



Absence: more than just a sickness problem

A Croner White Paper by Wolters Kluwer

CONTENTS

EXECUTIVE SUMMARY	3
FINDINGS: GENERAL ABSENCE	
Employee's absences from work	4
Days taken off work (excluding holiday)	6
FINDINGS: ANNUAL LEAVE	
Employee's absences from work	8
Reasons for not taking entire holiday leave	10
ADDITIONAL INFORMATION	12

INTRODUCTION

Sickness absence is a huge cost to UK businesses and according to CIPD's (2014) research, costs UK organisations an average of £609 per employee per annum. It is likely that this data will come as no surprise for organisations, however new research commissioned by Wolters Kluwer provides more detail from UK workers as to the reasons and lengths of their absences.

Over the following pages you can see how UK workers answered collectively. We've also split the data in to results by gender and age so that we can see the differences and draw conclusions between those groups.

EXECUTIVE SUMMARY

BY MIKE ALLEN
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Employees' absence from work can be extremely problematic for organisations as it can have huge financial implications plus a negative impact on key performance indicators (KPIs). But while we often count the cost of sickness absence, there are many more types of absence that employers have to deal with that aren't factored in to these types of research.

In February 2015, Wolters Kluwer through the Croner brand in the UK commissioned research by YouGov to find out about employees' absence from work. On the whole, the research established that short term absence is the most problematic for UK organisations and therefore managers and HR teams need to refocus on interventions and action for the management of short term absence.

The research also found that younger workers tend to take more short-term absence which may not be genuine, while older workers are more likely to take absences of a longer duration. In addition female workers are more likely than their male colleagues to take time off which may mean employers need to focus more on their flexible working arrangements.

In relation to holidays, most employees take their annual leave entitlement, although in some instances this is aided by employers allowing carry-over to the following leave year. The research also suggests that employers may need to focus more on managing work/life balance due to employees admitting that their workload doesn't allow for annual leave or that they just felt that they couldn't take holiday.

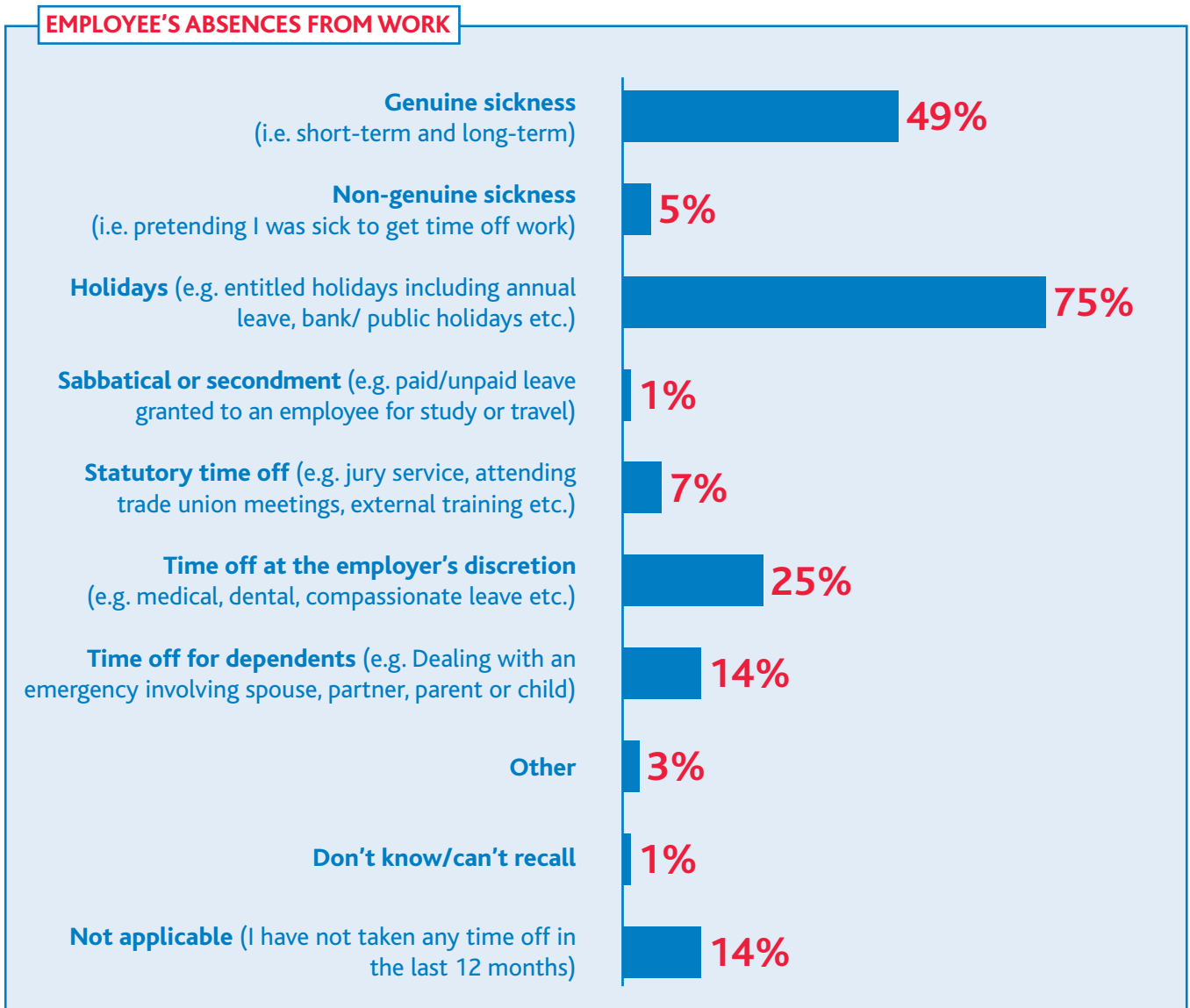
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FINDINGS: GENERAL ABSENCE (including sickness)

WE ASKED ALL WORKERS: Which, if any of the following types of absence have you taken off work in the last 12 months (i.e. since January 2014)?



Base: All GB Adult employees who took time off in last 12 months (1524)

Focusing on sickness absence, the results show that just under half (49%) of workers reported taking time off work for genuine sickness absence and 5% for non-genuine sickness absence in the last 12 months. While employees often cannot avoid taking time off sick, there are ways that organisations can manage and actively reduce sickness absence levels. The figures here underline an ongoing issue in UK organisations in relation to the effective and successful management of sickness absence.

Survey results by age

The age range with the highest number of both genuine and non-genuine sickness absence was 18-24 year olds. Conversely, the age range with the lowest number of each was those aged 55+. This outlines a trend that young workers tend to have more periods of absence than older workers and challenges the stereotype that older people are more likely to be off sick than their younger colleagues. Lifestyle differences could also play a factor, as those under 30 are more likely to drink excessively compared to their older colleagues. Further older workers tend to be in more senior roles and as a result, may be less likely to take frequent short term absence.

Startlingly, 16% of young workers admitted to pretending they were sick to take time off work. This could be linked to younger workers coming straight out of education where they are afforded more leniencies, whereas absence is usually more closely managed in the workplace. Also given the recent downturn in the economy, younger workers may have been unable to secure employment in their chosen field and as such forced into taking lower paid, less skilled jobs that they are not wholly committed to.

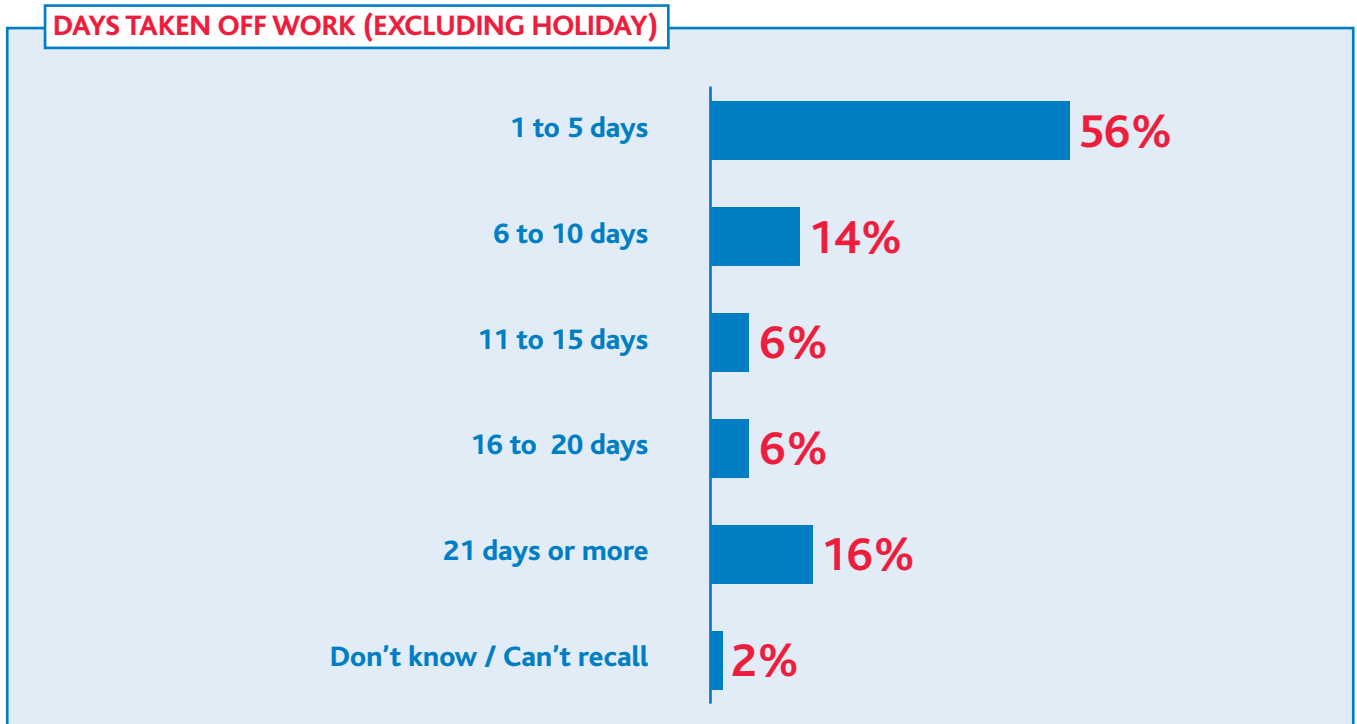
Survey results by gender

Looking closely into the differences in absence patterns due to gender, it can be seen that 53% of females take genuine sickness absence off work in comparison to 45% of male workers. It could be assumed that this is due to female workers normally being the principle carer for children and if the child is sick, they may also take time off 'sick' to care for the child. This outlines the need for a greater focus on flexible working arrangements within organisations to allow for workers to make changes to working patterns so they have more time to care for their children.

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WE ASKED ALL WORKERS: **Approximately, how many days, if any, have you taken off work (excluding holiday leave) in the last 12 months (i.e. since January 2014)?**



Base: All GB Adult employees who took time off in last 12 months (1524)

56% of workers stated that they had taken 1-5 days off in the past 12 months and another 14% had taken 6-10 days off. These statistics show that in total 70% of UK workers are off sick for 1-10 days per year, confirming that short-term absence is by far the most common type of absence presently affecting UK organisations. Therefore action needs to be taken to aid the successful management and reduction of sickness absence.

Survey results by age

In terms of age, the most prominent figures came from 18-24 year olds; 13% of which took 16-20 days off sick which is close to double any of the other age ranges. Those aged 55+ tended to take the most long-term sickness absence of 21 days or more. This highlights a point that while older workers generally take less time off work than those younger, when they do take time off it is more likely to be a serious illness/injury that requires a lengthy period of absence.

Survey results by gender

The results split by gender do not show many disparities between male and female workers in terms of the length of absences. However, it can be seen that 19% of female workers take 21+ absence days in comparison to 13% of male workers.

Managing short-term absence

Short-term absences are very often the most problematic for an organisation and as the data above shows, they are also the most common. Such absences are usually without notice and very often leave organisations struggling to provide an effective service. It can sometimes be difficult to determine whether short-term absences are legitimate, since for absences of one to seven calendar days, the employee will usually self-certify rather than provide a doctor's medical certificate.

Given that three-fifths of organisations report that absence level is a key performance indicator (KPI) in their organisation (CIPD 2014), there is a greater need for formal procedures to be implemented and for line managers to be trained in managing employee absence.

Interventions for managing short-term absence

Effective intervention in managing short-term absence should include:

- Conducting return to work interviews
- Keeping relevant records
- Considering flexible working arrangements
- Keeping in touch with absent employees
- Requiring absent employees to telephone in personally by a given time on each day of absence.
- Notifying employees on requirements for reporting sickness absence
- Introducing an absence management policy setting out organisational 'trigger' points for absence
- Training & development for line managers in managing absence.

If an employee is persistently off sick for short periods of time, or has reached the organisational 'trigger' for days off work despite the above interventions, a full investigation should be carried out.

Investigations into absence

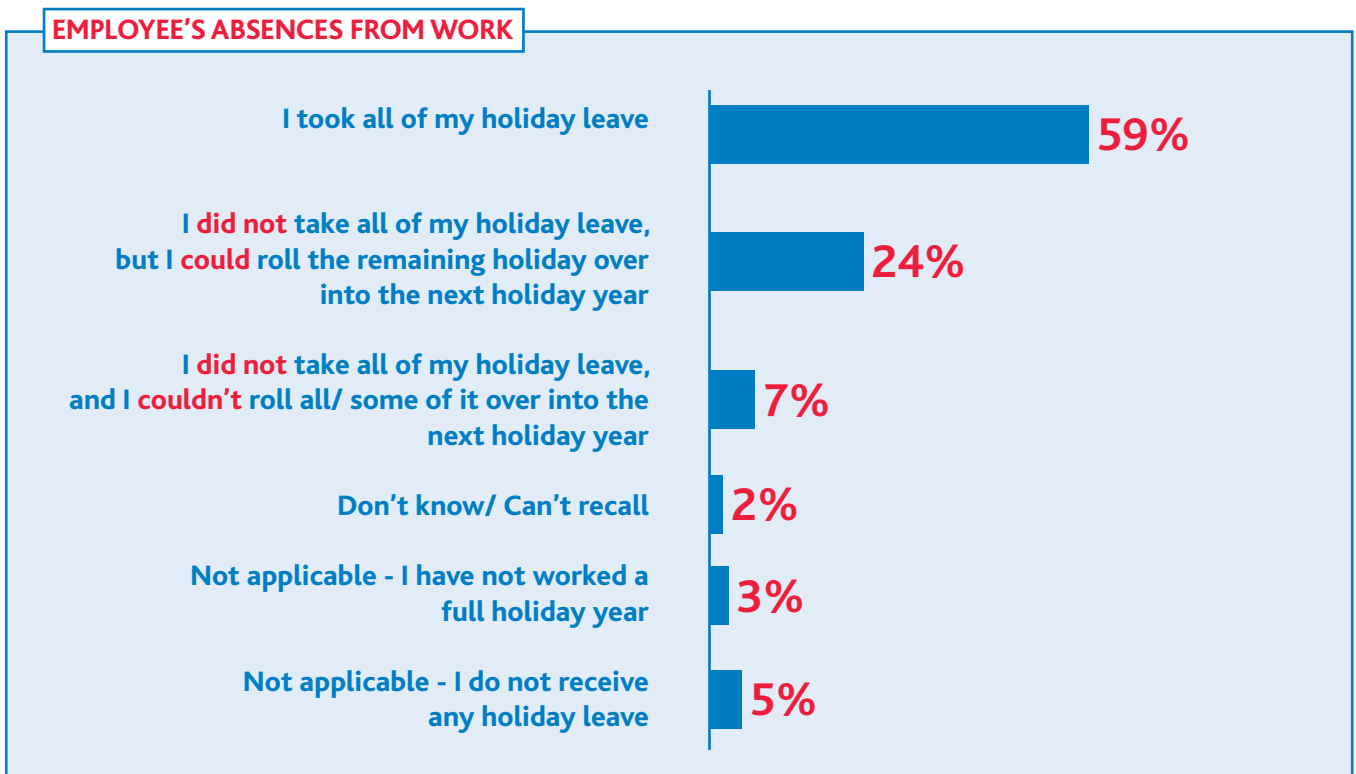
The investigation should determine the reasons for an employee's absence from work and specifically whether the absences are due to an underlying medical condition. If so, a capability procedure should be followed. However, where following investigation, it is determined that there is no underlying medical problem that has led to the absences and that the employee has taken time off for minor ailments, it may, depending on the circumstances, be appropriate to instigate the organisation's disciplinary procedure on grounds of misconduct. Disciplinary sanctions should be used as a mechanism to coach and improve employee absence levels as opposed to being punitive.



70% of UK workers are off sick for 1-10 days per year.

FINDINGS: ANNUAL LEAVE

WE ASKED ALL WORKERS: Thinking about your last full holiday year that you worked (e.g. January to December 2014, April 2013 to March 2014 etc.) ... Which ONE of the following statements BEST describes how much annual leave you took in your last full holiday year?



Base: All GB Adult employees (2371)

In relation to absence, the survey aimed to establish how much annual leave was taken and the reasons behind employees not using up their full entitlement. If employees don't take their full entitlement it can have an adverse impact on an organisation's sickness levels, which could cost more than an employee's holiday pay.

At first glance it seems worrying that only 59% of respondents took all of their holiday, however just 7% would have actually lost their untaken leave as 24% said they were able to roll it over and to the next leave year. A total of 5% of workers stated that they do not receive any holiday leave. The reasons behind these responses are discussed further below.

Survey results by age

Comparing the results by age, we can see that 48% of 18-24 year olds took all of their annual leave, in comparison to 62% of workers aged 55+. This could be due to younger workers being the most represented age group in the category of atypical workers and are most likely to be found in temporary employment.

Workers on atypical employment contracts may be less aware of their rights to statutory holiday entitlement. Organisations utilising casual workers may be using rolled-up holiday pay which involves giving employees an additional hourly payment for holiday pay instead of allowing the workers to actually take time off work. This is emphasised by the earlier point that given the recent economic downturn, younger workers may have had to move into casual working arrangements and other atypical contracts as a means of entering into the labour market.

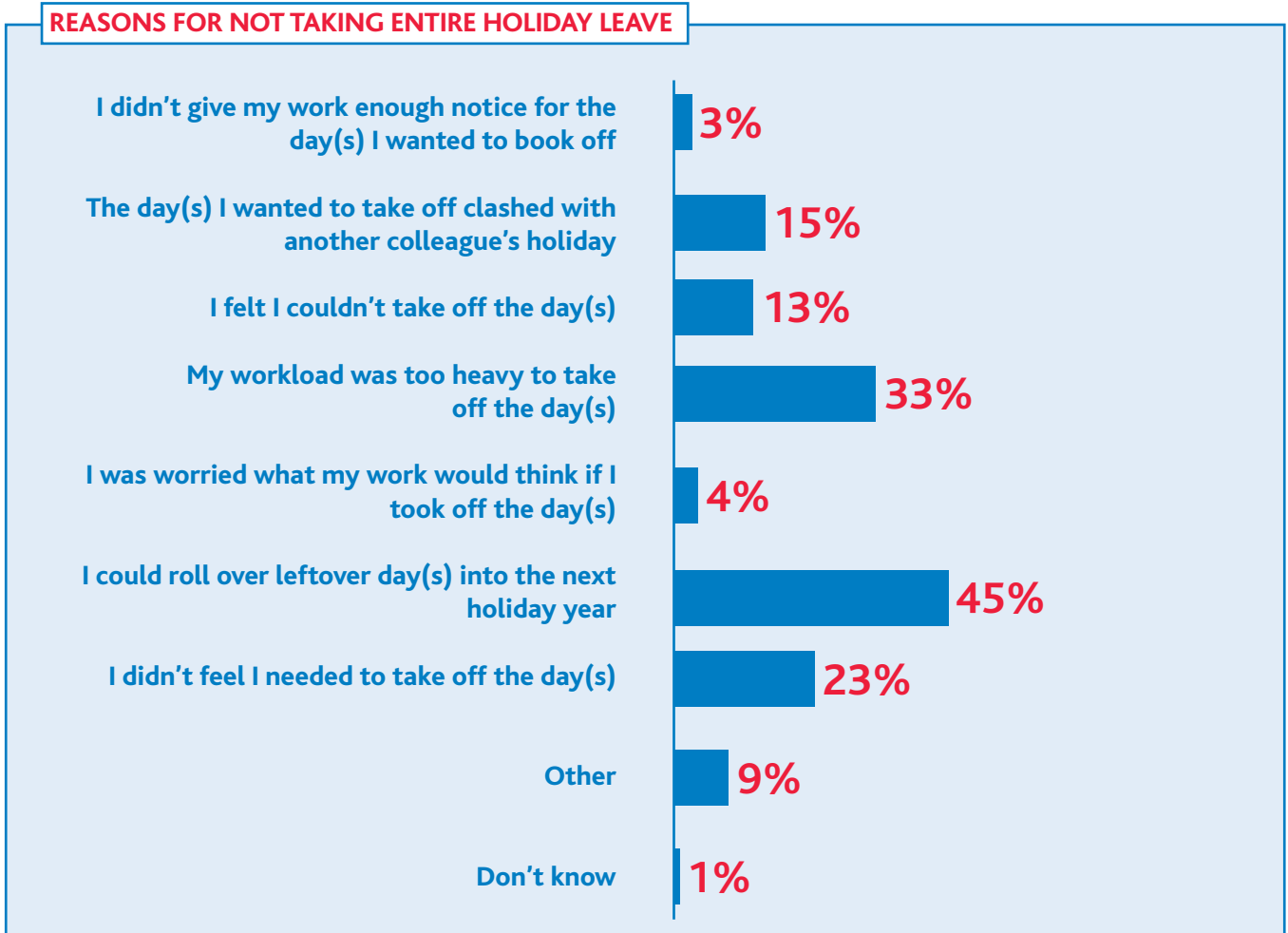
Survey results by gender

The results do not seem to vary too much in terms of gender. However, it can be seen that 9% of male workers did not take all of their annual leave and could not roll it over into the next holiday year in comparison to 5% of female workers; a 4% disparity.

Workers on atypical employment contracts may be less aware of their rights to statutory holiday entitlement.



WE THEN ASKED ALL WORKERS: Previously you said that you did not take all of your entitled holiday leave in the last full year... Which, if any, of the following are reasons why you did not take all of your annual holiday leave?



Base: All GB Adult employees who did not take all their holiday leave (746)

The most concerning response to this question was that 33% of employees felt that their workload was too heavy to take holiday and 13% felt that they just couldn't take holiday. While it is only a minority, organisations need to be aware of the risks in not actively managing holiday and the knock on effect that this could have. If employees are unable to take their full holiday entitlement or feel unable to, it could have a substantial adverse impact on organisational sickness levels, employee productivity, morale, mental health and furthermore, could risk claims at tribunal.

Survey results by age

Looking more closely at the age ranges, it can be seen that 27% of workers aged 18-24 felt that they didn't need to take off the days that they were entitled to. This could be because they want to show their employers that they are hard-working and worthy of any promotion opportunities within the organisation.

Conversely, 38% of workers aged 35-44 stated that their workload was too heavy for them to take their annual leave. This could be due to this age-range more likely to be employed in management positions where workload is more demanding or that they have a difficult time switching off due to fear of falling behind, people angling for a pay-rise or feeling that nobody else could do their jobs in their absence.

Given recent changes in UK employment law, such as the introduction of Tribunal fees and the increase in the service requirement to claim ordinary unfair dismissal from one to two years, workers may feel less secure in their jobs and less likely to take time off work which may risk their workload spiralling. Employers must take more time to consider the effects of 'presenteeism' in the workplace and promote that rest and relaxation would help employees remain energised, motivated, more productive and less likely to take time off sick.

Survey results by gender

Analysing the data by gender shows that 27% of male workers felt that they didn't need to take time off work, compared to 18% of female workers. Given that female workers are usually the primary carer for children, it could mean that they are more likely to take holidays even if they don't feel that they personally need to. While there is a statutory right to time off for dependents, this is only in cases of an emergency and therefore where there are non-emergency childcare issues, female workers are likely to have to fall back on their holiday entitlement to deal with them.

Managing work/life balance

Organisations should ensure that they promote a positive work/life balance so that employees feel able to take annual leave without fear of what they may return to. This can be achieved by:

- Developing policies covering mechanisms to support staff
- Encouraging a culture of openness
- Providing training to managers to identify individuals who are guilty of 'presenteeism' and support them effectively
- Utilising the support of an 'Employee Assistance Helpline' to confidentially assist employees with issues that they are facing
- Ensuring jobs and work environments are reviewed periodically
- Putting in place a two-way appraisal system.

Organisations should consider pro-actively managing employees' holiday entitlement by ensuring that employees are taking their statutory annual leave and if required, giving employees notice that they must take annual leave on a prescribed date.

Organisations that allow carry over from one leave year to the next, need to be aware that The Working Time Regulations do not make provision for annual leave to be carried over from one year to the next in relation to the 'basic annual leave' (4 weeks) and the worker will lose his entitlement if he does not ask for it.

However, the Regulations do allow a right to carry over if it is in a written agreement such as a contract of employment, but only up to eight days can be carried over and this right is only for employers who had to make the increase to the holiday entitlement (four days from 1 October 2007) and four days from 1 April 2009. (If the worker already received 28 days annual leave before 1 October 2007 there is no statutory right to carry over). Employers who give over 28 days annual leave, might still allow a contractual right of carry over in addition to the above statutory right.

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