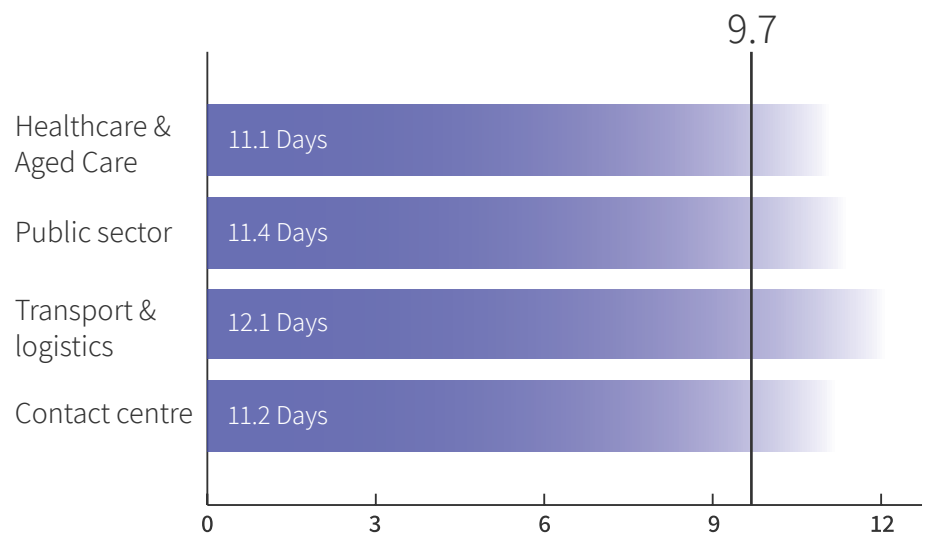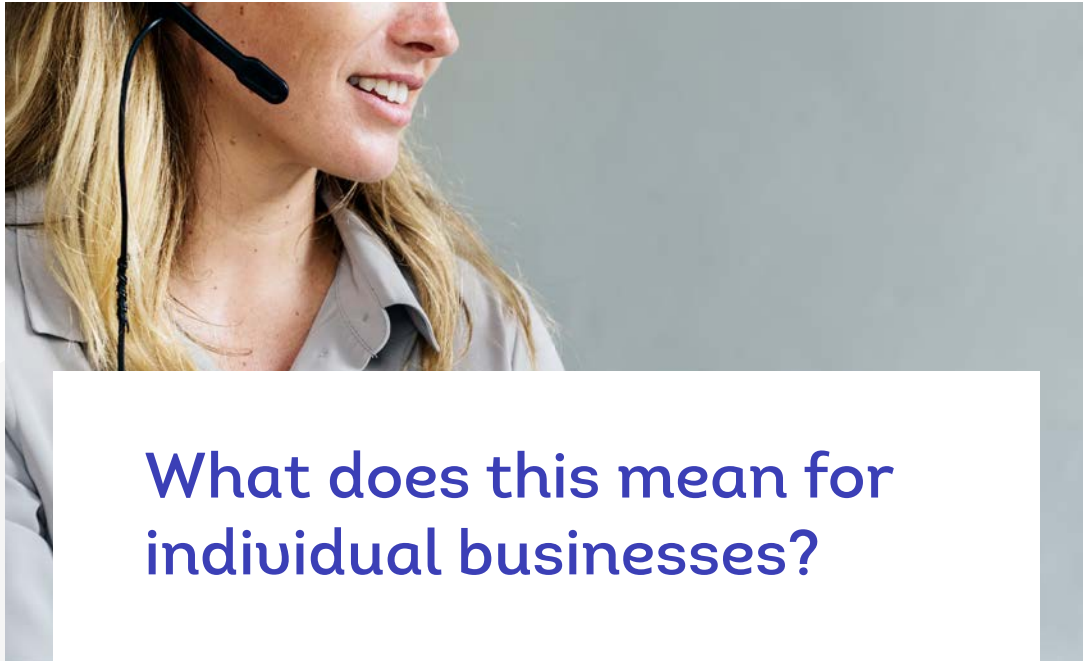# The Ultimate Guide to
Absence Management

weploy™

Prioritising absence management

For any business, talent is the most valuable asset - but also their greatest cost. This is especially true for absenteeism, as it is estimated this costs Australian businesses directly in excess of $35 billion a year*.

Absenteeism affects all industries, and as of 2017 the average Australian employee is absent for 9.7 days a year.

	Days
Healthcare & Aged Care	11.1 Days
Public sector	11.4 Days
Transport & logistics	12.1 Days
Contact centre	11.2 Days

9.7

0   3   6   9   12

DHS Absence management and wellbeing report

What does this mean for individual businesses?

It's estimated that 8% of your total payroll costs is down to managing the fallout from absenteeism. It's important to note this isn't just direct costs, managers spend on average 4.2 hours per week or about 5.3 weeks annually dealing with issues arising from absenteeism including getting replacements, adjusting work process and giving training. It is clear having a formal strategy on managing workplace absence is critical.

8% of your total payroll

=

ABSENTEEISM

75% of respondents
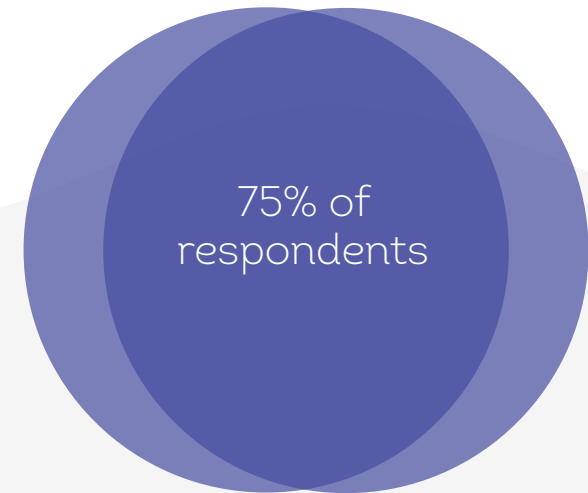
showed that employee absences have a moderate to huge effect on business productivity and revenue

Society for Human Resource Management

4.2 hours per week = **5.3** weeks annually dealing with absenteeism

Measuring absenteeism

The first element to any approach to managing absenteeism is measurement. This can be done holistically at a company scale for a given period.
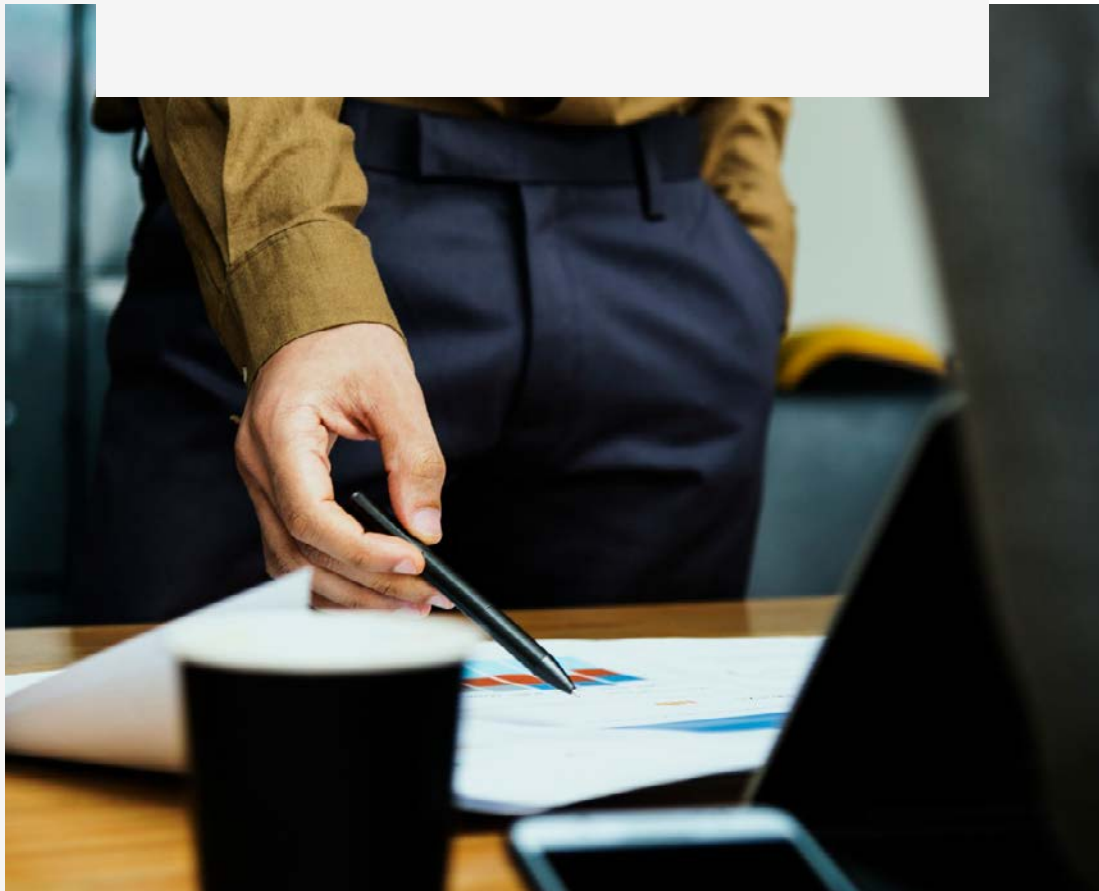
Total hours / days of absence / total working hours * 100

This percentage is a good top level metric to track workplace absence, but doesn't allow you to draw any insights. Is this made up of fewer long term or more short terms absences? Is this skewed by a particular individual or group?

For more directionality and to help manage disturbance based from absenteeism, companies can use the Bradford Index. This should be implemented by the line manager and is based on the premise that multiple short term absences are more disruptive than longer term absences.

S2 X D = Bradford Index

This is where S is the number of absences and D is the number of total days absent. For instance if an employee is absent 3 times in a given year for 10 days in total, the Bradford Index would be 3 X 3 X 10 = 90.

This number is just a number though, it is up to the organisation to set triggers. For instance a policy could outline that any score above 100 requires further assessment of why this employee is taking multiple days off.

It is important to note that the Bradford Index assumes 28 days of holiday a year and should only be used as part of a complete investigation into absence. Research suggests that when used as the only measure or where triggers are set too low, the Bradford Index is not successful at reducing absenteeism.

In addition there has been debate in the UK around the use of the Bradford Index with the Disabilities Discrimination Act as certain disabilities may lead to a higher likelihood of ongoing absence.

Understanding root causes

Measuring absenteeism is essential, as Peter Drucker said

"If you can't measure it you can't improve it."

But it's only the start of reducing or mitigating the impact to your business. Every situation is unique but generally, the reasons for absence can be grouped into five main categories.

Illness and caring for the ill

The opposite side of absenteeism is presentism and can be just as damaging to a business. Understanding that employees will get sick and have to take care of family members is essential to building trust and a productive workforce. All employees in Australia are entitled to 10 days of paid personal or carer's leave for each year of service as well as 2 days of compassionate leave on each occasion and 2 days of unpaid carer's leave. If issues arise or if carer's responsibilities are affecting them, consider flexible working arrangements.

Employee disengagement

Workplace culture is essential to building a motivated workforce. To combat disengagement have regular pulse checks, which is relatively simple now through technology such as Culture Amp. In larger organisations an annual survey is essential to catch problems early. In addition explore the possibility of wellness programs including social and sporting events to connect employees.

Management practices

Relating to employee disengagement - if an employee is regularly calling in sick, investigate their working relationship with their direct line manager. The adage that people leave managers not companies is rarely proved wrong and should be the first thing to examine.
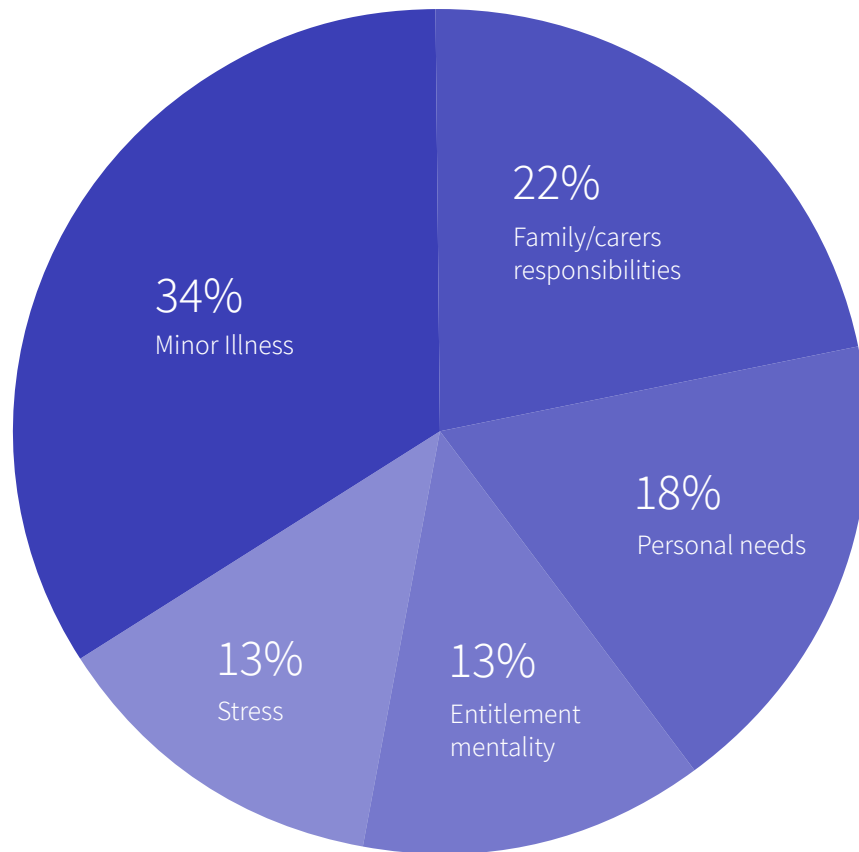
Work related stress

With the constant strive for productivity improvements, increasing workloads and the stress that puts on employees can be a factor for regular absences. Building channels and expectations for open communication between employees and managers is important. Alternatively, coaching to help with time management and prioritisation. Often if one person is feeling overworked it can be a symptom of a wider problem.

Culture of sick leave entitlement

This can be pervasive and spread quickly so it is essential to eliminate this quickly. Focusing on the negative impacts this has on their work colleagues who have to cover for absences will help to hold employees accountable. Also have a clear policy on absenteeism, and communicate it to all new starters to reduce the chance of bad habits creeping in.

Main reasons given for short term absences

- 22% Family/carers responsibilities
- 34% Minor Illness
- 18% Personal needs
- 13% Stress
- 13% Entitlement mentality

Developing a formal policy

A formal attendance policy that is clear and effectively communicated is essential to ensure employees know what is expected of them. Each company will have different requirements but some of the areas that may be included are:

- Standard working hours
- Paid holidays
- Carer's and compassionate leave
- Flexible/remote working
- Paid sick days
- Eligibility requirements
- Notification of absence
- Requirements for medical certification
- Measurement of attendance
- Disciplinary actions
- Counselling
- Recognition of attendance

When implementing a formal policy it is critical that this is enforced company wide and is fair and balanced.

Strategies to manage absenteeism

Creating and sharing a formal policy is the best way to manage absenteeism. Alongside wellness and employment engagement strategies, this builds a more empowered and productive workforce. But as was mentioned earlier, a culture of presenteeism is just as bad. So, how can business stay productive when an employee is genuinely ill?
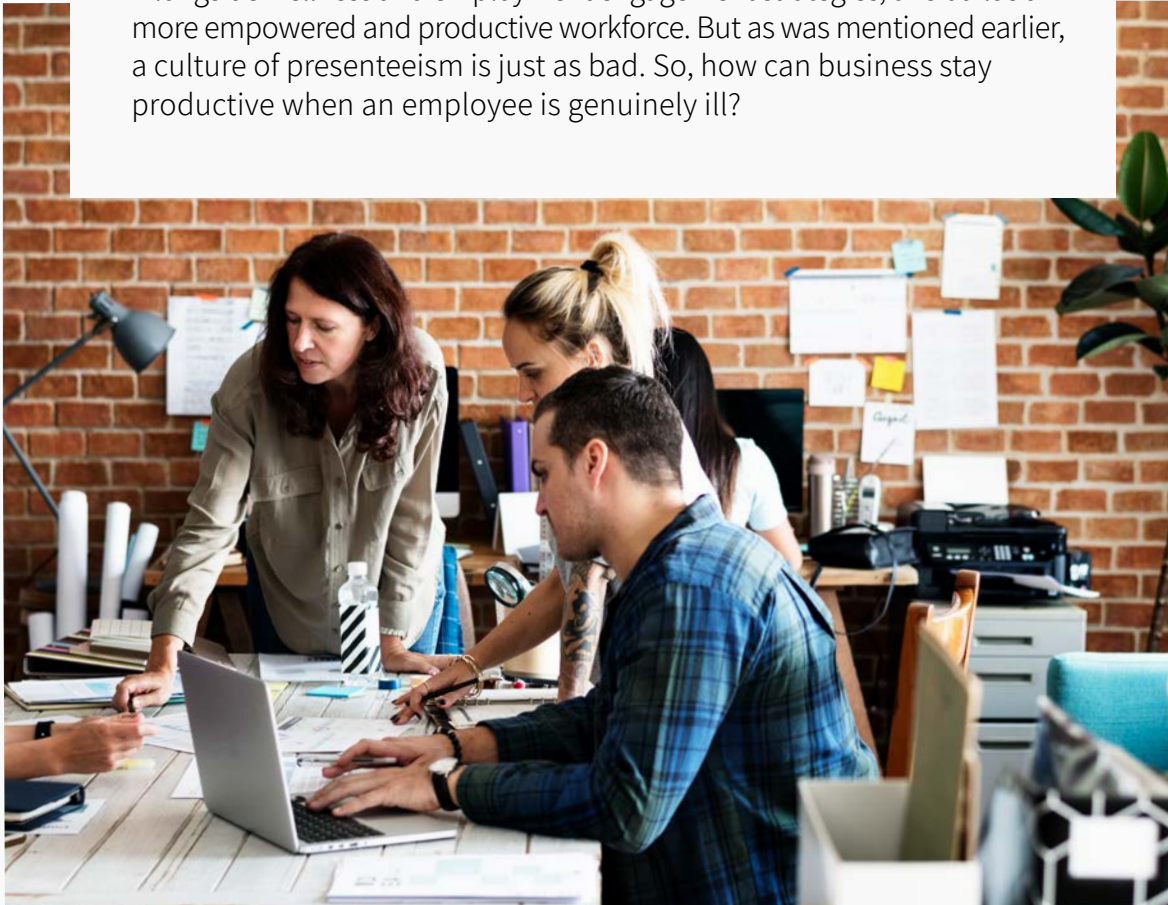
Weploy is an on-demand staffing platform that can help HR leaders and hiring managers cope with short term and ongoing absenteeism no matter the reason.

Get Started

We connect you with pre-vetted, quality office and business support talent that can come to your office at short notice. There is no dealing with recruiters, no hidden costs and quality is guaranteed.
Simply log on to Weploy and post your job with a description of the tasks needed to be carried out. Jobs are accepted on average in under 30 seconds and workers turn up in a couple of hours.

We take the stress from finding suitable replacements, helping your teams stay productive and engaged and allowing you to focus on what matters to your business.