

ANNUAL SURVEY REPORT  
PRIVATE SECTOR SUMMARY

# Absence Management 2016



The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

# Overall summary of findings

The findings of CIPD's 2016 *Absence Management* survey, conducted in partnership with Simplyhealth, show that the average level of employee absence has fallen to 6.3 days per employee per year, its lowest level for seven years. There has been a corresponding fall in the median cost of absence per employee (£522). Nevertheless, there is considerable variation in absence levels and costs across and within sectors.

The main causes of absence are similar to previous years. Minor illness remains the most common cause of short-term absence, followed by stress. Stress, acute medical conditions and mental ill health continue to be the most common causes of long-term absence. Moreover, nearly a third of organisations report an increase in stress-related absence over the past year and two-fifths a rise in reported mental health problems. A quarter of organisations report that non-genuine absence is among their top five causes of short-term absence.

This year we have seen a notable reduction in the range of approaches organisations are using to manage absence. Fewer organisations are using return-to-work interviews, risk assessments to aid return to work, capability procedures or health promotion to manage long-term absence and fewer are providing leave for family circumstances to manage short- or long-term absence.

At the same time, nearly half of respondents report their organisation's focus on well-being has increased. Moreover, compared with last year, a higher proportion report that over the last 12 months they have improved communication to staff about the well-being benefits on offer, made significant changes to enhance the physical working environment to promote well-being, introduced or revised how they monitor employee usage of offerings and introduced or revised measures to evaluate the business benefits of individual offerings. Our findings also show a considerable increase in the proportion of respondents that report their organisation has taken steps to discourage 'presenteeism' over the last 12 months.

Despite the increased focus on well-being, more organisations report long working hours are the norm, a concerning trend as workload is reportedly the most common cause of stress-related absence and long working hours is also somewhat associated with increases in reported mental health problems. Moreover, organisations remain divided regarding how embedded employee well-being is in their culture, leadership and practices. Our findings suggest that many would benefit from a more strategic, integrated and co-ordinated approach to attendance and well-being.

# Private sector summary

This summary specifically examines the private sector findings from the CIPD's *Absence Management* survey 2016, providing a fuller understanding of their approach to managing absence and the challenges faced.

## *Absence levels at their lowest level for seven years*

Average absence levels in the private services sector have fallen to 5.2 days per employee per year,<sup>1</sup> their lowest level for seven years. For the private services sector the 0.6 day decrease this year adds to a fluctuating, but generally downward, trend over the last few years. Manufacturing and production organisations have seen less change over the last few years, but their average absence level has similarly decreased by half a day compared with last year.

## *Little change in the main causes of absence*

While absence levels have decreased, the main causes of absence are similar to previous years. Minor illness remains the top cause of short-term absence, followed by stress, musculoskeletal injuries and home/family/carer responsibilities. Acute medical conditions, stress, mental ill health, musculoskeletal injuries and back pain are most commonly responsible for long-term absence (four weeks or more). Musculoskeletal injuries and back pain are more common in the manufacturing and production sector than in private sector services, and for manual workers, while stress is more common in private services organisations and for non-manual workers.

Last year we noted an increase in the proportion of private sector organisations including non-genuine absence among their top causes of long-term absence. This year it has fallen back to 9%, more similar to previous years. Nevertheless, illegitimate absence remains among the top causes of short-term absence for 29% of the private sector.

## *Slight increase in proportion reporting stress-related absence has declined*

Private sector respondents are nearly twice as likely to report an increase in reported stress-related absence over the last year than a decrease. Nevertheless, the figures are an improvement compared with the last few years, with fewer private sector respondents reporting an increase (2016: 22%; 2015: 36%) and more reporting a decrease (2016: 12%; 2015: 6%). Organisations that are taking steps to identify and address stress are most likely to report a decrease (22% vs 4% of those not taking steps). Nevertheless, nearly two-fifths of private sector organisations that include stress in their top five causes of absence are not taking any steps to address it.

## *Fewer report an increase in mental health problems*

There has also been some abatement in the trend for increased mental health problems over the last few years, at least among larger organisations where the issue is particularly common. While nearly half of organisations with more than 1,000 employees report an increase in reported

mental health issues this year, the figure is lower than in previous years (2016: 47%; 2015: 62%; 2014: 60%). Overall, nearly a third of the private sector report an increase in reported mental health problems over the last 12 months and just 8% report a decrease. As with stress, increases in mental health problems are somewhat related to a long-hours culture and a lesser focus on well-being.

Just over a quarter of the private sector has a policy which covers mental health, although only a small proportion has a standalone policy. A further 12% are currently developing a policy. Nearly four-fifths take some action to promote or support mental health, but just 53% believe their organisation is effective at supporting people with mental health problems. Fewer, particularly in manufacturing and production organisations, report their organisation actively promotes good mental well-being or encourages openness and awareness about mental health. Nearly half disagree that staff are well informed about the common mental health risks and symptoms and over two-fifths that staff are well informed about organisational support for mental health.

## *Absence management is a priority for a fifth of the private sector*

A fifth of the private sector (26% of manufacturing and production and 19% of private services) report that absence management is currently one of their top three people management priorities and is a key focus for their organisation. These organisations are not, however,

<sup>1</sup> The 5% trimmed mean is reported to reduce the influence of some extreme outliers.

more likely than others in the private sector to have a written absence/attendance management policy, collect absence data, monitor the cost of employee absence, have a well-being strategy, plan or programme, have a policy that covers mental health or have increased their focus on well-being over the last year.

### *Fewer methods used to manage absence*

This year's decrease in absence levels has not been accompanied by any notable increase in the methods used to manage absence. On the contrary, our findings suggest that organisations are using fewer approaches to manage absence. A smaller proportion of the private sector is using return-to-work interviews, risk assessments to aid return to work, capability procedures or health promotion to manage long-term absence and fewer are providing leave for family circumstances to manage short- or long-term absence. Manufacturing and production organisations in particular are employing fewer methods to manage absence.

Despite the decrease in the proportion using return-to-work interviews to manage long-term absence, it remains the most common method used and ranks among the most effective. Other methods that focus on reviewing and monitoring absence (including trigger mechanisms to review attendance and giving sickness absence information to line managers) also remain among the most common methods used, along with occupational health involvement for long-term absence. In addition, two-fifths use disciplinary procedures for unacceptable absence and restrict sick pay to help deter long-term absence. Less than a quarter of the private sector use health

promotion or a focus on health and well-being to manage short-term absence and fewer employ these approaches to manage long-term absence.

### *Line manager capability to manage absence*

Line managers have primary responsibility for managing short-term absence in half of private sector organisations and primary responsibility for long-term absence in just over a third. Two-fifths train managers in dealing with short-term absence, but fewer, particularly in manufacturing and production, provide them with tailored support.

Just over two-fifths of private services and only a quarter of manufacturing and production respondents believe that line managers are bought into the importance of well-being, at least to a moderate extent. Those from private services are twice as likely to disagree as agree (41% vs 21%) that managers are confident and competent to spot the early warning signs of poor mental health. Those from manufacturing and production organisations are four times more likely to disagree (51% disagree, 13% agree).

### *Seeking assistance with absence management*

Half of private sector organisations report they typically turn to an external occupational health service when they need external advice or guidance on absence management and a quarter turn to public and/or voluntary sector organisations (such as Acas, HSE, Mind).

### *Increased focus on well-being*

While fewer organisations this year are using health promotion to manage absence, nearly half of private services organisations and a third of manufacturing and production report their

organisation's focus on well-being has increased compared with the previous year. They are more likely, however, to have increased their focus because they want to be a great place to work than to lower absence (66% vs 31%), although over two-fifths have done so because they believe employee well-being is linked to business performance.

There have been no notable changes in the well-being benefits provided; however, a higher proportion report that over the last 12 months they have improved communications to staff about the well-being benefits on offer (2016: 59%; 2015: 44%), made significant changes to enhance the physical working environment to promote well-being (2016: 30%; 2015: 12%), introduced or revised how they monitor employee usage of offerings (2016: 22%; 2015: 12%) and introduced or revised measures to evaluate the business benefits of individual offerings (2016: 16%; 2015: 5%).

Just over a quarter report they have a formal well-being strategy, plan or programme, although larger organisations are more likely to take a more formal approach while smaller organisations are more likely to act flexibly on an ad hoc basis.

### *Greater focus on addressing 'presenteeism'*

This year we have also seen an increase in the proportion of private sector organisations that are taking steps to address 'presenteeism' – people coming to work ill (48% compared with 29% in 2015). 'Presenteeism' is a common issue for organisations, with nearly three-quarters of the private sector reporting they have observed 'presenteeism' in their organisations and a quarter reporting it has increased over the last 12 months.

## Looking forward

The reduction in the average level of absence recorded this year is particularly positive given the record level of employment over this period. Studies have often associated reduced levels of absence with higher levels of unemployment. There is some indication that the reduction is part of a longer-term trend in private services but this is less clear in manufacturing and production.

There have been few changes in absence management practices that can explain the decrease. Indeed organisations (particularly in the manufacturing and production sector) report using fewer practices this year. The declining use of leave for family circumstances is particularly concerning given our findings that home/family/carer responsibilities remain among the most common causes of absence in the private sector and expert predictions that the number of carers in the workforce will rise significantly. There is also a danger that without adequate support carers will feel forced out of work. An online poll from Carers UK found that over 2 million people have given up work to care for a loved one.<sup>2</sup>

More positively, our findings show an increased focus on well-being and in the proportion of organisations that are taking steps to address presenteeism. At the same time, however, more organisations this year report that long working hours are the norm at least to a moderate extent (59% compared with 45% in 2015). This is a worrying trend that needs to be addressed given our findings that workload is the most common cause of stress-related absence and that a long-hours culture is

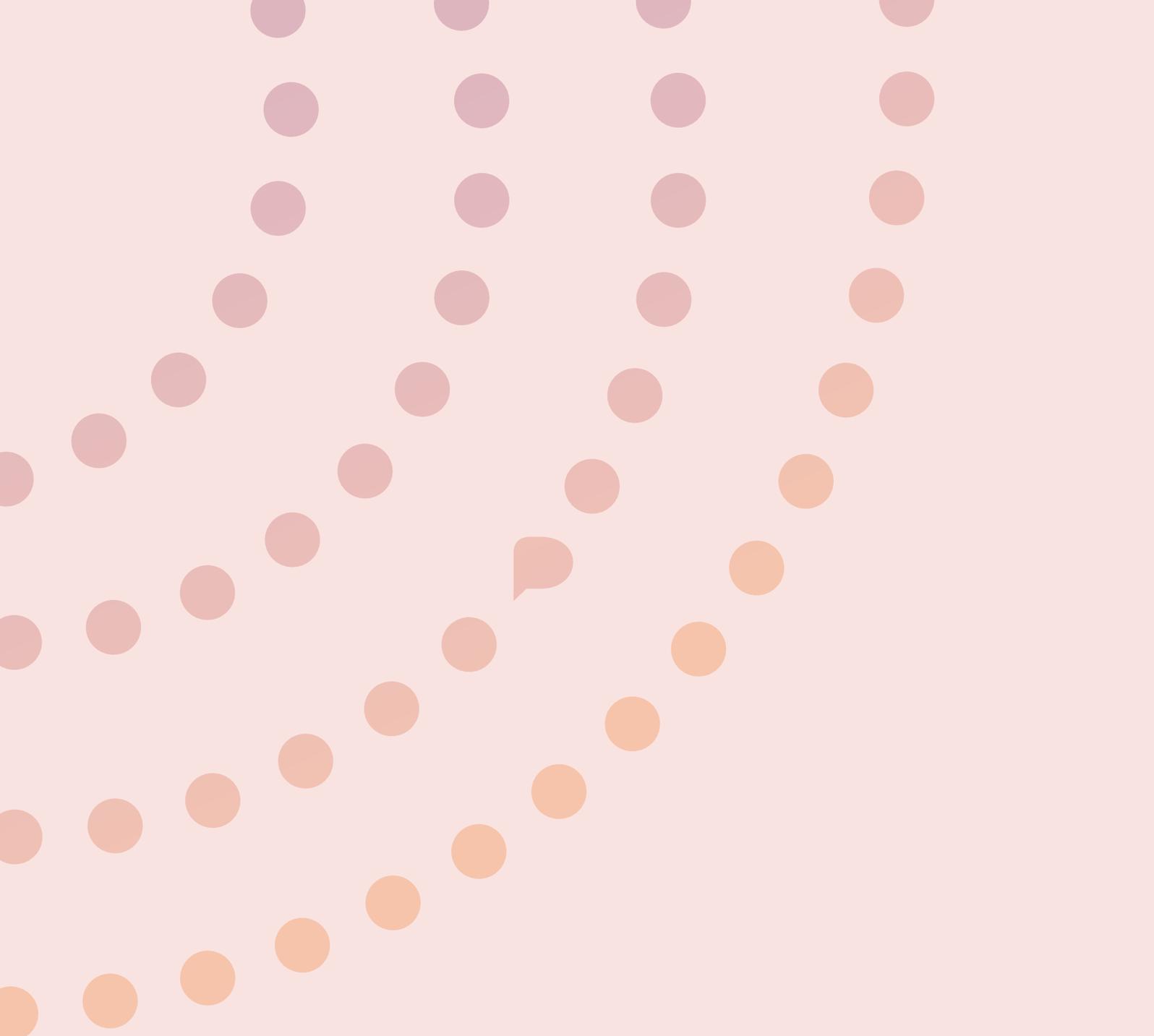
associated with increases in stress-related absence and reported mental health issues.

Furthermore, there remains considerable variation in the practices, policies and emphasis organisations place on absence management and well-being. Three-fifths of the private sector report their organisation is much more reactive than proactive. Our findings also point to a lack of wider organisational support and buy-in. Just two-fifths report that employee well-being is taken into consideration in business decisions (41%), that employee well-being is on senior leaders' agendas (40%) or that line managers are bought into the importance of well-being (38%). Fewer agree that senior leaders support the organisation's focus on mental well-being through their actions and behaviour (27%). Very few report that attendance is driven by the board, even where absence management is currently the top people management priority.

These findings suggest that for an ongoing and sustainable reduction in absence, many would benefit from a more co-ordinated and integrated well-being approach. A healthy working culture and environment requires the commitment of senior leaders and managers. Managers, who often have responsibility for managing absence, also need to be equipped with the confidence and competence to do so most effectively. Initiatives to monitor and deter absence and get people back to work need to be complemented by a healthy working environment and supportive culture that facilitates health and well-being.

Understanding the costs and causes of absence and presenteeism in your particular organisation and demonstrating the business benefits of existing initiatives can help garner support for appropriate investments in health and well-being, not only to improve productivity through reducing absence, but also through creating a healthy place to work that attracts talent, improves retention and fosters engagement, supporting long-term performance.

<sup>1</sup>CARERS UK. (2015) *Facts about carers*. Policy briefing. October. London: Carers UK. Available at: <https://www.carersuk.org/for-professionals/policy/policylibrary/facts-about-carers-2015> [Accessed 7 September 2016].



# CIPD

Chartered Institute of Personnel and Development  
151 The Broadway London SW19 1JQ United Kingdom  
**T** +44 (0)20 8612 6200 **F** +44 (0)20 8612 6201  
**E** [cipd@cipd.co.uk](mailto:cipd@cipd.co.uk) **W** [cipd.co.uk](http://cipd.co.uk)

Incorporated by Royal Charter  
Registered as a charity in England and Wales (1079797) and Scotland (SC045154)  
Issued: November 2016 Reference: 7389 © CIPD 2016