

Are you stressed by your absence management policy?

The problems created by sickness absence continue to cause headaches for employers. The CBI and Axa's annual survey on absence and labour turnover, this year reported a slight drop in average absence per employee from 7.2 to 6.8 days, however, there was an increase in the overall cost from £11.6 billion in 2003, to £12.2 billion last year. The problem has certainly had its share of public airing in the press, however, recommended solutions are less in evidence.

There are many reasons why we might have expected the sickness rate to have fallen in recent years. A host of new laws, emanating largely from Europe, provide employees with increased opportunities for legitimate absences. All workers now have an entitlement to a minimum period of paid holiday each year. Maternity leave has increased, paternity leave introduced, as well as the right to take unpaid emergency leave where necessary to care for dependants. In addition, employees with young children have the right to request flexible working. The latest figures show that this is a right which has increasingly been taken up, with the vast majority of requests accepted by employers. Allowing employees to adapt their working hours to look after children, to take time off to deal with emergencies, and quite simply, providing proper holiday leave, would seem to remove some of the causes of employees taking "sickies". Nonetheless, the problem of absence remains. So what should employers be doing?

Novel initiatives

Some employers have adopted individual and quite novel approaches to deal with the issue. With 10,000 of its 170,000 staff off sick on any given day, the Royal Mail introduced an incentive base scheme, rewarding employees who did not take time off sick. Last summer they announced that any member of staff with a six month unblemished attendance record would be entered into a raffle with the chance of winning a Ford Focus car. The scheme was greeted with a healthy level of scepticism elsewhere. However, 6 months down the line, it was reported a success, with sickness absence falling by 1%. The Royal Mail are rerunning the scheme, although this time round, workers will need a full year without sickness to be eligible to win a car.

Underlying policies

Although the prize winning raffle is what attracts the headlines, it is only one aspect of a much wider process

being undertaken by the Royal Mail. This includes training for its managers, more use of online tools for reporting absence and more occupational health support. The truth is, that in all cases the management of sickness absence must be supported by appropriate policies and procedures. The following elements are essential for an effective sickness management policy:

- **Notification and reporting procedures** – policies should make clear to whom employees should report their absence and of the need to provide regular updates
- **Medical certificates** – make sure that certificates are supplied to cover the whole of the relevant period and chase up any reports
- **Document trail** – keep written records of all material events throughout the sick leave. This will include recording details of all telephone calls to and from the employee, and discussions with medical advisers
- **Communication with the employee** – set up a system of regular calls to the employee to check on his or her progress
- **Communication within the business** – the HR team and relevant managers should co-ordinate their approach and have regular discussions about the employee's absence. Both should have access to the same information
- **Return to work interviews.**

Identifying the cause

So where does all this leave us? For any policy to be successful and in order to create the right policies in the first place, requires an understanding of the causes of absence within the organisation. In essence, why are so many employees taking time off sick? Of course, reasons for absence will differ, however, if a common cause can be identified, this provides a starting point for addressing the problem. A survey report by the CIPD in 2004 found that stress was the second most common cause of absence for non manual employees, after minor illnesses. The problem does not appear to be limited to this country, with the most recently European survey finding that stress is the second most common work-related health problem across Europe.

According to the Health & Safety Executive, the cost to business of stress-related absence is estimated to be



around £7 billion per year. However, the true cost is likely to extend beyond this. All employers have a duty to take reasonable health and safety of their employees and provide a safe system of work. If employees can show a breach of that duty, for example an excessive burden of work, if it was reasonably foreseeable that such a breach would result in injury to their mental health, they would be able to claim damages against their employer. Such damages can run to significant sums, especially where the employee had been so severely affected that they are unable to work again. Furthermore, stress is often linked to poor management and workplace bullying. In these circumstances, employees may have a discrimination claim if the bullying is found to be based on a prohibited ground (for example race). The compensation for such claims is uncapped. Even if no discrimination is present, if the bullying is more than a one off incident, an employee may have a claim under the Protection of Harassment Act.

Employers should pay particular attention when employees are on long term sick leave. What is referred to as “stress” may amount to a disability for the purposes of the Disability Discrimination Act (DDA). In these circumstances, employers have a responsibility to consider making reasonable adjustments for the disabled person’s working environment. This could include a phased return to work, returning to a flexible arrangement or to a different role.

If stress is such a major and potentially costly problem, it is clearly one that needs to be tackled, to improve the health both of staff and of the company’s finances.

What should employers be doing?

All employers should audit the true cost of stress to their business. This will include the cost of cover for employees, the cost of private healthcare and the cost of rehabilitating employees back to work. Health insurance policies do not always cover stress-related conditions and these need to be checked. Employers may also be under-insured for the risk of claims by employees. By undertaking this exercise, employers will gain an appreciation of the significance of the problem to their business.

High levels of pressure, along with organisational change and upheaval are common features of today’s working environment. Part of any initiative to tackle workplace stress should include looking at the ways work is structured in the organisation, how resources are deployed and the expectations placed on staff. A CIPD survey found that the most commonly listed causes of stress at work were workloads, management style/relationships at work and organisational change/restructuring.

Last year the HSE introduced its management standards for stress, covering six key areas or “stress factors”. Guidelines set out what employers’ responsibilities are and what steps can be taken to reduce stress. These should be considered as part of any programme in tackling stress. Further assistance is provided in the booklet on work-related stress published by the DTI in July this year. The guidance aims to offer a practical approach to prevent and manage stress in the workplace. The fact that this guidance has been produced is evidence of the extent of the problem and the seriousness with which it is being treated by UK Government. It also means that employers who ignore the advice do so at their peril and will find it far harder to defend stress-related claims.

Employers should train line managers to identify early signs of stress and need to seriously consider managers’ responsibility to carry out stress audits.

Employers also need to take a fresh look at the building blocks they have in place in terms of their policies and procedures. These may need to be revised to ensure that they are adequate to cope with stress-related absences. Sickness policies should require medical reports and the contractual ability to refer the employee to a company doctor or occupational health adviser should be linked to any policies. In the case of long term absences, medical advice is very important, not least to ensure that the company complies with its obligations under the DDA. It also means ensuring that there are appropriate grievance procedures, discrimination and bullying/harassment policies in place. Offering a confidential counselling service to employees is something for larger organisations to consider and the case law shows that this may assist in the defending of claims.

Conclusion

For employers to get their houses in order regarding absence management, will involve some cost in terms of management time, as well as the legal costs associated with updating policies. However, it is likely that the ultimate saving, in terms of reducing the problem and minimising the risk of stress-related claims, will far outweigh these costs.

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