



Workforce and staff absence: Maximising efficiency

To: All Chief Executives, Main Contacts and APSE Contacts

This briefing is one of a series of papers issued by APSE around efficiencies and how local authorities can deal with budget constraints and maximise their opportunities for more effective approaches to service delivery.

Key issues:

- Staff absence, particularly in frontline services, means that employers often must pay additional wages in order to secure service cover.
- Whilst it is recognised that public sector workers also work an inordinate amount of unpaid overtime there is nevertheless a cost in service quality and continuity created by unexpected absence.
- This briefing explores issues around absence and example case studies where absence levels have improved
- It also considers the use of the new 'fit to work' note process in tackling absence

1. Staff absence and productivity

As detailed in APSE briefing 10-57 productivity can be affected by a mismatch between resources and work required but staff absence can also impact upon productivity rates. Accordingly to figures cited by ACAS the average worker is absent from work for 8.4 days a year. This figure varies from one workplace to another but it adds up to an annual cost of £598 per employee. The cost to the UK economy is estimated to £10-12 billion annually.

However to balance these figures the Centre for Market and Public Organisation at the University of Bristol, in a recent study found that almost half of public sector workers in the UK work regular unpaid overtime. The study found that people employed by public bodies and charities are much more likely to exceed their paid hours than those doing the same kinds of jobs in commercial organisations. Those employees studied did an average of nine hours 35 minutes a week, compared with the eight hours 20 minutes of private company staff. These differences are calculated to be saving public sector employers the cost of employing 60,000 more staff.

2. How do we measure the true cost of staff absence both planned and unplanned?

To judge the real cost of absence, in cost and quality terms, in an organisation or service it is important to explore what happens when an employee is away from work. For example is worked covered by:

- Paying overtime to other employees to cover absence
- Hiring, and paying for, temporary replacement staff
- Missed deadlines due to a lack of trained, experienced employees
- Reduced customer or user satisfaction levels
- Low morale among colleagues who have to take on responsibility for other peoples work

Planned for absence such as annual leave, maternity support leave and health appointments can generally be accommodated when planning work patterns. It is possible to factor into the equation average leave entitlements, for example into the numbers of available hours to deliver a service and operate shift patterns to evenly distribute holidays. However unplanned absence may increase actual or 'cash' costs. Managing both planned and unplanned absence will therefore help deliver better services and cushion the impact on customers or service users and the overall flow of work.

3. Monitoring and controlling staff absence

Monitoring and controlling absence will help to:

- Maintain job satisfaction
- Manage workloads
- Increase productivity
- Control costs

- Identify any areas of concern e.g. patterns of absence due to industrial injury that could identify work related issues or unsafe working practice that should be tackled by the employer

It is of particular importance to manage unauthorised absence and to seek reductions in unauthorised absences. Using APSE performance networks best practice case studies a number of themes have emerged in relation to performance management and generally include:

- Implementing a robust absence management policy
- Exploring regular patterns of sickness e.g. every Friday or Monday
- Ensuring that any work related causes of absence such as bullying or poor working conditions are removed or minimised
- Having an effective policy that separates long-term and short term sickness absence – for example managing a known medical condition rather than focussing on generic statistics that might distort, through exaggerating or under estimating, the true losses of productivity performance
- Ensuring an effective drug and alcohol management policy is in place
- Offering flexible working patterns and job design
- Staff incentives alongside monitoring processes

The following example case studies are drawn from APSE's performance networks service. They are based on hard data that demonstrates the approaches taken have produced improvements in productivity and service performance through tackling unplanned staff absence levels.

Case study: North east authority Highways services

This authority adopted a rigorous attendance management procedure within its Highways services department and saw significant improvements in unauthorised absence levels. The council set out to clarify sickness reporting procedures and the requirements of the employee and their managers in complying with procedures. The following steps now taken are when absence occurs:-

- Where there is an unauthorised absence then it will be followed with a discussion as to the nature of absence, where the procedure is to question the absence rather than accepting that the absence was necessary as a matter of course.
- The manager has to complete an attendance management form which is followed by a back to work interview. The process is

supported by a specific team that deals with absence issues within the council.

- Managers also undergo training where they are reminded of their responsibilities in terms of staff absence.
- There is an effective intervention programme in place within the council where health problems in the work environment are dealt with by an onsite practitioner. This has helped to ameliorate the impact of employees needing to take time off to see doctors and has an immediate impact as employees are seen by the practitioners and helped with practical advice on the best way to recover from an illness or injury.
- The council also has training sessions for employees, which includes health and safety issues and regulations to help prevent injuries or accidents in the workplace.
- The council also has a procedure in place where if an employee is on sick leave for a long period then plans are made before their return date for the employees to come back in to work, even if for just a few hours before the full working date to enable employees to ease themselves back into the working environment at their own pace and to help sustain the return to work.
- The council also has an incentive scheme for staff every month and on a yearly basis where staff with 100% attendance are entered into a prize draw to win items such as Tom Toms, flat-screen TV's, etc. This has helped to boost attendance.

The authority as well as demonstrating a localised drop in absence figures is now amongst the best performers for comparable services within participating authorities of APSE's performance networks.

Case study: West Midlands authority

This local authority had an effective written policy to deal with unauthorised absence however the monitoring arrangements had fallen into disrepute and were not generally enforced robustly. Following a review a new enforcement approach was introduced which has improved attendance. Staff absence is monitored and reviewed on a regular basis.

The Human Resources team collects all information on employee absences and the Council has implemented a system of stages to indicate the frequency of absences and the seriousness of action being taken. In total there are four stages, with stage 1 being the least serious and stage four

indicating regular absence. There is strong emphasis, explained to employees, about the significance to the service and to service users and customers, and the financial constraints created through absence. Staff appraisal interviews and training also include the need for a strong attendance culture in order to increase employee pride in the job whilst also aiming to reduce absence levels.

The service provides incentives and help for staff including

- An employee with 100 per cent attendance throughout the year receives an additional day of annual leave.
- The employer funds physiotherapy for certain injuries or problems to enable staff to return to work sooner, rather than waiting for treatment, and this has helped to reduce long term absence or periods of absence that could have turned into long term absence had there not been intervention and assistance

Sick notes to fit notes and work-life balance

Regardless of the impact of absence on productivity levels it is equally important to remain that most sickness absence is genuine. Absence may also be caused by family commitments or other factors. Therefore employers who are able to accommodate greater levels of flexibility in their approach may reap benefits. This will help ensure that not only is productivity maximised but more importantly the service itself benefits from continuity of staff and resources.

The new move to 'fit notes' rather than 'sick notes' should help to alleviate any uncertainty, that employers may have had, about flexible working arrangements. The new approach may enable someone who may not be 100% 'fit' under the previous 'sick note' arrangement to do some work or the same work but with perhaps adjusted working conditions, such as reduced hours or home working arrangements or amended duties. APSE covered the new 'fit note' arrangements in [APSE Briefing 10 / 20](#) which you can download free of charge. Innovative use of the 'fit note' system could help drive efficiency by reducing the time needed for staff to be absent from the workplace whilst some work, on a more flexible basis, can be continued.

Summary

Decreasing unplanned for staff absence is not about forcing people into work who are clearly unfit to work. However decreasing staff absence can have a positive impact on productivity. Driving efficiencies through more innovative ways of managing absence, and using the new flexibilities

available under the fit note scheme alongside introducing a supportive environment to sustain employees , returning back to work, can reap positive benefits. Encouraging managers to take staff absence seriously because of its impact on costs is an essential part of driving up productivity.

Further briefings will explore the positive impact on productivity of more flexible ways of working.

If you would like any more details about these briefings please contact Mo Baines on mbaines@apse.org.uk

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