manufacturing and production and private services employers least likely to be taking action in this area (61%).

Among employers that are taking action in this area, the most popular response is to use a staff attitude survey as a means of exploring employees' views about their work

and how they are managed. Nearly two-thirds of organisations tackling stress have introduced some form of stress management training and almost six in ten employers attempting to improve how they identify and manage stress conduct a risk assessment for work-related stress. More than half of organisations that are attempting to manage this issue have flexible working arrangements in place to help employees balance the competing pressures they are under at work and at home. See Table 21.

Table 21: Methods used to identify stress in the workplace

	Organisations (%) using this approach				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Staff survey	65	57	61	65	79
Training for managers/staff	62	59	56	54	76
Risk assessment/stress audit	58	57	45	46	78
Flexible working options	54	37	51	67	73
Written stress policy guidance	50	43	44	44	69
Greater occupational health involvement	44	45	26	48	62
Employee assistance programme	34	30	30	46	36
Staff focus groups	22	13	16	19	41
Changes in work organisation	19	21	19	19	18

Respondents were asked whether they were already using or planning to use the Health and Safety Executive's stress management standards. The management standards provide step-by-step guidance on conducting a risk assessment for work-related stress. Employers have an obligation under the Health and Safety at Work Act 1972 and the Management of Health and Safety at Work Regulations 1999 to take appropriate steps to identify and manage risks associated with work-related stress.

In all, 27% of respondent organisations are already using the HSE stress management standards, while a further 22% are planning to introduce them.

A total of 18% of respondents report that their organisations are not using the standards and have no plans to introduce them and 29% did not know. See Table 22.

Table 22: Proportion of organisations that are using or planning to use the HSE stress management standards

	Respondents (%)				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
We are already using the management standards	27	20	20	32	48
We are planning to implement the HSE stress management standards	22	21	21	25	24
We are not using the HSE stress management standards	18	21	22	17	7
Don't know	29	32	33	23	20

Managing absence

The top two most effective approaches to managing short-term absence are the use of return-to-work interviews and disciplinary procedures, while occupational health involvement and the use of rehabilitation programmes are rated most highly for managing long-term absence.

Methods for managing short-term absence

Return-to-work interviews, the use of disciplinary procedures for unacceptable absence and the provision of employee absence data to line managers are the three most commonly used approaches to managing short-term absence. More than three-quarters of employers use these approaches to manage short-term absence. Trigger mechanisms to identify high levels of absence, leave for family circumstances and ensuring line managers take primary responsibility for managing absence are the next most popular approaches for managing short-term absence. Only just over half of respondent organisations train their line managers in managing absence. See Table 23.

Public sector organisations are most likely, compared with employers in the other main sectors, to use return-to-work interviews, provide sickness absence information to line managers and have trigger mechanisms in place to identify high levels of absence.

Manufacturing and production organisations are most likely to use disciplinary procedures and to restrict sick pay as part of managing short-term absence, while public sector organisations are least likely to do so.

Manufacturing and production and private services organisations are also more likely than employers in the other two main sectors to have an attendance bonus in place to help manage short-term absence.

Under a third of private services organisations use occupational health support to manage short-term absence, compared with more than three-quarters of public services employers.

Respondents were asked to choose from a list of 25, the absence management practices used in their organisation.

Table 23: Absence management tools for short-term absence

	% of organisations using the following approaches to manage short-term absence				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Return-to-work interviews	83	85	77	86	91
Disciplinary procedures for unacceptable absence	76	86	77	72	65
Sickness absence information given to line managers	76	73	72	82	86
Trigger mechanisms to review attendance	74	76	70	68	86
Leave for family circumstances	64	57	59	69	83
Line managers take primary responsibility for managing absence	63	53	62	73	75
Managers are trained in absence handling	53	50	45	52	73
Occupational health involvement	47	47	30	52	73
Restricting sick pay	46	54	58	28	19
Flexible working opportunities provided	44	30	40	54	73
Changes to working patterns or environment	38	29	34	49	57
Absence rate is a key performance indicator	38	44	28	30	51
Capability procedure	36	27	30	38	62
Attendance record is a recruitment criteria	33	33	30	32	43
Stress counselling available	32	23	21	42	64
Health promotion	31	28	25	21	54
Employee assistance programme	30	25	23	48	41
Employees' absence records taken into account when considering promotion	27	28	26	23	28
Tailored support for line managers	21	15	12	25	44
Physiotherapy services available	15	15	7	10	31
Rehabilitation programme	15	17	9	9	24
Attendance bonuses or incentives	14	23	12	6	5
Attendance driven by board	12	8	9	9	25
Nominated absence case manager/management team	10	9	5	4	19

Most effective approaches to managing short-term absence

Return-to-work interviews are rated as the most effective approach to managing short-term absence, followed by trigger mechanisms for reviewing attendance and the use of disciplinary procedures. The next most highly rated approaches are ensuring line managers take primary responsibility for managing absence, the restriction of sick pay, and access to occupational health services. See Table 24 (page 33).

Respondents were asked to rate the top three most effective approaches for managing short-term absence.

Manufacturing and production employers rate return-to-work interviews and the use of disciplinary procedures most highly for the management of short-term absence. Private services organisations are most likely to rate restriction of sick pay as among their top three most effective interventions for managing short-term absence. Public services organisations rate trigger mechanisms for reviewing attendance as being particularly effective, compared with the survey average, while non-profit organisations are most likely to rate the provision of employee absence figures to line managers as being a top-three approach for managing short-term absence.

Short-term absence and the importance of occupational health support

In many instances individuals are only referred to occupational health services once they have been off work for four weeks or longer. However, occupational health support should be considered much more frequently for addressing short-term absence. For example, occupational health service support can help those who are suffering from stress identify the causes of their difficulties and suggest possible changes to ways of working, different working hours or patterns, and additional training and development to help individuals balance the demands they face at work and/or at home. In many cases, early referral to some kind of counselling, such as cognitive behavioural therapy, can help people overcome or cope with the difficulties they are facing. Without support, individuals who are consistently stressed over significant periods of time are likely to suffer from conditions such as anxiety or depression and take long periods off work sick. The CIPD research report, *New Directions in Absence Management* (2007), found that the average length of time individuals take off with depression is 30 days.

Eaton Hydraulics Ltd

Line managers at Eaton Hydraulics are provided with a wide range of support by the company's HR team to ensure they take primary responsibility for managing absence.

This includes monthly meetings incorporating managers and HR to discuss attendance issues and best practice. HR also provides training for managers in managing attendance and follow-up one-to-one coaching to ensure learning is embedded effectively. In addition, weekly case conferences are held with line managers to discuss any specific long-term or problematic absence cases.

Gaynor Pullin, HR generalist for the Havant-based subsidiary of Eaton Ltd, said the objective was for all managers to be confident and consistent in the management of absence. To help achieve this managers have recently been given an attendance management toolkit, including a process flowchart, information on return-to-work interviews and referral to occupational health.

The firm's 250 employees report absence to a nurse-led call centre run by absence management service Active Health Partners (AHP). AHP will then email both the line manager and the HR team with details of the employee's reason for absence and expected return-to-work date. Pullen said AHP also provides managers with detailed data on levels and causes of absence, as well as on breaches of the company's trigger system for high levels of absence, which is based on the Bradford factor.

Occupational health support is provided on-site once a week through a contracted-out service. Managers fill in a form when they want to refer an employee to the occupational health adviser, explaining clearly the reason. People with musculoskeletal problems are referred automatically to the occupational health adviser because of the recognition these types of conditions tend to be either recurrent or long term.

The company will provide up to four paid sessions of physiotherapy if the NHS waiting list for a course of physiotherapy is too long.

There is also significant support offered to employees to help them balance their work and home lives through adjusted hours to suit individuals' family care arrangements where the business can accommodate this. Pullen said the company provides emergency leave and bereavement leave and managers have the scope to provide additional paid time off in exceptional circumstances, where they think it is justified.

The company has an employee assistance programme in place that provides a confidential 24-hour telephone helpline, as well as up to eight face-to-face counselling sessions. In addition, there is an annual staff attitude survey to help track employee satisfaction and engagement.

Other support for employee well-being includes stop smoking advice, healthy options at the subsidised canteen, on-site exercise classes and subsidised gym membership.

Table 24: The most effective absence management tools for short-term absence

	Respondents (%) citing as a top-three most effective approach for managing short-term absence				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Return-to-work interviews	70	75	65	67	73
Trigger mechanisms to review attendance	32	28	26	33	52
Disciplinary procedures for unacceptable absence	24	37	23	16	11
Line managers take primary responsibility for managing absence	18	10	20	26	21
Restricting sick pay	18	20	26	10	2
Occupational health involvement	10	9	7	15	15
Employee absence figures given to line managers	10	8	10	18	11
Managers are trained in managing absence	9	8	9	5	14
Flexible working	7	4	7	13	13
Leave for family circumstances	5	4	5	7	6

Methods for managing long-term absence

Return-to-work interviews are also the most commonly used approach to managing long-term absence, followed by access to occupational health services and the provision of employee absence information to line managers. The next three most popularly used approaches for managing long-term absence are the use of risk assessments to help support individuals returning to work after a long period of absence, trigger mechanisms to review attendance and the use of flexible working. See Table 25.

Just under half of respondent organisations use disciplinary procedures and a similar proportion use capability procedures as part of their approach to managing long-term absence.

A total of 42% of respondents report their organisations restrict sick pay when managing some cases of long-term absence.

About a quarter of organisations take employees' attendance records into account when recruiting in order to manage long-term absence levels, and just over a fifth consider employees' absence records when considering promotion.

Public sector organisations are by some degree more likely to use a combination of the six most commonly used interventions for managing long-term absence than employers within the other three main sectors.

Public sector and manufacturing and production organisations are most likely to have rehabilitation programmes in place to help manage long-term absence.

Non-profit organisations are most likely to have an employee assistance programme in place, with private services employers least likely to.

Table 25: Absence management tools for long-term absence

	% of organisations using the following approaches to managing long-term absence				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Return-to-work interviews	75	73	66	83	90
Occupational health involvement	64	62	48	72	94
Sickness absence information given to line managers	64	59	56	75	82
Risk assessment to aid return to work	62	60	55	63	77
Trigger mechanisms to review attendance	59	60	49	63	75
Flexible working	52	44	45	61	77
Disciplinary procedures for unacceptable absence	49	50	44	55	54
Changes to working patterns or environment	48	41	44	68	64
Managers are trained in absence handling	45	38	35	52	70
Capability procedure	45	39	37	56	69
Restricting sick pay	42	49	45	38	27
Health promotion	29	27	19	24	51
Stress counselling available	37	29	25	51	66
Rehabilitation programme	38	43	29	25	53
Leave for family circumstances	36	29	30	47	55
Employee assistance programme	34	29	27	51	43
Absence rate is a key performance indicator	32	37	20	27	52
Tailored support for line managers	27	21	17	31	56
Attendance record is a recruitment criteria	26	24	20	31	39
Employees' absence records taken into account when considering promotion	21	20	19	23	25
Physiotherapy services available	18	18	9	13	35
Nominated absence case manager/management team	15	14	11	6	28
Attendance driven by board	11	8	7	9	27
Attendance bonuses or incentives	9	16	7	1	7

Most effective approaches for managing long-term absence

The top three most highly rated approaches to managing long-term absence are occupational health support, the provision of rehabilitation programmes and flexible working. Return-to-work interviews are also rated highly for managing long-term absence as are changes to working patterns and environment and the restriction of sick pay. See Table 26.

Manufacturing and production organisations are most likely to rate the use of rehabilitation programmes as a top-three most effective approach to managing long-term absence. Private services employers rate flexible working most highly for managing long-term absence. The provision of occupational health support is rated more highly by public services employers than organisations in the other three main sectors. Non-profit organisations rate return-to-work interviews more highly than their counterparts in other sectors

Table 26: The most effective absence management tools for long-term absence

	Respondents (%) citing as a top-three most effective approach for managing long-term absence				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Occupational health involvement	53	52	40	61	74
Rehabilitation programmes	20	24	19	11	12
Flexible working	16	15	19	11	12
Return-to-work interviews	14	14	15	19	13
Changes to working patterns or environment	14	11	15	19	13
Restricting sick pay	11	13	13	10	4
Risk assessment to aid return to work after long-term absence	9	11	9	5	10
Capability procedure	9	11	6	8	9
Line managers take primary responsibility for managing absence	7	3	7	13	11
Managers are trained in absence management	7	3	7	5	11

Strathclyde Police

Following a wide-scale review of absence and ill-health Strathclyde Police has developed a new attendance management strategy that puts an increasing emphasis on managers at all levels to take responsibility for maximising attendance. As part of the strategy a new Positive Attendance Management Policy is due to be introduced in the summer of 2008 which sets out clearly defined responsibilities for positive attendance management across the organisation particularly in relation to HR, occupational health, line managers and staff. It also includes a trigger system based on the Bradford factor, as well as linkage to a new capability procedure.

As part of the strategy there are also new policies on disability in employment, stress management and prevention and flexible working, which are all clearly inter-related. The force's stress management approach is aligned to the Health and Safety Executive's management standards risk assessment guidelines.

New and existing line managers will be trained in order to implement the new approach as part of the force's *Harmony in the Workplace* training programme and *Leadership for All* course.

John Gillies, Head of Organisational Development at Strathclyde Police, said the new strategy would ensure that attendance is managed consistently across the organisation and provide a balance between providing support for individuals and taking appropriate action where necessary.

All managers are tasked with conducting return-to-work interviews with individuals after every spell of absence, while attendance support interviews will be arranged should an individual breach the Bradford points limit or where there is evidence of patterned absence. Should this fail to resolve an issue then a formal attendance review will be arranged and HR will become involved in the process. The key aim of the interviews and reviews is to establish if there is an underlying issue and whether there is support which could be offered to resolve this. Individuals reporting they will be absent from work have to phone both a central contact centre and their line manager indicating the reason for absence and the anticipated return-to-work timeframe.

The attendance strategy puts increased emphasis on early intervention and referral to the organisation's occupational health service. Staff reporting absent as a result of a musculoskeletal or a psychological illness are referred to the occupational health service within one week of absence and, where possible, on day one of absence from work, where it is a stress-related condition.

Staff and their immediate family members also have access to the organisation's employee well-being programme, which provides a confidential staff helpline and includes amongst the services access to telephone and face-to-face counselling, as well as lifetime management where assistance or advice is required.

In addition there is access to fast-track private healthcare for urgent medical issues where NHS waiting lists are lengthy and early investigation or treatment may facilitate an early return to work or maintain someone at work. Other employee well-being support includes health screening, physiotherapy, and on-site gym facilities at various locations, as well as other initiatives for promoting active living and regular exercise. Police officers can attend the Northern Police Convalescent & Treatment Centre at Achterader, which provides extensive treatment and rehabilitation for long-term health issues. The force also has its own Recreation Association, which has a range of sports staff can join up to including football, swimming, cricket, hill walking, golf, hockey and many others.

A lot of attention is being spent on ensuring that the force's approach to attendance management is well communicated. As well as seminars for key stakeholders there will be a poster campaign supported by dedicated charts for divisional teams, ensuring greater awareness of the key issue for staff and management.

Gillies said: 'The attendance strategy is designed to encourage managers to manage attendance proactively from day one and not after someone has been off for two weeks or longer and to ensure that everybody across the force is aware of their personal responsibility to maximise attendance levels so we can provide the most effective and efficient service to the communities we serve.'

Employee well-being

Almost 40% of respondent organisations are intending to increase their spend on employee well-being benefits in 2009 and nearly a third of employers have an employee well-being strategy in place.

Nearly a third of survey respondents report their organisation has an employee well-being strategy or similar. This is a decrease compared with the previous year, when more than 40% of organisations surveyed had an employee well-being strategy.

Public sector organisations are most likely to have a strategy for supporting and promoting employee well-being (52%) and manufacturing and production organisations are least likely to have such a strategy in place (26%).

Among organisations providing employee well-being benefits, the most commonly provided benefits to all employees are access to counselling services, stop smoking support, employee assistance programmes and healthy eating options in staff restaurants.

Other popularly offered benefits include subsidised gym membership, advice on healthy eating and access to physiotherapy.

Employers are more likely to offer benefits such as private medical insurance, critical illness insurance and long-term disability/permanent health insurance to senior-level employees than to all employees across the organisation. See Table 27 for a detailed breakdown of well-being benefit provision across sectors.

Table 27: Employee well-being benefits provided by employers

Benefit	Average	Respondents (%)			
		Manufacturing and production	Private services	Non-profit organisations	Public services
Critical illness insurance					
All employees	17	23	22	13	6
Depends on grade/seniority	30	41	26	0	24
Exercise classes provided on premises in lunchtime/after work					
All employees	17	7	10	23	36
Depends on grade/seniority	3	1	1	8	12
Employee assistance programme					
All employees	47	39	46	57	52
Depends on grade/seniority	6	5	5	0	18
Dental illness insurance					
All employees	14	16	22	13	4
Depends on grade/seniority	15	12	20	8	12
Free fresh fruit					
All employees	11	5	19	13	4
Depends on grade/seniority	2	0	3	7	0
Healthy canteen options					
All employees	43	39	36	30	59
Depends on grade/seniority	4	5	3	0	6
Advice on healthy eating					
All employees	35	33	26	17	51
Depends on grade/seniority	5	1	6	0	18
Stop smoking support					
All employees	49	51	35	27	71
Depends on grade/seniority	6	6	6	0	29
Healthcare cash plans					
All employees	26	31	25	27	23
Depends on grade/seniority	13	13	12	15	12
Long-term disability/permanent health insurance					
All employees	24	28	33	10	13
Depends on grade/seniority	24	25	24	15	24
On-site massages					
All employees	17	9	18	10	13
Depends on grade/seniority	1	0	0	0	6
Access to physiotherapy					
All employees	29	28	17	27	43
Depends on grade/seniority	5	5	1	15	12

Table 27: Employee well-being benefits provided by employers (continued)

Benefit	Respondents (%)				
	Average	Manufacturing and production	Private services	Non-profit organisations	Public services
Personal accident insurance					
All employees	11	15	13	3	4
Depends on grade/seniority	6	10	3	0	0
Private medical insurance					
All employees	27	28	46	10	6
Depends on grade/seniority	76	83	79	39	53
Subsidised gym membership					
All employees	38	21	45	37	46
Depends on grade/seniority	7	6	6	15	12
In-house gym					
All employees	16	10	10	13	29
Depends on grade/seniority	2	0	1	7	6
Access to counselling service					
All employees	66	53	56	77	87
Depends on grade/seniority	7	2	6	15	24
Personalised healthy living programmes					
All employees	9	7	6	0	18
Depends on grade/seniority	1	0	1	0	0
Walking/pedometer initiatives					
All employees	13	6	6	0	18
Depends on grade/seniority	2	0	3	0	6
Hydration promotion					
All employees	11	8	10	10	15
Depends on grade/seniority	2	0	3	0	0

The average value of employee well-being benefits estimated by respondent organisations as a percentage of their total pay bill is 3.3%. Private services sector organisations estimated that the proportion of well-being spend as a percentage of pay bill came to 3.7%, compared with just 0.7% for non-profit organisations.

Only 15% of organisations that provide employee well-being benefits evaluate the impact of their employee well-being spend. Public services organisations are most

likely to evaluate the impact of investing in supporting employee well-being (22%), with manufacturing and production organisations least likely to (11%).

Among organisations that provide employee well-being benefits, 39% expect to increase the amount they spend on employee well-being in 2009. Just 2% of employers anticipate reducing their investment in this area, 33% believe there will be no change and 25% don't know.

Rehabilitation

Nearly four in ten organisations provide no rehabilitation support for employees and, where support is provided, frequently it is not available until an employee has been off work for more than two months.

Six in ten employers provide vocational rehabilitation services to their employees. Public services employers are most likely to provide rehabilitation support (83%) and private services sector employers are least likely to do so (48%).

However, just a quarter of the smallest organisations employing fewer than 50 people provide any form of rehabilitation support.

Of employers that provide such services, more than 90% provide flexible working options, 84% provide rehabilitation and return-to-work support, and 83% provide access to occupational health services. Other commonly provided rehabilitation support includes the provision or adaptation of equipment, access to counselling services, and retraining.

Public sector organisations are much more likely to provide a wide range of rehabilitation support compared with employers in the other three main sectors. Private services and manufacturing and production organisations more commonly provide employees with access to private medical or surgical treatment than employers in the other two main sectors. See Table 28 for a detailed breakdown of rehabilitation support provided by sector.

Table 28: Rehabilitation services provided by employers

Rehabilitation service	Average	Organisations (%) providing this service			
		Manufacturing and production	Private services	Non-profit organisations	Public services
Involve occupational health department/service					
All employees	83	78	71	85	97
Depends on grade/seniority	2	3	2	5	2
Access to medical or surgical treatment					
All employees	22	26	26	8	18
Depends on grade/seniority	10	17	9	5	4
Access to physiotherapy					
All employees	37	40	28	18	44
Depends on grade/seniority	5	9	7	5	1
Access to counselling					
All employees	70	57	64	72	87
Depends on grade/seniority	4	5	5	3	1
Access to cognitive behavioural therapy					
All employees	17	13	13	10	28
Depends on grade/seniority	1	2	1	0	0
Flexible working					
All employees	91	85	93	95	96
Depends on grade/seniority	4	7	2	3	1
Equipment provided/adapted					
All employees	72	58	53	44	68
Depends on grade/seniority	2	2	3	3	1
Retraining					
All employees	57	53	53	44	68
Depends on grade/seniority	2	2	3	3	1
Case management					
All employees	41	32	31	26	63
Depends on grade/seniority	1	1	0	3	0
Rehabilitation and return-to-work support					
All employees	84	80	81	70	90
Depends on grade/seniority	2	4	4	5	1

The survey showed that employees that do receive rehabilitation support in many cases have to wait far too long before they receive it. On average individuals with long-term health problems receive rehabilitation support after almost nine weeks. Public sector organisations have the shortest average referral times of eight weeks, particularly compared with private services sector employers, which typically refer after nearly ten weeks. However, a proportion of respondents indicated that they have no typical or set referral time-limits and that their policy is to refer on a case-by-case basis.

The CIPD's *Recovery, Rehabilitation and Retention* guide highlights the importance of early rehabilitation support. It cites research by the British Society of Rehabilitation Medicine (2001) that finds that after an individual has been absent for six months, there is only a 50% likelihood of the employee returning to work. This falls to just 25% after a 12-month absence from work.

In many cases people will benefit from much earlier rehabilitation support. The Royal Mail now refers people with musculoskeletal conditions and mental health problems to its occupational health service provider after day one of absence in recognition that these type of conditions are likely to be either recurrent or long term.

The survey finds that on average 8% of the workforce across all sectors received any form of rehabilitation support in the last 12 months. Public services employers are most likely to have received such support (10.5%) and people working in the non-profit sector are least likely to have accessed rehabilitation services (6.5%). Just 5% of those working for organisations employing 50 or fewer people received rehabilitation support in the last 12 months. See Table 29.

Table 29: Proportion of employees that received rehabilitation support in the last 12 months, by sector and by size of organisation

(% of employees)							
Average	Manufacturing and production		Private services	Non-profit organisations	Public services		
8.0	6.9		7.6	6.5	10.5		
	1-50	51-250	251-500	501-1,000	1,000-5,000	5,001-10,000	10,001 or more
5.0	5.8	7.6	9.2	10.3	10.0	12.9	

The survey finds that value of rehabilitation services provided by organisations is on average 2.9% of total pay bill. This rises to 4.1% among private services sector organisations and falls to just 1.1% among non-profit organisations.

Evaluation of rehabilitation services

Despite the significant investment in rehabilitation services, only just over a third of organisations that provide such services evaluate the business impact of providing such support.

It is only by providing evidence on return on investment that the importance of providing rehabilitation services will be clearly understood and spending in this area will be protected or increased.

The CIPD guide *Recovery, Rehabilitation and Retention* suggests that a number of indicators can be used to measure the effectiveness of rehabilitation support. These include:

- monitoring levels and costs of long-term sickness absence
- employee satisfaction surveys
- manager satisfaction surveys
- HR satisfaction surveys
- clinical questionnaires.

Of those employers that do evaluate the impact of their rehabilitation support services, 78% measure the overall level of employee absence, 72% measure the number of long-term (four weeks or more) absence cases, and 32% measure the cost of absence per employee. A total of 25% of respondent organisations measure reduced staff turnover, while 6% use a measure of productivity.

Among organisations that evaluate the impact of the rehabilitation support services, nearly 80% of respondents identify the involvement of occupational health specialists as one of the top three most effective approaches to helping people make successful returns to work. Almost 60% of respondents cited provision of flexible working as one of the three most effective approaches to supporting rehabilitation. The use of dedicated rehabilitation and return-to-work support for individuals (55%), access to counselling (30%) and case management (22%) were the next most commonly identified approaches in terms of their effectiveness.

Respondents were asked how their organisation provides support to aid the retention and return-to-work service where an individual is absent from or having difficulties at work due to a health condition or disability. HR is identified as the most likely source of support to help individuals return to work after long-term absence, cited by 52% of respondents. Just over 40% of respondents report that they use an external occupational health service provider, while 17% provide support through an in-house occupational health service.

Almost 6% of respondents said there was no support available other than that provided by the line manager, and 5% use the services of a specialist vocational rehabilitation provider.

Employers' liability insurance and rehabilitation services

The survey highlighted that there is a lot of uncertainty around whether employers' liability insurance includes vocational rehabilitation services for employees.

Only 9% of respondents answering this question indicated that their organisation's liability insurance included vocational rehabilitation services for employees, while 26% said their liability insurance did not provide access to these services and 65% did not know.

Respondents were also asked if vocational rehabilitation services are provided as part of their employer's liability insurance, and whether the services can be accessed before liability is established. A total of 61% said yes, 9% said no and 30% did not know.

Of the small proportion of respondents whose employers' liability insurance allows them to access rehabilitation support before liability is established, more than 70% have used these services in the last year.

UCAS

Rehabilitation and return-to-work support is a central part of effective absence management for university admissions service UCAS.

UCAS employees who have been off sick for long periods return to work via a 'phased return' hours programme that will typically involve them coming into work three mornings in their first week back and gradually increasing hours until they are working at full capacity within a month.

Julia Glaudot, HR Account Manager for UCAS, said that the rehabilitation process is managed jointly by HR and the individual's line manager to ensure that there is a smooth and supported transition back to work. Pay is not affected as a result of this programme.

UCAS, which is a not-for-profit organisation employing approximately 400 people, provides occupational health support to its employees through Worcestershire NHS Plus. The NHS Plus occupational health practitioner visits once a month to give advice on employees' health and absence problems and has also provided training to managers and staff on managing stress.

Glaudot said that although the stress is often created by individuals' home and family lives, it is in the organisation's interest to manage all stress proactively regardless of cause because it is likely to undermine people's ability to cope with work pressure and will have an impact on their performance.

Referral to occupational health typically happens after about four weeks, although where appropriate they will be referred sooner if it is likely to be recurrent or long term if it is not resolved. Referral to occupational health is usually done by the line manager or HR but employees can also self-refer if they have health concerns.

Additional support is provided by an employee assistance programme incorporating a 24-hour confidential helpline, as well as access where necessary to six face-to-face counselling sessions. The organisation may approve more sessions where there is a recommendation to do so.

UCAS allows a degree of flexibility over start times and line managers are encouraged to work with employees to allow time off for GP and dental appointments where these may fall during the working day.

The organisation recognises the value of supporting employee well-being and UCAS employees have access to an on-site gym as well as a number of exercise classes at lunchtimes and after work including yoga, Pilates, circuit training and a variety of relaxation classes.

Glaudot believes the organisation has found a good balance between providing support where individuals have health and work-life balance problems and managing short-term absence effectively. Managers are required to conduct return-to-work interviews after every spell of absence and have guidance on what questions to ask. UCAS has a robust absence policy which gives advice on dealing with short-term absences and long-term absences which line managers can refer to. However, each case is examined individually to ensure the action conducted is appropriate to the circumstances.

Conclusions

Many employers could do more to improve the level of rehabilitation support they provide to employees. This year's survey finds that nearly four in ten organisations provide no rehabilitation support to help employees make successful and lasting returns to work after they have been off sick for long periods. Among small employers the figure is just one in four. Where support is provided it typically takes for someone to be off work for more than two months before they are referred.

These are worrying findings for the Government, as evidence shows that the longer someone is off work sick, the less likely they are to make a successful recovery and return to work and the more likely they will add to the nearly 2.7 million people claiming Incapacity Benefit. One of the difficulties for employers is that there is a lack of cost-effective rehabilitation support available. The CIPD would like to see benefit-in-kind tax exemption apply to the provision of all occupational health and vocational rehabilitation services for employees to incentivise more organisations to provide such support.

In addition, the Government should invest in developing the services and increasing the coverage of NHS Plus – a network of NHS occupational health departments across England, supplying services to industry, commerce and the public sector, with a focus on small and medium-sized enterprises (SMEs).

The CIPD also supports the recommendation included in Dame Carol Black's review of the health of Britain's working-age population to develop and pilot a Fit for Work service to provide case-managed multidisciplinary support for employees, such as early access to services like counselling and physiotherapy.

The CIPD would like to see the Health and Safety Executive-led Workplace Health Connect pilot initiative, providing occupational health advice and support for SMEs, relaunched as a permanent scheme with full

national coverage. Finally, the Government should make full use of the rehabilitation services and helpline provided by its agency Remploy and ensure that it is marketed and promoted so that more employers are aware of the support that it can provide to them.

Of course, the best solution to managing absence is to prevent people getting ill in the first place and the CIPD survey showed that employers are increasingly looking to invest in supporting employee well-being. Almost 40% of respondents said they expect to increase their spend on employee well-being benefits in 2009, with just 2% looking to reduce spend in this area. A third of organisations now have an employee well-being strategy. This is down slightly from last year's figure of just over 40% but up from 26% recorded in the CIPD's 2006 survey. Among organisations providing employee well-being benefits, the most commonly provided are access to counselling services, stop smoking support, employee assistance programmes and healthy eating options in staff restaurants.

The starting point for supporting employee well-being has to be good quality management and effective work organisation. There is no point in providing subsidised gym membership if employees dread coming to work because they are bullied by their line manager or they are under stress because they have not been trained properly or given unrealistic objectives.

CIPD research finds that engaged employees take less time off sick and that high-quality workplaces – characterised by progressive HR practices such as flexible working, good quality line management, as well as opportunities for employee voice and training and development – are associated with higher levels of commitment and motivation and lower levels of stress.

Background to survey

In March 2008, a total of 7,660 survey questionnaires were sent out to a sample of people management specialists in the UK. An online version of the survey questionnaire was sent out to 5,702 HR practitioners.

A total of 811 replies were received, comprising 299 paper questionnaires and 512 online questionnaires. The response rate was 3.9% for the paper questionnaire and 8.98% for the online version.

The survey included 50 questions exploring absence levels, costs and causes, as well as the most effective management interventions. This year's survey included focus sections on stress management, employee well-being and rehabilitation support.

The average size of organisation surveyed was 2,871 employees. Non-profit organisations surveyed employed an average of 510 employees, manufacturing and production organisations employed an average of 646 people, private services sector organisations employed an average of 1,874 people and public services employers employed an average of 8,796 people. See Table 30.

In all, 32.3% of responses were from manufacturing and production organisations, 41.5% were from private services sector employers, 20.1% of responses were from the public sector and 8.7% were from non-profit organisations. The percentages add up to just over 100 because a number of respondents indicated that their organisation operated across more than one sector.

Table 30: Distribution of responses by sector

	Number of responses
Manufacturing and production	262
Agriculture and forestry	1
Chemicals, oils and pharmaceuticals	25
Construction	27
Electricity, gas and water	5
Engineering, electronics and metals	54
Food, drink and tobacco	45
General manufacturing	53
Mining and quarrying	1
Paper and printing	9
Textiles	6
Other manufacturing/production	42
Private sector services	337
Professional services (accountancy, advertising, consultancy, legal etc.)	57
Finance, insurance and real estate	66
Hotels, catering and leisure	36
Transport, distribution and storage	25
Media (broadcasting and publishing etc.)	16
Retail and wholesale	42
IT services	17
Communications	6
Call centres	9
Other private services	68
Public services	170
Central government	18
Health	33
Education	50
Local government	37
Other public services	32
Voluntary, community and not-for-profit	71
Care services	16
Housing association	14
Charity services	36
Other voluntary	9

*The total number of responses in this table adds up to slightly more than the total survey respondents because a number of respondents indicated that their organisation operated across more than one sector.

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