



AUSTRALASIAN FACULTY OF OCCUPATIONAL MEDICINE

**WORKPLACE ATTENDANCE
AND
ABSENTEEISM**



THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS

WORKPLACE ATTENDANCE AND ABSENTEEISM

A report prepared by

THE AUSTRALASIAN FACULTY OF OCCUPATIONAL MEDICINE
145 Macquarie Street
Sydney NSW 2000 Australia

ISBN No. 0 9586157 2 1

Royal Australasian College of Physicians
A.C.N. 000 039 047

December 1999

TABLE OF CONTENTS

1. FOREWORD	6	
2. INTRODUCTION	6	
3. DEFINITION OF WORKPLACE ABSENCE AND SICKNESS ABSENTEEISM		8
4. IMPACT OF WORKPLACE ATTENDANCE AND ABSENCE	9	
4.1 Cost	9	
4.2 Hidden and indirect costs	9	
4.3 Benefits	10	
4.4 Extent of absenteeism	11	
5. CAUSES OF ABSENCE AND WORKPLACE ATTENDANCE	11	
5.1 Individual factors	12	
5.2 Organisational and workplace factors	14	
5.3 Social and societal influences	16	
5.4 Associated workplace climate factors	16	
6. MODELS OF ATTENDANCE AND ABSENCE BEHAVIOUR	17	
7. MEASUREMENT AND BENCHMARKING	17	
8. SOLUTIONS	19	
8.1 Attendance policy	20	
8.2 Sick leave system options	21	
8.3 Absence monitoring systems	22	
8.4 Employee assistance programmes (EAP's)	22	
8.5 Rehabilitation	23	
8.6 Health promotion and wellness programmes	23	
8.7 Supervisory and management training	25	
8.8 Rewards, penalties and incentives	26	

8.9	Workplace stress strategies	27
8.10	Workplace organisation, work and management practices	29
8.11	Reduction of consequences	31
8.12	Medical review	32
9.	INTERVENTIONS AND THE APPROACH	32
9.1	Where to start	33
9.2	Small business	36
10.	OCCUPATIONAL PHYSICIANS, WORKPLACE ATTENDANCE AND ABSENCE	36
10.1	Case review	36
10.2	Rehabilitation	36
10.3	Health promotion	36
10.4	Design of attendance strategies	37
10.5	Other roles for occupational physicians	37
11.	SUMMARY	37
12.	RECOMMENDED REFERENCES AND TEXTS	38
	APPENDIX 1: THEORETICAL MODELS	39
1	Psychological model	39
2	Economic theory of labour absence	40
3	Discussion	40
	APPENDIX 2: ABSENCE MEASURES	42
1	Total sickness absence	42
2	Measures of attendance	42
3	Measures of absence frequency	43
4	Measures of duration	43
5	Comparative measures	43

6 Demographic	44
7 Work organisation factors	44
8 Miscellaneous	44
9. Interventions: introduction of new absence policies and procedures	45
APPENDIX 3: PREVIOUS EXPERIENCE - GOOD AND BAD	46
1 Solutions based on applied theory, workplace findings and adverse outcomes	46
2 Enterprise agreements	48
APPENDIX 4: POLICY & GUIDELINES H.E.C. TASMANIA	49
APPENDIX 5: PAPER "ABSENCE MANAGEMENT AT THE HYDRO"	52

1. FOREWORD

Workplace attendance and its converse absenteeism are complex multi-dimensional issues involving the interaction and subtle interplay between worker, employer, workplace, social, societal and economic factors.

Occupational physicians should have a knowledge of the factors that operate within workplaces and may be asked to assess or advise in a range of circumstances where work attendance is a key issue. This is in addition to competencies in assessing fitness to work and the effects of work on health, from physical, psychological, chemical, biological and/or psycho-social perspectives.

The primary purpose of the Australasian Faculty of Occupational Medicine of the Royal Australasian College of Physicians is to promote and develop excellence in occupational medicine through a multi-dimensional approach that incorporates:

1. Developing and maintaining high standards in the education of occupational physicians.
2. Developing high professional and ethical standards for occupational physicians.
3. Instituting programmes to ensure that Fellows maintain professional competence.
4. Promoting research in occupational and environmental medicine.
5. Promoting to governments, industry, employer and employee organisations and other bodies, the occupational medicine perspective on key health, safety and environmental issues.
6. Promoting occupational medicine within the medical profession.
7. Providing the Faculty position on current issues surrounding the effects of work on the health of the community - by publishing technical documents and guidelines.
8. Promoting the health of all workers in all environments.

The Faculty wishes to make a direct and positive contribution to the functioning and performance of Australian industry and Australian society, and advance the performance of occupational health and safety and human resource management.

This document was prepared after a number of papers were presented at the Annual Scientific Meeting of the Australasian Faculty of Occupational Medicine in Hobart, 1994. This document should assist occupational physicians, industry, employer groups, workers and employee representatives and OH&S professionals in considering the issues that relate to workplace attendance, and also to provide a list of references for further reading.

The role of the occupational physician in workplace attendance and absenteeism is not one in isolation and the important and vital role of management, employees, employer groups and other professionals together with their obligations and responsibilities is acknowledged.

2. INTRODUCTION

Workplace attendance and absenteeism are of fundamental importance to industrialised society. Primarily, this appears most directly to affect those in industry as a cost of production, yet lost productivity also affects the whole economy and society directly and indirectly. It adds to the cost, or may reduce the quality, of public and private goods and services. At the workplace, it may place additional burdens on employers and workers especially at critically important times, or in key processes.

The business environment has changed to the extent that now every area of economic performance is of importance to achieve local and international competitiveness. Employee attendance at work, productivity and organisational commitment have become critical components of human resource

performance. This is changing, by necessity, the view that little can be done to influence the costs of absenteeism, and some organisations are already making inroads in improving work attendance rates. The new industrial environment means that opportunities may arise, through restructuring and enterprise bargaining, to alter conditions of employment to better meet the needs of employers and employees. These can, and have included, the management of workplace absence and sick leave.

Work attendance and absenteeism are linked to many factors, with the major, though not sole determinant, being disease-related incapacity. Work attendance is generally considered to reflect the “complex person-work-enterprise-society relationship”¹. These factors show marked variation between societies, industries, workplaces, work groups and individuals. Not every factor has a significant influence in every case. In reality, few situations and interpretations are straightforward. This complexity would appear to make it a difficult problem to understand and manage and should serve as a caution against generalisation. Yet there are some simple concepts and basic principles which can assist employers, workers and their organisations in understanding the causes and applying solutions.

Employee attendance should not be viewed in isolation from the workplace or the work environment. Collateral workplace indicators, such as employee turnover, workers compensation claims rate and industrial disputation, can assist in forming a comprehensive picture. Absenteeism, work delays and productivity decline are often the first signs of something wrong in the workplace, and may precede events such as accidents and injury. These first signs should receive more attention by occupational health and safety professionals and management.²

Occupational physicians should be knowledgeable about absenteeism. It is a key health and safety issue reflecting, in part, the effects of work and the work environment. As physicians, it is expected that we see, assess, and treat injuries and diseases.

As part of this role we assess fitness to work and provide certification. The latter is done to the benefit of the worker, to allow recovery and to provide time out when unwell; to the benefit of other workers, industry and the public by maintaining a fit and productive workforce. Effective skills in this area should allow the early return to productive work, maintenance of worker and workplace safety. This may involve participation in solutions to complex individual problems within the workplace. Occupational physicians are expected to have a broad knowledge of, and input into, improving work conditions, the work environment, the health of industry and the workforce. It is this extension to the traditional medical practice and knowledge base that differentiates occupational physicians from other medical practitioners.

It is the intent of this document to take a broad view of the causes and associations of workplace absenteeism, and to describe various facets of its assessment and management. It is intended to provide both an overview of models and systems and then progress to exploring solutions and detailed discussion and is structured in sequence to take the reader through from concepts to management options.

Whenever absenteeism is discussed, polarised views on causes and management is frequent. The media has elevated absenteeism by alluding to it as a “national sport”, a great Australian pastime or the “sickie”. There is nothing uniquely Australian about work absence, with rates broadly comparable to many industrialised economies.

¹ Mets JT, LaDou J. Diagnosis of absenteeism. in Occupational Medicine 3rd edition. (Eds) Zenz C, Dickerson OB, Horvath EP.

² Van fleet E. quoted comments in should OHS be sacked. WorkSafe News, 1994 9 (3) 13.

3. DEFINITION OF WORKPLACE ABSENCE AND SICKNESS ABSENTEEISM

There is no universal or standard definition surrounding workplace absenteeism. A consistent definition of this term is unfortunately absent in research or in individual institutions. This alone makes the interpretation of the literature particularly difficult as well as making comparisons between institutions problematic. The adoption of standards for recording by industry or government would be invaluable.

Non-work attendance is formed, in part, by sanctioned leave such as annual leave, long service leave and non-illness related leave, such as maternity or parental leave. A more generalised definition of absenteeism (unplanned absence) includes non-attendance at work where work attendance is scheduled. This includes sickness absence leave; various special leaves, such as bereavement leave; and may also include time lost through industrial disputes. Given the wide variety of employment conditions applying within Australian Industry, it is difficult to formulate a complete list which may not change substantially with time.

To the above, a distinction should be made between illness and injury related to work which is compensable, since under Commonwealth, State and Territory schemes, workers' compensation is generally accessible and, as such, is differently recorded and recompensed from non-workers compensated sick leave.

For the purposes of much of this document, absenteeism/sickness absence is defined as work non-attendance for which access to sick leave is sought ie. absence attributed to sickness. This definition is not dependent upon certification, and does not underestimate the significant contributions to productivity loss from work related conditions, lost time due to other leaves, industrial disputes, the interaction of the legitimate need to access sick leave for crises and family ill health.

In a comprehensive approach, all of these factors should be considered. Whilst in general this document specifically refers to the contribution of sickness absence to unplanned workplace absence, other forms of absence are considered with a view to their relevance in the workplace. Special, discretionary and family leaves are becoming increasingly available and important. The provision of Employee Assistance Programmes (EAP's) and child care in industry are becoming more prevalent as are more flexible sick leave arrangements which permit the taking of sick leave to provide care. Premature medical retirement from industry is also another health related issue which has an impact on individuals and industry where workplace, medical and rehabilitative initiatives can have an input.

The following leave category hierarchy (Fig 1) summarises the relationship between various types of absence.

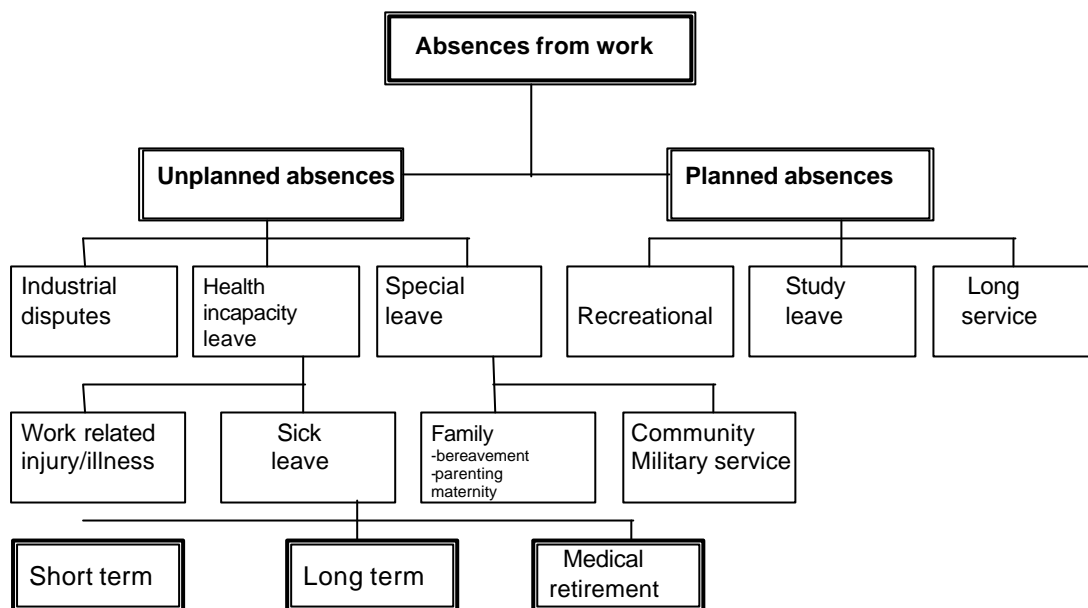


Figure 1. Leave category hierarchy

4. IMPACT OF WORKPLACE ATTENDANCE AND ABSENCE

Absence from work has wide ranging repercussions on the workplace, workers, the operation of industry and the provision of goods and services to society. Lost work time due to illness and injury far outranks lost time due to industrial disputation. Comparatively, time lost for work-related conditions represent only a fraction of this.

4.1 Cost

An estimate of the cost of absenteeism in 1990 was made by the National Institute of Labour Studies. This was conservatively put at \$7 billion or around 2% of GDP based on an absence rate of 2.4%.³

Absence rates have continued at the same level (2.4% 1996; 2.5% 1998) and based on Australia's GDP of \$450 billion in 1996/97 a current conservative estimate of the cost is over \$9 billion. This does not include the cost of work related injury and associated absence from work.

Absenteeism, in a nationwide random survey in Sweden demonstrated a weekly rate of 7.9% of which 2.4% was attributed to occupational causes.⁴ In Canada, the time loss through absenteeism was 5 days per employee, per year, in non-unionised operation and 10 days in organisations involving a represented workforce. In some European nations the annual rate is around 20-25 days.⁵

4.2 Hidden and indirect costs

When workers are absent, management has to make changes to the normal operations. This may mean working staff longer and harder; allowing work to build up or be deferred; eliminating certain services; hiring temporary replacements; or permanently maintaining an extra workforce to cover

³ Wooden M. The cost of time off work in Australia. Working Paper Series. 1992. No 115. National Institute of Labour Studies

⁴ Toomingas A. The health situation among Swedish health care workers. In Progress in Social and Occupational Medicine: Occupational Health for Health Care Workers. F. Hoffman (Ed) Ecomed 1993.

⁵ Shephard RJ. A critical analysis of work-site fitness programmes and their postulated economic benefits. Medicine and Science in Sports and Exercise 1992;24:354-370

absenteeism. The effects of absenteeism are most pronounced when work tasks are interdependent. Indeed with many complex, specialised and technological processes, operations cannot proceed without a full complement of staff. Operations may not be able to continue without the required resources and/or materials. “Just in time” processes, for example, whilst offering economic savings, are very vulnerable. Highly skilled procedures are particularly vulnerable, as are the industries dependent on the output of those organisations.

Consequences of workplace non-attendance include:

- increased costs
- lower morale
- increased workloads
- frustrated managers and supervisors
- loss of productivity
- non achievement of objectives
- reduced provision of services
- decreased product quality
- increased training costs and loss of key skills and personnel
- increased supervisory and administrative costs
- adverse public perception and confidence
- adverse effects on consumers

Hidden costs such as additional supervisory time, extra staff, overtime, employment of temporary staff, administration, training, effects of reduced service provision and loss of business are frequently under estimated. Hidden costs may be higher than double the cost of wages.

4.3 Benefits

Being away from work for “legitimate” reasons can be beneficial for the workplace and the individual. Award provisions serve a function in providing workers with the right not to attend work when physical or psychological capacity is diminished. This reduces the risk of injury not only to themselves but also possibly to others and allows a productive workforce to operate. Employees who fail to take time off appropriately may represent a health and safety hazard. Taking of sick leave may act as a safety valve mitigating personal, external and workplace factors. Workers may utilise sporadic sick leave for workplace conditions, particularly “cumulative trauma disorders” or workplace stress. In a survey of Commonwealth Government workers, 49% of interviewed staff reported that they experienced an episode of illness or injury that had some association (in their view) with work. Only one of the staff had lodged a claim, with the majority dealing with such problems through accessing sick pay if leave was required.³⁵ There are also legitimate reasons for employees to be absent unrelated to personal illness. This may include emergency childcare for well children; care for sick children; care for adult relatives; or the performance of important personal business.

Potential benefits of work absence include:

- legitimate exemption from work
- reduces injury risk
- maximises rate of recovery
- reduced transmission of infectious disease
- maintains productive workforce
- maintains workplace safety

- safety valve
- ability to deal with pressing non-workplace commitments

4.4 Extent of Absenteeism

The Australian Industrial Relations Survey in 1991 indicated that Australian industry had an average absence rate of 4.5% although there was a considerable variation from less than 1% to nearly 10% in some industries. However, this survey has limitations given its short one-week sampling frame.

Data from the Labour Force Survey (August 1990) suggests an average rate of absenteeism of 2.4%. This figure ranged from a low of 0.5% to a high of 4.7%.

In a full time employee scheduled to work 230 days, this translates to about 5-6 days absence per annum.⁶ Experience in best practice organisations indicates that absence rates of 3% or less should be achievable in nearly all industries.⁷

The overall trend has been of increasing sick leave over this century. Downward trending in Australia has been apparent since the start of the 1980s with the exception of a peak in 1985.⁸

5. CAUSES OF ABSENCE AND WORKPLACE ATTENDANCE

There has been a considerable amount of investigation of the causes of workplace attendance and absenteeism. Much of this takes the form of exploring associations between various factors and individual or group behaviour. The following section is an attempt to describe some of the associations and determinants as individual, workplace and societal factors. Subsequently discussion of some of the predominant theoretical models of absenteeism occurs in Appendix Two. Where possible reference has been made to the Australian experience.

Sickness absence has as its main attribution a work incapacity related to illness or injury. A significant proportion of the leave taken however, relates to factors other than inability or inappropriateness for work. In order to explore this distinction researchers have attempted to define and investigate two types of absenteeism:⁹ involuntary absence (unavoidable) and voluntary absence (avoidable). The selection of such terms is somewhat regrettable since they have often been interpreted in a concrete fashion suggesting that absences or attendance is a function of freely expressed choice. They represent constructs, which describe the subtle interplay between disease, disability, social, personal, and workplace factors (Figure 2) which cannot be readily dichotomised. None of these factors is univocal.

⁶ Wooden M. The cost of time off work in Australia. Working Paper Series. 1992. No 115. National Institute of Labour Studies.

⁷ Fitzpatrick M, Huczynski A. applying the benchmarking approaches to absence control. Leadership and Organisational Development Journal. 11 (5); 22-26.

⁸ Australian Bureau of Statistics, (ABS Cat 6203.0).

⁹ Chadwick-Jones JK, Nicholson N, Brown C. A-type and B-type absence: Empirical test for women employees. Occupational Psychology 1973;47:75-80

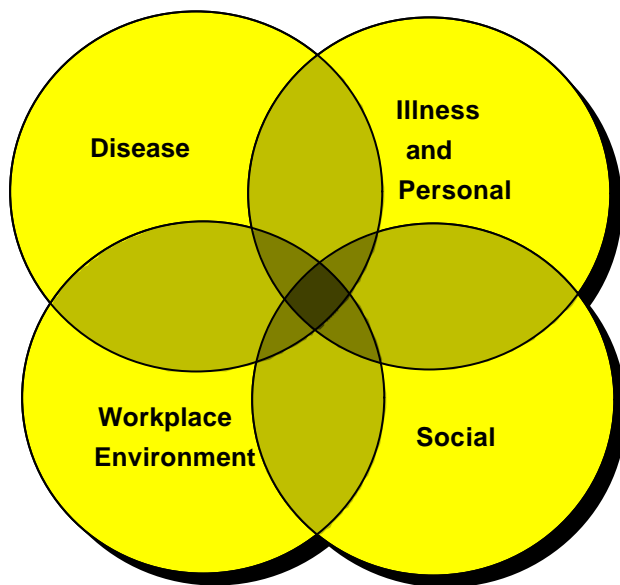


Figure 2. Interplay between general determinants

5.1 Individual Factors

Illness, disease and workplace attendance.

Many individual factors appear linked to absenteeism: past absence history, education, personality and the abuse of drugs and alcohol. The largest single component of sickness absenteeism is associated with genuine incapacity attributable to illness and injury. Surprisingly, health status is only a minor contributor although this depends upon definition. Health status (by self-report) was not found to influence absenteeism significantly.¹⁰ This, in part, supports the hypothesis that sick leave use also has non-medical determinants.

Disease and illness are rarely discussed in most models of workplace absenteeism, yet they form the bulk of the cause and provide a legitimate explanation for much of its occurrence. Many of these factors are prevalent in society and are open to interventions in the public arena as well as the workplace. For example the workplace can be a vehicle for the amplification of public health messages dealing with cigarette smoking, drug and alcohol use, diabetes and influenza for mutual benefit. Thus illness related leave might be unfairly considered unavoidable from a workplace or medical perspective.

Various estimates have indicated that disease accounts for 50-75% of work absences, “colds and flu’s” are most likely to account for short absences of 1-2 days.

The results of the 1983 Australian Health Survey indicated that 61.9% of all employed persons experienced some illness in the preceding fortnight. Taking into account the incidence of various illnesses the “flu” accounted for 18.5 % of absences, injuries 13%, musculoskeletal disorders 12%, digestive disorders 10.6% and “colds” 6.6%. Whilst the incidence of illness increased with age,

¹⁰ Brook P, Price JL. The determinants of employee absenteeism: an empirical test of a causal model. *J Occup Psychol* 1989;62:1-19

the incidence of absence that resulted from illness did not.¹¹ Age appears to have opposite effects upon the incidence and length of sickness absence. This further illustrates a disconnection of the effect of health status on sickness absence but also is an expression of the healthy worker effect as well as likely differences of norms between cohorts. When absence does occur it is usually for longer periods.

The National Health Survey in 1989/1990 reported that 4% of the population above the age of 15 experienced migraine as a chronic condition. Other sources have suggested that a further 4-8% of non-chronic sufferers exist. The costs of lost time at work were placed at \$139.14 million and of lost productivity \$112.3 million.¹² The presence of chronic conditions is often poorly predictive of attendance behaviour. For example, no clear picture or pattern has arisen in research on absenteeism and diabetes¹³ although many with severe and complicated disease opt out of the workforce through forced and self-selection mechanisms. Many workers with chronic diseases show little impairment for their occupation.¹⁴

Certification and Cause

Problems with certification for work incapacity by medical practitioners occur because of the inconstant relationship between illness, fitness for work and the frequent presence of medical conditions without necessary or essential clinical signs. Medical certificates provide a guide, but have an inherent unreliability for these reasons. Many authors have stated that medically certified absence is more likely to reflect “unavoidable” absence due to medical conditions and uncertified absence is more likely to reflect “avoidable or attitudinal” absence less strongly related to the presence of a medical condition.¹⁵ The difficulty here is the inconsistent effect that disease has on incapacity, the presence of moderating factors, and the potential of individuals to adjust their perceptions providing self-justification for relative incapacity. Long term absence is more likely to be illness and disease related. What is more difficult to quantify is the wide variability amongst employees of their criteria for remaining at work or reporting sick.

Individual and Lifestyle Factors

There appears to be a significant relationship between lifestyle and behavioural factors such as smoking and excessive alcohol intake.¹⁶ Alcohol involvement has an adverse association with workplace attendance either as a consequence of abuse or as an inappropriate coping mechanism to intrinsic and extrinsic stressors.

Workers with a diagnosis of alcohol dependence were found to have a sixfold increase in absence frequency and seven times the days lost when non-work absences of more than five days were assessed.¹⁷ In a study of Telecom absence records attributing causal fractions for certified absences, alcohol and smoking were felt to account for 25% of sick leave.¹⁸

¹¹ Wooden M, Robertson F. Illness, injury and absence from work: An analysis of the 1983 Health Survey. Working Paper Series 104. 1989. National Institute for Labour Studies.

¹² Migraine- Not just a headache. Australian Brain Foundation

¹³ Poole CJM, Gibbons D, Calvert IA. Sickness absence in diabetic employees at a large engineering factory. *Occupational and Environmental Medicine* 1994;51:299-301

¹⁴ Further discussion relating to specific disorders may be found in *Fitness for Work, The Medical Aspects*. Edwards FC, McCallum RI. Oxford Medical Publications 1990

¹⁵ Searle SJ. Sickness absence and duration of service in the Post Office 1982-3. *Br J Ind Med* 1986;43:458-464

¹⁶ Bertera RT. The effects of behavioural risks on absenteeism and health care costs in the workplace. *JOM* 1991;33:1119-1130

¹⁷ Bross MH, Kelton Pace S, Cronin IH. Chemical dependence. Analysis of work absenteeism and associated medical illness. *JOM* 1992; :17-19

¹⁸ Hocking B, Grain H, Gordon I. Cost to industry of illness related to alcohol and smoking. A study of Telecom Australia employees. *Medical J Aust* 1994;161:407-412

Motivation

This is a difficult and problematic concept to define and measure. It is a normative belief in the value and importance of work and is influenced by work ethic¹⁹. This may include loyalty to fellow workers, organisation or the work task itself. Work attendance motivation is subject to the complex and dynamic relationship between the value of work and non-work alternatives. Motivation is a construct, which is dependent upon external as well as internal factors.

External responsibilities

Those with family responsibilities in general and in particular working adults with young children experience higher rates of workplace absence. This may in part account for gender based differences in absenteeism, though occupations held by women, and factors such as job satisfaction and job meaning may be equally significant.²⁰ Gender appears as a moderating factor in the relationship between job satisfaction and absenteeism with different strengths of association evident between the sexes.⁷⁷

Distance from work

Distance from work^{21 80} also appears to influence likelihood of sickness absence because of distance or transport difficulties, which may be magnified

by illness or by presenting additional barriers or disincentives.

Generally a minority of workers account for the majority of leave taken. Some 30% of employees accounted for 70% of leave taken in a study of Telecom employees.²² The authors felt that this was attributable to a sizeable minority of chronically ill employees who take long absence spells. In a model involving a measure of "avoidable" absence just over 25% of workers accounted for all the "avoidable" leave taken.³⁹ Past absence history²³ is moderately predictive of future absences, with absence frequency rather than duration being the key indicator. Most studies seem to review absence history within an organisation and it is uncertain whether the pattern of behaviour is transferable to new work situations. The residual leave available appears to influence the probability of absenteeism.²⁴

5.2 Organisational and Workplace Factors

¹⁹ Steer RM, Rhodes SR. Major influences on employee attendance: A process model. *J Appl Psych.* 1978;63:391-407

²⁰ VandenHeuvel, Wooden M. Does absenteeism differ for men and women?

²¹ Taylor PJ, Pockock SJ. Commuter travel and sickness absence of London office workers. *Br J Prevent Soc Med.* 1972;26:165-172

²² Kreiger R, Kain P, Robertson F, Sallons P. Labour absence. The case of Telecom Australia. Report to Telecom Australia by the National Institute of Labour Studies. 1987.

²³ Ivancevich JM. Predicting absenteeism from prior absence and work attitudes.

²⁴ Harrison DA, Hulin CL. Investigations of absenteeism: using event history models to study the absence-taking process. *J Appl Psychology* 1989;74:300-316

Organisational factors describe the effect of workplace absence culture, group norms and the influence of the physical and social work environment.

Nature of the work.

The intrinsic nature of the work including repetitive tasks, monotony, routinisation, danger and role ambiguity (uncertain job responsibilities are a form of job stress which may lead to job dissatisfaction) can influence absenteeism. Persons who work in dangerous jobs report between 1.4 and 1.6 days more absence per year than those in safe work.⁸⁰ A positive association between workloads and absenteeism has been observed.²⁵

Job Person Fit

Interactions between degree of control and autonomy, worker skills and workload are suggested as being influential in psychological models of attendance behaviour.

Work organisation

Workplace autonomy, control, the latitude permitting independent decision making, participatory vs centralised workplace hierarchies can all influence absenteeism.

Organisational climate

The presence of co-worker support, supervisory support, “fairness” and discrimination are also potential factors.

Job satisfaction

Self-perception of job characteristics is also important. This has become a key variable in psychological models of worker absence through which a number of other factors exert an indirect effect.

Work stress

Absenteeism shows significant correlation with job stress^{26 27} with many of the component factors described within this section.

Size and type of workplace

Generally absenteeism is higher in large organisations presumably due to reduced workforce cohesion, hierarchical management strategies and relative anonymity. Prospectively, increased absenteeism has been documented as company size increases.²⁸

Absence culture

Workgroup belief in the legitimacy of absence taking¹⁹ also influences absenteeism. Each profession and/or department within an organisation may have its own absence culture. Group

²⁵ Bourbonais RN, Vinet A, Meyer F, Goldberg M. Certified sick leave and work load: A case referent study among nurses. JOM 1992;34:69-74

²⁶ Rees DW, Cooper CL. Occupational stress in health service employees. Health Serv Man Res 1990;3:168-72

²⁷ Krishnapillai R. Work-related stress. Occ Health Magazine 1993;64:4-5

²⁸ Allen PT. Size of workforce, morale and absenteeism; A re-examination. Br J Ind Rel. 1982;20:83-100

level absenteeism can be a significant future predictor of absence behaviour, beyond that predicted by individual past behaviour.²⁹ Workgroup absence cultures may develop as strong determinants of absence behaviour by workers. These factors are determined by a number of interrelated factors including management permissiveness, organisational commitment and trust in the operation of the sick leave system.

Work hours

Increased absenteeism occurs with increased working hours and overtime. Shift work has an inconsistent relationship with attendance³⁰ even though good evidence exists for an increased association with adverse health effects. This probably depends upon the degree of self-selection of the workforce involved and the operation of other incentives. Decreasing absenteeism has been associated with flexible working hours and the converse with inflexible hours.⁸⁰

Organisational Absence Management Policy

Organisational policies can have an important effect in rewarding or discouraging absenteeism³¹ either actively or through ambivalence. Organisational permissiveness refers to the degree that absenteeism is tolerated by an organisation and refers to the created perception of being able to take time off work without discouragement from management or supervisor. Employees whose supervision is more tolerant of unscheduled non-attendance tend to be absent more frequently. A delicate interaction exists between trust and control mechanisms in defining individual and organisational absence behaviour. Factors relevant to sick leave policies include incentives, penalties, sick pay systems monitoring and checks.

5.3 Social and Societal Influences

Societal factors also influence leave taking by reinforcing community norms, opportunities and priorities. Cultural acceptance of non-illness absence may in part explain regional, group and national variation. Regional variation can be surprisingly marked.

The effects on the labour market and economic recession are easily noticeable with low absence behaviour often seen in times of poor economic performance. The combined effect of economic recession and organisational downsizing can have a marked downward effect on absence rates as can the converse situation on increased rates.³² Family issues and their relationship to work obligations have also seen a change with increasing availability and use of leaves for the care of family.

5.4 Associated Workplace Climate Factors

- turnover
- productivity
- stress claims

²⁹ Mathieu JE, Kohler SS. A cross-level examination of group absence influences on individual absence. *J Appl Psychology*. 1990;75:217-220

³⁰ Taylor PJ, Pocock SJ, Srean R. Absenteeism of shift and day workers. *Br J Ind Med*. 1972;29:208-213

³¹ Department of Industrial Relations. Absenteeism: some preliminary research findings. 1993 May.

³² Markham SE, McKee GH. Declining organisational size and increasing unemployment rates; Predicting employee absenteeism from within and between plant perspectives. *Academy of Management Journal*. 1991;34:952-965

- industrial climate
- workers compensation claims rate
- occupational health and safety performance
- morale

The links between absenteeism and retention (turnover) are particularly strong. (Price Mueller causal model of turnover)³³ The intent to leave, reflecting the interaction between intent to stay with job mobility, workplace factors, career and personal development opportunities, affects absenteeism rates. Workplace climate factors share some causal factors and can be linked to occupational health and safety factors in the workplace, productivity, absenteeism, work injury, management practices, and the physical work environment. Whilst such relationships are strong, each of these are separate constructs and can vary independently in causation and outcome.

Some view absenteeism as a withdrawal response from perceived or actual adverse working environments.³⁴ This may however represent a reaction at one end of a continuum of responses which can affect work performance, concentration, safety and participation.

“Quality of Working Life” is a term, which has sought to emphasise the relationship between the working environment and a broad definition of personal health. Programmes based on this premise attempt to achieve gains with improved health and job satisfaction and thereby increased organisational performance and productivity. The Comcare “Quality of Working Life Strategy” suggests the following as key indicators: workers’ compensation rates, absenteeism rate, rates of client aggression, rates of disciplinary procedures, rates of systems breakdown, staff turnover, rates of grievance reporting, and measures of job satisfaction.³⁵ Some of these factors are more specific for the public sector work environment.

Organisations with an attendance problem frequently have problems with workers compensation, productivity and industrial disputation.

6. MODELS OF ATTENDANCE AND ABSENCE BEHAVIOUR

Models represent an attempt to formulate known causative and moderating factors into an interpretable framework. These are useful in understanding some of these interrelationships but do have a number of limiting factors.

There are two competing, though not dissimilar theories for absenteeism: the psychological and economic theories of workplace attendance. These attempt to rationalise absenteeism, a multidimensional construct, to simple important determinants.

Both of these models highlight the importance of work and non-work factors in absenteeism. They demonstrate that factors in addition to illness and direct incapacity account for a proportion of workplace absenteeism. This leaves open the opportunity for management interventions to encourage and facilitate attendance by factors that may fall into their control. However, they down

³³ Taunton RL, Krampitz SD, Woods CQ. Absenteeism-retention links. JONA 1989;19:13-21

³⁴ Jenkins GD, Mitra A, Gupta N. A meta-analytic review of the relationship between absence and turnover. Journal of Applied Psychology 1992;77:879-889

³⁵ Quality of Working Life Strategy: Developing an action plan to improve health and productivity. Comcare Australia. AGPS 1993

play the role of illness and disease and ignore the possible contribution that interventions at this level may make.

Theoretical models of Attendance and Absence behaviour are discussed in greater detail in Appendix 1.

7. MEASUREMENT AND BENCHMARKING

Measurement is an important step to the assessment of workplace attendance. There is a frequent tendency to just guess the extent or focus on a perceived problem rather than to take a systematic approach. There are very few norms for sickness absence though some have suggested limits of concern.

There is often a reluctance to measure - "... one of the interesting points she made during our discussion was how concerned she was about absenteeism. I asked, 'How bad is it?' She replied 'We don't know'. The subsequent conversation went something like this: 'If you don't know how bad it is, then why are you worried?' 'We are worried because it is pretty bad'. 'Why don't you measure it?' 'We don't like to just in case the figures are really as bad as we think they might be'³⁶

Benchmarking within industry categories and within organisations is an important tool for absence management. The question of the need to measure is a simple one, but what to measure becomes more complex. Most companies keep records for accounting reasons to ensure that leave is not expended past entitlements. This is often kept in personnel files or cards. Such data, however, is not readily accessible for systematic analysis. The increasing use of computer databases for personnel and pay records has the potential to provide more meaningful information.

The rate, pattern and distribution of lost time from sickness absence can give an insight into the possible causes of absenteeism. For example, through assessing temporal relationships relating to shifts, weekends, rostered overtime, patterns such as absence length or classification (such as certified or uncertified leave), productivity, turnover and key organisational event indicators, factors associated with absenteeism can be identified.

At first glance measuring absenteeism would appear to be an easy proposition. Staff are either at work or not. Such a rate, however, tells us little about what may be happening and what may be the causes. The distribution of leave taking is typically skewed, with most episodes being short and frequent. Awards influence the pattern leave by placing limits on the total of certified and uncertified leave available. The patterns of these types of leave may be very different. The timing of leave is also important. It seems more frequent at the beginning or end of a working roster, near public holidays and during school holidays. Increased levels occur during the winter months in association with the peak of upper respiratory tract infectious disease. In most organisations half the total time lost is due to a small fraction of the workforce.³⁷

Appendix 2 describes a range of absence measures in more detail.

The key features are:

- defining absence leave types

³⁶ Sargeant A. The missing workforce. Institute of Personnel Management. London 1989.

³⁷ Taylor PJ. Absenteeism, cause and control of Absenteeism, definitions and statistics of. ILO Encyclopaedia of Occupational Health and Safety. 1983

- defining unit of time lost - days, half days, hours
- defining a denominator- normal working hours, normal working days per year
- an absence profile
- attaching a cost (financial and productivity)
- able to be diagnostic
- integrated with other performance measures

Positive measures such as attendance rather than absence may offer a useful interpretation of the data.

There are a number of hidden areas of cost in administration, human resources, training and overtime. Costs and opportunities for improvement not only include high frequency short-term leaves but also prolonged sickness absence. Hidden losses such as premature retirements are not often considered.

Measurement should lead to benchmarking and the use of quality management tools such as control charts to detect and monitor performance. Monitoring systems need to be in tune with organisational structure with figures referable to areas of responsibility. Frequently this will require the use of computer based systems.

8. SOLUTIONS

Simple prescriptive solutions such as the use of reward lotteries or progressive discipline are often suggested to solve absence problems in the work place without any consideration of the underlying causes of the problem. This probably explains the wide variation in success rates of various absence control measures.

Fitzpatrick and Huczynski³⁸ suggest that careful assessment and analysis of absence problems is essential for effective solutions. This involves characterisation of the absence problem within an organisation and identification of the causes before designing and implementing strategies suited to that organisation. They further suggest that solutions can be chosen from a range of people, work and organisationally focused strategies.

Solutions to maintaining and improving attendance can be based upon theoretical principles, workplace investigation and assessment and through assessing and reviewing the practical application of workplace strategies and experience of industry. This section intends to review some of the components or techniques, which have been applied in investigating, or improving workplace assessment and attendance. Appendix 3 goes on to describe some examples of industry experiences to provide some perspective. Finally an integrated approach is discussed. Solutions should be applied in a framework utilising quality management approaches to investigate systemic causes rather than focus on the individual.

The construct of job-person fit may be useful in conceptualising and modifying workplace attendance and absence behaviour. (see figure 3). This construct can be seen as operating with “fits” at individual, group and industry level and brings a focus onto factors which are within the control of workplaces and employers, whilst acknowledging the important action of external factors.

Features of this construct are:

³⁸ Huczynski AA, Fitzpatrick MJ. Managing employee absence for a competitive edge. Pitman Publishing 1989 London

1. the range of factors within the sphere of influence by/of workplaces and employers;
2. other models tend to be over rationalistic about absence as a decision making behaviour, or as a result of external variables less influenced by the workplace; and
3. can be considered as acting at a group, employer and individual level.

The workplace acts as a pivot to a range of outcomes. The factors on the left are capable of modification through skilled supervision, the use of Employee Assistance Programmes (EAP's), health promotion and flexible work practices and so on with the potential to realise a range of gains.

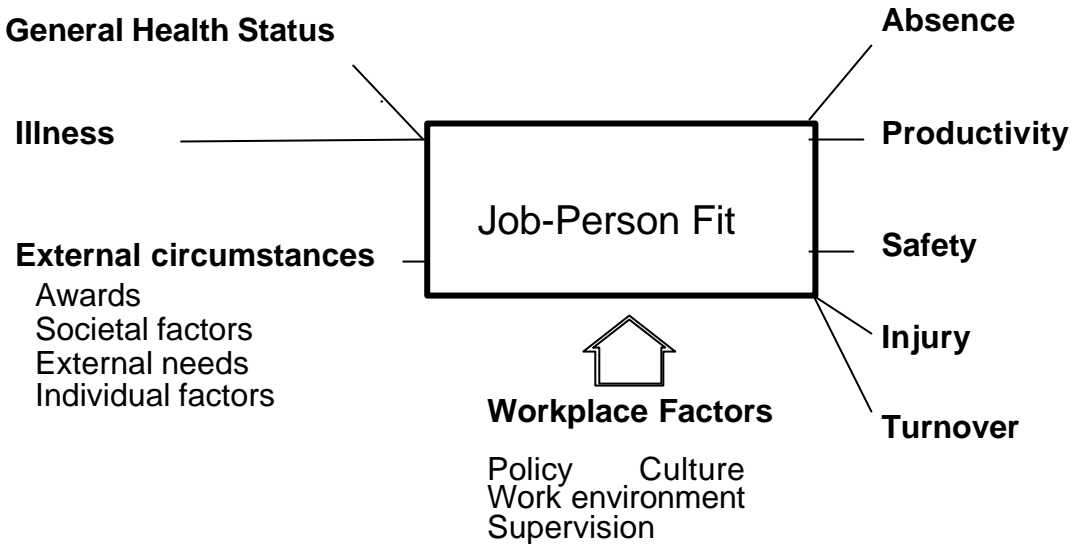


Figure 3. Causes, moderators and outcomes

8.1 Attendance policy

An organisational policy on attendance provides a clear statement of the objectives and principles by which attendance will be promoted within an organisation. The policy statement is an important communication tool to assist managers, supervisors and employees to understand their roles and responsibilities.

The following are suggested as desirable components of an attendance policy.

1. Define the objectives, acknowledging the importance of attendance in productivity, workplace morale, and the physical and social work environment.
2. State the value and importance of individuals to the workplace.
3. Define responsible officers and line management responsibility.
4. Define application in terms of work areas or workgroups.
5. Procedures for absence notification - responsible officer. (It is preferable to use the worker's supervisor for this function).
6. Define acceptable and non acceptable attendance.
7. Absence follow up
 - informal contact procedures

- formal contact procedures
- problem solving resources
- protocols for independent medical referral

8. Procedures for long-term absences should be different from those used for short-term absences. Prognostic information can assist in determining training and manpower. Opportunities for rehabilitation may need to be explored.
9. Statement of confidentiality.
10. Leave provisions, entitlements and definitions.
11. Define leave approval mechanisms and decision latitude.
12. Specific initiatives to deal with causes.
13. Procedures for grievance resolution.
14. Statement of consultation and agreement with workforce.
15. Regular policy review.

A sample policy and procedures from the HydroElectric Commission, Tasmania is included in Appendix 4.

8.2 Sick Leave System Options

Sick leave policies have the potential to influence the rate of workplace absence.³¹ Simplistically this may be seen through a reduction of opportunity or entitlement, however there are complex relations which may reward or discourage absence behaviour. When the effect of a differential waiting time entitlement based upon accrued leave was studied, using self reports of leave taking together with key workplace, demographic and classical absenteeism predictive factors, a small proportion of the overall total absence variance was accounted for. However a strong association (22%) was found to exist between measured avoidable absence and the effect of differential entitlements with a significant relationship for avoidable absence.³⁹

Sick Leave Pools

Sick leave pool arrangements, where employees contribute leave to a pool accessible by employees who suffer long-term illness or injuries. This type of system can assist with creating a positive absence culture where the pool is owned by the work force as an “insurance” against ill health.

Sick Leave Insurance

Transferring liability for the payment of sick leave to an insurance company could be considered as an option where it is considered that externalising responsibility for work place attendance will not cause problems. Most insurance company administered schemes provide only a percentage of pre-incapacity earnings as a disincentive against abuse.

³⁹ Dalton DR, Mesch DJ. On the extent and reduction of avoidable absenteeism: An assessment of absence policy provisions. *J Applied Psychology*. 1991;76:810-817

Employee Administered Sick Leave Funds

Employee sickness accident funds were established by some private companies many years ago before employer funded sick leave was the norm. The contribution by employees to sick schemes can be expected to contribute to a positive absence culture as with sick leave pools.

Combined Leave Banks

Some systems have attempted to combine paid annual leave, special leaves and a component of sick leave into a combined leave bank.⁷⁴ The outcome involves a conversion of a component of existing leave provisions to accessible general leave with a reduction of designated sick leave. There appears to be no net loss of sick leave with drawings down into the accrued leave possible with some gains overall in available leave.

Open ended (no credit) sick leave systems

No credit systems provide paid sick leave on the basis of need without individual entitlements being granted. Such systems can have a positive influence on absenteeism by removing the expectation that each employee has a leave entitlement that should be used or else will be lost. The potential for excessive leave taking under such systems puts the onus on management to address problems rather than rely on limited availability of sick leave to limit abuse. Cumulative sick leave is believed to exert an adverse influence on leave taking³¹.

Paying Out Sick Leave Entitlements

A number of organisations have systems whereby a proportion of accumulated sick leave entitlements are paid out either on an annual basis or on termination of employment or more commonly retirement.

The rationale is to encourage employees to preserve their sick leave entitlement, reduce disruptive unplanned absence and reward employees who do not abuse the system.

The costs of such systems, however, have been cause for concern. In 1991 the NSW Government prepared an issue paper in response to concerns about “cashing in” of accumulated sick leave entitlements and canvassed the need for legislation to prohibit the practice.

Paying out sick leave is further discussed under “Rewards, Penalties and Incentives.”

Existing sick leave may act as an unutilised resource for later credit and may encourage subsequent voluntary absence. Conversely reduced available credits through consumption lowers the risk of short-term future absence.²³

8.3 Absence Monitoring Systems

The measurement of absence is fundamental to identifying problems, developing solutions and monitoring the success of absence control strategies. Computer based absence reporting systems can provide data so that absence rates can be measured on an ongoing basis as an important indicator of overall human resource performance. This can provide feedback on the success of intervention strategies.

In addition, monitoring systems can assist with the identification of employees who are frequently absent for individual management attention.

Further information is provided in Appendix 2.

8.4 Employee Assistance Programmes (EAP's)

The goal of employer sponsored support systems is to assist workforce members to deal with personal, family and work issues, and consequently to participate fully and productively at the workplace.⁴⁰ Professional counsellors, provided to employees on a voluntary and confidential basis, perform such services. One study involving an intervention programme with professional counsellors occurred in UK postal workers, which demonstrated a 66% reduction in absenteeism.⁴¹ Interestingly there were no effects on organisational commitment or job satisfaction recorded.

Employee Assistance Programmes usually offer counselling to assist with a wide range of problems including:

- workplace problems: including harassment, violence, conflict and re- structuring
- problems at home: including relationship problems, illness and drug/ alcohol problems.

In Australia, most EAP's have grown out of established alcohol and drug dependency programmes, broadening the range of problems they can assist with. Although individual confidentiality is protected under such programmes, general feedback on the volume of problems to the organisation's management can provide data on causes of absenteeism as well as a range of other workplace problems. Problems with supervision or work organisation may be revealed. Some EAP's are able to offer workplace programmes.

Employers should seek to maximise the gains possible to them through the use of EAP's. EAP involvement may be severely limited by capitation based fees and employers need to consider the value adding that may occur with the use of a professional and skilled EAP provider. The quality of their input and impact is dependent on service experience and expertise. One of the drawbacks with EAP's is the low utilisation rate primarily through lack of referral and under promotion, however, cost factors, attractiveness and willingness to participate are also critical.

8.5 Rehabilitation

The value of promoting an early return to work following work related injury has been well recognised. The same principles can be applied to employees suffering illness or injury due to any cause. In some cases and particularly in prolonged absences a comprehensive assessment may lead to the development of an effective rehabilitation programme or workplace intervention. Larger organisations often have internal resources dedicated to provision of rehabilitation services that can be utilised, however similar organisations or complex cases may require the use of Rehabilitation professionals.

8.6 Health Promotion and Wellness programmes

⁴⁰ Moss L. Mental health and the changing work environment. In Environmental and Occupational Medicine. Second edition.667-673. Rom W. (ed) Little, Brown and Company 1992 Boston.

⁴¹ Cooper CL, Sadri G. Impact of stress counselling at work. J Social Behaviour and Personality 1991;6:411-423.

These programmes have an intuitive attractiveness given the substantial contribution of factors such as smoking, alcohol and drug use, lifestyle and infectious agents have on work absence.

Much of the cost benefit analysis comes from the USA where employers may have considerable incentives by way of medical, absence and workers compensation costs. Economic arguments are frequently used to justify health promotion efforts and constitute a significant factor of its consideration in the workplace. Many believe that a number of potential benefits can arise including reduction of health care and compensation costs, productivity increases, increased worker morale, a positive association with corporate image and goals, reduction in turnover, absenteeism and disability.^{42 43} Problems exist with the rigour and validity of the assessment of these programmes⁴⁴ questioning the benefit, particularly of high cost programmes as a strategy to reduce absenteeism. Such programmes are more likely to work through a combination of mechanisms, such as: improved health status, improved well being, improved workplace morale, organisational commitment and job satisfaction. Johnson and Johnson found that employees who participated in their "Live for Life" programme experienced 20 fewer hours of sick leave per year.⁴⁵ DuPont also had a similar experience in a similar programme.⁴⁶

Effective strategies have been demonstrated for cardiovascular risk factors,⁴⁷ smoking cessation, relaxation training, stress management and physical fitness. The latter three appear to have the more direct effect on absenteeism. Modest physical activity appears to have a significant beneficial effect.^{48 49} However, evaluation of the latter suggests that this may have been expressed in the short term through selection, effects on morale, organisational commitment and self-perception rather than enhanced aerobic capacity. For employers, workplace smoking cessation programmes may yield important short term economic benefits by reducing absenteeism⁵⁰ in addition to enhancing smoking control programmes, employee-workplace relations and health. (an estimated cost of \$2.60 per each sick day saved in this study). The improved attendance as a result of smoking abstinence is likely to reflect other factors in the short term rather than associated disease risk reduction since this occurs with a considerable time lag.

Immunisation programmes may have the potential to reduce morbidity associated with infectious illness. Studies of the benefits of influenza vaccination have shown potential benefits with the reduction of illness incidence and days lost.⁵¹

⁴² Jones RC, Bly JL, Richardson JE. A study of a work site health promotion programme and absenteeism. *JOM* 1990;32:95-99.

⁴³ Warner KE. Selling health promotion to corporate America; The uses and abuses of economic argument. *Health Education Quarterly* 1987;14:39-55

⁴⁴ Chen MS. Proving the effects of health promotion in industry: An academician's perspective. *Health Education Quarterly* 1983;10:235-245

⁴⁵ Jones RC, Bly JS, Richardson JE. A study of a worksite health promotion programme and absenteeism. *Journal of Occupational Medicine*. 1990;32:95

⁴⁶ Bertera RL. The effects of workplace health promotion on absenteeism and employment costs in a large industrial population. *Am J Pub Health* 1990;80:1101

⁴⁷ Aldana SG, Jacobson BH, Harris CJ, Kelly PL. Mobile worksite health promotion programmes can reduce selected employee health risk. *JOM* 1993;35:922-928

⁴⁸ Shephard R. A critical analysis of work-site fitness programmes and their postulated economic benefits. *Med Sci Sports Exerc* 1992;24:354-370

⁴⁹ Muto T, Sukurai H. Relation between exercise and absenteeism due to illness and injury in manufacturing companies in Japan. *JOM* 1993;35:995-999

⁵⁰ Jeffery RW, Foster JL, Dunn BV, French SA et al. Effects of work-site health promotion on illness related absenteeism. *JOM* 1993;35:1142-1146

⁵¹ Nichol KL, Lind A, Margolis KL, et al. The effectiveness of vaccination against influenza in healthy working adults. *NEJM* 1995;333:889-893

Health promotion has been undergoing a shift in focus, going beyond single and multiple health risk factor interventions and towards the consideration of organisational level factors such as work-design or climate, which are beyond individual control and intervention, yet contribute to illness and absence in employees.⁵² This shift in part is based on the evidence which supports effective short term improvements in morale, satisfaction and absenteeism being at least as significant as those supporting the long term outcomes of reduced medical cost but also of the need to move from individual to structural interventions.

Challenges for health promotion include:⁵³

- Integration of worksite health promotion with medical care systems.
- Establishment and maintenance of ethical standards to protect privacy and job security.
- Integration of corporate policies, environmental enhancement, and behavioural change strategies to create healthier workplaces.
- Improved methods for evaluating health outcomes and cost-effectiveness of corporate wellness policies and programmes.
- The development of extensions to worker health promotion to involve families.

Many occupational physicians provide primary, secondary and tertiary health services and can deliver either comprehensive or targeted health promotion services in industry. General practitioners also have a considerable role to play, as should government in sponsoring workplace health interventions.

A report with further information is available from the Faculty of Occupational Medicine.⁵⁴

8.7 Supervisory and Management Training

Virtually all major reviews of the literature have demonstrated a consistent relationship between job satisfaction and absenteeism.⁵⁵ Management and supervisory factors contribute significantly to the development of job satisfaction. Workplace structure and organisation is also highlighted in the econometric model.

The development of work group cohesion, consultative and participatory decision management strategies, provision of feedback and the importance of valuing employees are important long term strategies in workplace development. Supervisory practices which lead to a more open expression of opinion and participatory problem solving, may result in reduced ambiguity, role conflict and stress and increased job satisfaction, with a consequent reduction in absenteeism.⁵⁵

Supervisory and management training in these skills is therefore an important strategy that can influence supervisory and management style.

Training can include:

- Role of supervisors and managers in absenteeism follow up.

⁵² Sloan RP. Workplace health promotion: A commentary on the evolution of a paradigm. *Health Education Quarterly*. 1987;14:181-194

⁵³ Stokols D, Pelletier KR, Fielding JO, Integration of medical health care and worksite health promotion. *JAMA* 1995;273:1136-1142

⁵⁴ Health Promotion in Industry. Australasian College of Occupational Medicine. 1990

⁵⁵ Gray-Toft PA, Anderson JG. Organisational stress in the hospital; development of a model for diagnosis and prediction. *Health Serv Res* 1985;19:753-74

- Policies and procedures for under performing employees.
- Keeping contact with worker and the use of feedback.
- Recognition and support for ill/distressed employees.
- Knowledge of policies and procedures.
- Use of EAPs.

Other matters for consideration include:

- Information for supervisors on attendance.
- Acknowledgment and support by management.
- Commensurate training and skill formation.
- Clear policies and procedures.
- Appropriate recognition and rewards.
- Mechanisms to reward and acknowledge good work performance and attendance behaviour of employees.
- Liaison with established workplace consultative mechanisms.

It is critical that supervisors and managers should devote daily time to the management of human resources problems such as absenteeism, workers compensation and rehabilitation.

A sample policy with advice to managers and supervisors is provided in Appendix 3.

Taylor⁵⁶ stressed the necessity of involving workers in forming shared objectives. "All supervisors should be personally concerned with absence in their own areas and not be allowed to abdicate responsibility to personnel departments. They should play their part in making employees feel that their contribution to the working group and to the objectives of the firm is really valued". Employee recognition can reinforce appropriate attendance behaviour.⁵⁷ Lack of concern or inattention can give rise to increased rates of leave taking. The importance of follow-up, contact and communication in assessment of absence instances with non-confrontational inquiry follows from this.

Where absence is high, a step by step programme should be instituted involving a problem solving approach. Supervisors are usually not in a position, and nor is it desirable, that they provide solutions to personal issues, but should have knowledge and access to appropriate counselling, human resources or medical support services. Employee counselling needs particular skills and external professional counselling may be most appropriate in many circumstances.⁵⁸ Where policies involve progressive warnings and discipline, such actions should only be contemplated after attempting a problem solving approach and further investigation. Such policies should be viewed in the overall context of an attendance management strategy which should seek to deal with structural issues which reduce attendance.

Policies should be developed in concert with employee representatives and unions. Employers should attempt to consult widely with their employees, occupational health and safety representatives and committees and unions in developing workplace strategies, with absence management being no exception. Measures, which have been developed and agreed multilaterally, are likely to be easier to establish and may be particularly effective.

⁵⁶ Taylor PJ, Pocock SJ, Sergeant R. Absenteeism of shift and day workers. *Br J Ind Med.* 1972;29:208-213

⁵⁷ Werner GA. Employee recognition; A procedure to reinforce work attendance. *Behavioral Residential Treatment* 1992;7:199-204

⁵⁸ Buon T. Employee counselling and performance management. *J Occup Health Safety- Aust NZ* 1992;8:57-59

8.8 Rewards, penalties and incentives

Rewards, penalties and incentives have an important role in absence management and the creation of an attendance culture. Such devices can vary from unambiguous rewards such as financial gain, through to clear penalties such as dismissal or even prosecution for fraud. There is a tendency to underestimate the importance of acknowledgment and public recognition as a form of reward and the use of relative disincentives including requirements to account for leave and provide direct information to supervisors of leave taken. These positive and negative incentives form elements in many programmes that seek to develop an attendance culture.

Rewards

There are a number of potential problems which arise from the use of incentives. They are usually differential, often poorly targeted so as not to achieve improved attendance in high frequency leave takers. Sickness and injury may be concealed which may result in reduced productivity, increased risk to workplace health and safety, errors or disease transmission. This may also discourage the early detection and treatment of illness. It is possible that such incentives may actually encourage absences when the perceived benefit is small, remote or defaulted. Rebound absenteeism after the cessation of such programmes has been frequently noted.

The cashing in of sick leave, that is the redemption of sick leave for full or part full pay, is often promoted as a solution to absenteeism. This can operate as an effective incentive for leave avoidance, though it effectively penalises those employees unfortunate enough to become ill, and is seen by some as being inconsistent with the premise upon which sick leave was based. Some organisations have accumulated significant long-term financial burdens as a result of full sick leave redemption programmes.

Issues to consider include:

- Little evidence of long term effects.
- Relatively expensive to administer.
- May not be supported by employee organisations.
- May potentially discriminate against those unlucky ill.
- Contrary to the original concept of sick leave as an insurance against ill- health.
- Financial rewards may need to be meaningful to be effective.
- Should involve a full cost benefit assessment.

Penalties

Where the cost of job loss is perceived to be low, work non-attendance is thought to be more likely. Some research has suggested that dismissal threat is a very effective tool for absence control.⁵⁹ Relative to positive incentives, penalties, sanctions or progressive discipline may give rise to adverse outcomes such as workplace conflict, reduced morale, reduced productivity and tense working relations. The effect of an intervention on the whole of an organisation needs to be considered. Reduced absenteeism at the expense of employee morale, turnover, productivity or disputation may see overall costs increase.

Counselling systems for under performing and poor performing employees need to be well constructed and supported with clearly understood processes for management, supervisors and

⁵⁹ Balchin J, Wooden M. Absence penalties and the work attendance decision. Working Paper Series. 1992, 120. National Institute of Labour Studies.

employees. Mixed consequence systems combining progressive assessment with problem solving have had some success.

Systems developed in agreement with the workforce are likely to be more successful.

8.9 Workplace Stress Strategies

One of the most commonly used models of occupational stress is the person-environment fit model.⁶⁰ This provides two avenues for reducing the experience of work stress, firstly by improving and enhancing the skills and strengths of individuals and secondly by reducing the numbers and strength of occupational stressors. There is evidence to suggest that organisational level interventions may be more effective.⁶⁰

Effective and simple strategies exist to assess workplace stress as a component of absence management practices. Whilst they do not represent a primary strategy, they may be important in environments where there is high absenteeism, high turnover, low morale, reduced productivity and frequent episodes of occupational stress. In a review of academic methods and practical managerial procedures, various techniques are discussed in terms of cost and accuracy.⁶¹

The Comcare "Quality of Working Life" Strategy provides a simple method of reverse appraisal of the workplace through the development of a simple workplace specific survey tool which provides a platform for recognising problems and developing an action plan.³⁵ More sophisticated tools such as the "Occupational Stress Index" and the "Occupational Stress Indicator" are available and require significant resources and interpretative skills in order to give rise to meaningful results and outcomes. Staff surveys audits and systems of reverse appraisal are becoming more common and are used extensively in the Australian banking industry⁶² for example.

Stress management and stress training may have an important role in some industries and workplaces. Skills in conflict management and conflict resolution are valuable for managers as well as employees.

Attendance impacts may be expected in the following circumstances:

- Shiftwork- existing, introduced or modified
- Downsizing
- Relocation
- Rapid change
- Major events: fire, explosion, violence
- Technological change.

Managing workplace change

Workplace change can have dramatic effects on employees, influencing their motivation to attend work. In particular downsizing and restructuring, associated with consequent uncertainty and the risk of retrenchments, have the capacity to adversely affect attendance. Change management strategies involving participatory and informative approaches can have impacts on performance, turnover and absenteeism.

⁶⁰ Burke RJ. Organisational-level interventions to reduce occupational stressors. *Work & Stress*. 1993;7:77-87

⁶¹ Salter F. Assessing stress in the workplace: an interdisciplinary review and guide. *J Occup Health Safety- Aust NZ* 1991;7:311-318

⁶² Boyd A. And the morale of NAB's success story: Get Staffed. *The Australian Financial Review* 1995; Friday April 21

Enterprise bargaining at the workplace level may involve issues that relate to health and safety, work practices systems of work and even absence management and policy. The health and productivity effects of such agreements need to be considered and monitored. For example the extension of shift hours or rotations, the effects of decreased supervision or the opportunities presented through improved consultation, training and skilling of the workforce. WorkSafe provides a guide to occupational health and safety considerations in workplace agreements.⁶³

Schweiger and DeNisi examined the effects of a communications programme (a realistic merger preview) which was utilised in one plant undergoing amalgamation. Another plant, which was also being amalgamated, acted as a control. The announcement of the merger predictably had a negative effect in both plants with increased global stress, perceived uncertainty and absenteeism, reduced job satisfaction, commitment and perceptions of distrust, honesty and caring. The merger preview appeared to reduce the effects both in the short term and throughout the length of the study.⁷²

Pre-employment and pre-placement assessment

Pre-employment medical screening has doubtful effect on influencing absenteeism,^{47 73 74} though there are proponents for urinary screening for drugs of abuse and the use of some psychological screening tools. The positive predictive value for absence propensity is low and such assessments may be unreliable. The loose association between health status and absenteeism reduces the value of screening and opens the door for potentially inappropriate discrimination. Opportunities to reinforce positive health behaviours, screening for conditions, early intervention and the enhancement of job person fit through considering the specific interaction between workplace and conditions exist in health surveillance and preplacement assessments. Seamonds⁶⁴ found a decrease in absenteeism in those subjected to a structured health evaluation interview, which focused on job stressors and the provision of simple advice.

Employee selection procedures based on job-person fit and skills however are likely to be extremely important in job satisfaction.

Alcohol and Drug Dependency Programmes

Alcohol and drug dependency is a well-recognised problem in Australian society as are its effects on productivity, absenteeism, disease, deaths and accidents in industry. Some occupations and industries have a high prevalence. Drug and alcohol problems may be a valid explanation for clustering of absences in workgroups.⁷²

Industry programmes have been in place in many organisations in Australia for some time operating through EAP's or specialised services. The Faculty of Occupational Medicine has a current policy document.⁶⁵

8.10 Workplace organisation, work and management practices

Flexible Working Arrangements

⁶³ Worksafe Australia. Occupational health and safety considerations for workplace agreements.

⁶⁴ Seamonds BC. Extension of research into stress factors and their effect on illness absenteeism. JOM 1983;25:821-822

⁶⁵ Australasian College of Occupational Medicine Drug and Alcohol Statement.

Flexible working arrangements have a twofold opportunity for success, firstly they may critically influence individual ability to attend and secondly by affecting job satisfaction.

Flexible work arrangements have an attractive and popular appeal. They would be expected to exert an effect by allowing employees to schedule work around external factors such as childcare and medical appointments, but also by increasing job satisfaction through increased control, autonomy and responsibility. The number of studies in this area is small, however a substantial reduction in leave taking was observed prospectively in a natural experiment between two sites of the same organisation. Levels returned to normal after the trial was finished a year later.⁶⁶ In an analysis of flexible work schedule variables, including core minutes, schedule variability and flexibility, supervisory change and approval, a positive relationship was demonstrated with absenteeism, work performance and organisational commitment.⁶⁷ A similar argument for the potential effects of flexibility associated with working from home could be put forward.

The introduction of flexible work practices requires a high level of organisation, planning and support. Issues such as equity of participation, monitoring, dispute resolution and penalty payments will need to be considered in advance.

Many managers may be familiar with the taking of sick leave when annual leave or other leaves are denied. Poor planning, lack of consideration of staffing requirements and leave requisitions can result in destructive leave taking patterns.

Short recreational or discretionary leaves ranging from one to four days together with forward manpower planning are useful considerations.

Unfortunately there is little objective discussion on the effectiveness of the provision of childcare on employee attendance, though there is a weight of opinion that suggests that it may be very effective. There is good evidence to support the effectiveness of childcare provision in reducing turnover and improving recruitment. Its effect on absenteeism is ambivalent.^{68 69} Blau suggests that absence may occur not so much as a response to a lack of child care but rather because of the sickness of a child, in which case such facilities are unlikely to have much effect.³¹ Low cost and cost effective opportunities exist for the provision of services, including service co-location adjacent to industry with government schemes. After hours school care and care during holidays may fill an important gap, noting that absence rates appear elevated during school holidays.

Work tasks

Physical aspects of the work environment may also influence absence rates. Hazards such as noise, heat, poor indoor air quality, biohazards and chemical agents should be assessed. The presence of uncontrolled hazards in the workplace has the potential to give rise to direct compensable absence and indirect workplace absenteeism.

Work organisation

⁶⁶ Dalton DR, Mesch DJ. The impact of flexible work scheduling on employee attendance and turnover. *Administrative Science Quarterly*. 1990;35:370-387

⁶⁷ Pierce JL, Newstrom JW. The design of flexible work schedules and employee responses: relationships and processes. *J Occupational Behaviour*. 1983;4:247-262

⁶⁸ Kossek EE, Nichol V. The effects of on-site child care on employee attitudes and performance. *Personnel Psychology* 1992;45:485-509

⁶⁹ Goff SJ, Mount MK, Jamison RL. Employer supported child care, work/family conflict and absenteeism; A field study *Personnel Psychology* 1990;43:793-809

The Volvo Report described a number of improvements in the work environment including innovative job design, mechanisation, elimination of repetitive jobs and heavy lifting, job rotation and teamwork. These allowed more social communications and other measures which increased the freedom and responsibility of workers resulting in a 50% decrease in absenteeism without diminishing productivity or profitability.

Quality circles and autonomous workgroups represent an adoption of a new set of work arrangements involving workers in a more active and participatory role. Improvements in productivity, job satisfaction, absenteeism and other work-related variables have occurred⁷⁰ The development of affirmative job attitudes where employees identify their interests with those of the firm, is seen as an important consequence.⁷⁸ Involvement with increased job scope and responsibility requires training and skill development to achieve an optimal job person fit and can be seen as one of the components for work motivation including rewards, communications, shared goals and participation. Conversely isolation and relative anonymity can potentially support increased absence.

Quality Management

Many organisations have adopted the principles of quality management incorporating the concepts of continuous improvement of processes, with the evaluation of output based on quality rather than volume.

Many of the principles of quality management have the potential to significantly impact on employee management. With an emphasis on employee empowerment and participation, teamwork and increased flexibility, improvement in workplace morale and job commitment may result in beneficial effects on workplace absenteeism.

Quality concepts can be directly applied to the problem of absenteeism within an organisation. With employee participation in decision making, processes can lead to the analysis of the causes of absence and improved systems can be developed. The HydroElectric Commission in Tasmania used these concepts to develop a new sick leave system for the organisation. (Appendix Three)

Grievance Procedures

Grievance procedures have an important place in addressing workplace conflict. Workplace grievances appear to have a direct association with increased absenteeism particularly in the short term. Such grievances may generate sufficiently felt inequity to concurrently generate grievance action and withdrawal in the form of absenteeism.⁷¹ Developing procedures to deal with disputes including consultative and participatory mechanisms may intercede in this process. Opportunities should be developed to provide effective occupational health and safety committees or consultative committees with sufficient training and commitment to create open channels of communication.

8.11 Reduction of Consequences

As has been discussed previously absenteeism has a number of adverse consequences for the workplace. Even though effective workplace management may reduce levels there is still a core level of unavoidable absenteeism which will continue to occur. Organisations need to have internal

⁷⁰ Pearson CAL. Autonomous workgroups: An evaluation at an industrial site. Human Relations. 1992;45:905-936

⁷¹ Klaas BS, Heneman HG, Olson CA. Effects of grievance activity on absenteeism. J Applied Psychology 1991;76:818-824

processes to cope with the resultant effects of workplace absences. Planned responses may reduce the loss of productivity. Examples include the multi- skilling of staff, rescheduling of work availability, and the involvement of supplemental skilled workers. In order to execute loss reduction strategies, forward planning is required together with a system of notification. Advance notification is possible in many circumstances, persons are rarely too sick to call or delegate the task of notifying the employer. Workplace policies and working environment should be conducive to the early and mandatory communication of all unscheduled leave taken.

The provision of alternate duties and appropriate return to work opportunities, similar to those used for compensable injury, may assist in the reduction of the impact of long term absences.

8.12 Medical review

Many absence problems can be dealt with by discussion between the employee and the supervisor to identify the cause and possible solutions. Where medical input is required, the treating medical practitioner may be the most appropriate to involve initially.

Where an organisation has an occupational medical or health service their involvement should be sought to liaise with the medical practitioner and other relevant providers such as the EAP. In the infrequent circumstance where an independent medical opinion may be sought, the grounds for referral should be made clear to all parties and should preserve the right of individual confidentiality. This may be particularly so when concerns arise with safety or fitness to work. Policies should be developed in anticipation of such circumstances with procedures currently existing in some employment agreements.

Medical reviews, whilst important, may have limited use in many cases given the poor relationship between disease, health status and absence. Short-term illness absence is difficult to objectify with contemporaneous assessment and is harder to assess in retrospect. Medical assessment may provide the opportunity to detect problems and identify issues for assessment, assistance, management, alternate duties and appropriate return to work opportunities.

Some aspects of the medical review are discussed further in the section entitled “ Role of the Occupational Physician”.

9. INTERVENTIONS AND THE APPROACH

Employee attendance represents an opportunity to improve productivity, the work environment and morale through influencing factors, which are the responsibility of management or are open to initiatives by management. A dualistic approach can be pursued from the application of general principles together with solutions based upon critical workplace assessment. Negotiation, flexibility and initiative can have a direct impact.

Unfortunately the enhancement of workplace attendance is not readily achieved by one-off single measures. What works in one industry or workplace at one time may not work elsewhere or again if repeated. Content as well as process and procedure are essential in generating success. Industries and companies have to continually strive to establish a positive attendance culture.

Improved employee attendance is a goal that can be planned for and achieved.

-
- Organisations with good records need to work to keep them.
 - Organisations with average performance should start developing long term goals and strategies.
 - Organisations with a history of poor employee attendance management have a major problem, which may take a considerable effort to generate a turnaround.

Where employee attendance is poor, the component of preventable absence is likely to be high.

Prevention is an important aspect of attendance management. Developing good management policy, procedures and skills should be a priority for all organisations regardless of their performance. Re-establishing an attendance culture may be difficult. Poor work attendance may be more readily prevented with considerable gains in other aspects other than absenteeism.

In developing a policy, attention should be paid to the following key process areas:

- Assessment
- Consultation
- Policy development and maintenance
- Communication
- Training
- Programme maintenance
- Evaluation
- Policies and procedures consistent with relevant legislation governing disability discrimination equal opportunity and industrial relations.

9.1 Where to start

Focus on attendance rather than absence.

The improvement of employee attendance in any workplace should be conducted in a planned and logical way utilising sound management principles as follows:

- Objective assessment of current performance and strategies with the setting of performance criteria for ongoing review.
- Involvement of key personnel at all levels.
- A strategic approach with an emphasis on participation and commitment of the most senior levels of management.
- Frequent review and updating of strategies in light of performance and experience.
- Map out the organisational structure and identify key players and responsibilities.
- List current absence and attendance management strategies.
- Rate current performance.
- Evaluate current monitoring systems and their adequacy.
- Assess the costs and implications of current attendance practices.
- Identify strengths and weaknesses in:
 - policies,
 - procedures,
 - record keeping and,
 - training.
- Absence management assets- what do you have and are they performing?
 - Supervision

- EAP's
- Flexible work arrangements
- Rehabilitation
- Health promotion
- Drug and alcohol programmes.
- Compare against past performance and industry benchmarks

The preliminary steps to a solution lie in assessing the workplace. Where data on absenteeism are generally poorly collected there is a need for improvement. Data needs to be collected not only to ensure workers do not receive pay when their entitlement is exceeded but also to assess labour attendance. Information from turnover and workers' compensation is of great significance since this may highlight psychological or physical hazards at the workplace. Comparison internally and externally with comparable groups, currently and with the recent past, should be performed. Benchmarking is a suggested tool in keeping with quality management systems.

Detailed assessment of the work environment and the organisation of work requires the involvement of the workforce, employee representatives and management. This can be performed with audits based upon causal factors and may include staff survey tools.

Where clustering occurs, detailed investigation often requires a great deal of skill to identify the underlying issues such as grievances over seniority, supervision, shared work experiences and work-related/group related risk and absence behaviour.⁷²

Initial data gathering should include:

- Collection and evaluation of data on absence, turnover and workers' compensation and attendance management policies.
- Workplace walk through inspection.
- Meeting with key parties.
- Assessment of the physical work environment.
- Evaluation of work task organisation.

Following a complete assessment, as outlined above, an overall strategy can be developed which addresses key attendance factors.

**The result of the assessment should be the creation of a strategic plan.
The involvement of management and employees in strategy development is critical.**

Key components of such a plan include a clear set of policies and procedures for staff, management and supervisors. Each group should be aware of their contribution and obligation. Such a plan should not be developed in isolation from other policies and objectives. Employee participation in the process is likely to result in a better workplace fit.

In developing the strategic plan the following should be the principles observed:

- Procedures should spell out processes and actions to minimise impact of absence on the organisation.

⁷² Janes CR, Ames GM. Ethnographic explanations for the clustering of attendance, injury and health problems in a heavy machinery plant. JOM 1992;34:993-1003

- Clear statements should set out employee leave entitlements and a system of sick leave entitlements that promote attendance.
- Guidelines should give guidance on the management of individual cases where regular absence occurs – (An assisted problem solving approach with involvement of the employee concerned is strongly recommended).

A further critical component of an attendance management system is the maintenance of adequate data so that performance can be regularly reviewed at an organisational level and line managers have timely and adequate information to make decisions about the management of absence in the workplace.

Training for managers and supervisors in their role in attendance management is of critical importance.

Health and other workplace strategies can also be considered for inclusion in an attendance programme according to the extent of absence problems in the workplace.

Often the first step in creating an attendance impact is the creation of awareness. By making absenteeism an issue, bringing it to the forefront of management, personnel, supervisors and workers awareness, changes about the way absences are viewed and accepted will start to occur. Attendance should be elevated out of the “too hard basket” into general management and organisational thinking.

Within a large organisation a project leader may need to be assigned. The project leader can assist with identifying the resources necessary to implement strategies and in monitoring progress towards achieving agreed goals.

The overall approach in the development of an organisation’s attendance strategy is summarised in figure four below.

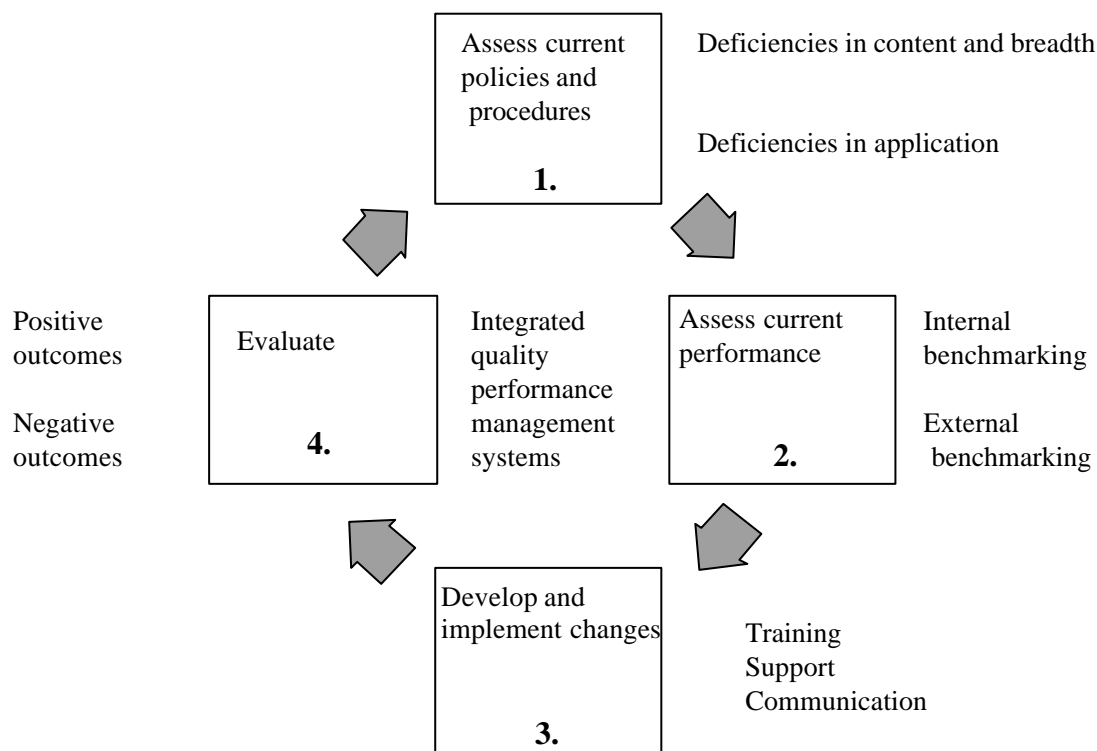


Figure four. Attendance management cycle

Long term goals should move towards the creation of an attendance culture rather than a policing policy.

Strategy development and execution should be seen as equally critical variables in generating successful outcomes. A lack of attention and re-sourcing in execution may see the best strategies fail. Strategies should encompass short and long term goals.

9.2 Small Business

There are considerable constraints on small businesses. They generally lack the knowledge and the resources of larger firms in the understanding and assessment of their working environment, including labour absence, in a systematic fashion without seeking external expert advice, but they also have a number of advantages. As the research points out, company size is an important determinant of absence rate. The closeness and cohesiveness of the workgroup, improved communications and social relations are factors, which should enhance attendance. Management in small business is closer to the ground and there is a relative ease in observing performance. Problems with increased individual absenteeism however are more problematic. Occupational physicians are a good resource for small business because of readily applicable expertise and skills. The principles of monitoring, creating concern and quality of supervisor and human resources skills are still applicable.

10. OCCUPATIONAL PHYSICIANS, WORKPLACE ATTENDANCE AND ABSENCE

Occupational physicians fill roles as clinicians but also, as health professionals with expertise and interest in workplace issues at a group, industrial and societal level, they are uniquely situated to bridge the gap between workers, workplaces and management to create or assist in solutions and improvements in occupational health and safety issues.

Occupational physicians are able to assist with the development of attendance strategies and manage absenteeism problems in the workplace.

10.1 Case Review

Care is required to ensure occupational physicians adopt an appropriate role where individual employees are identified as having absence problems. The role should be one of assessment and problem solving rather than checking and policing on behalf of the organisation. Unless referred by the employee's own doctor for management, the role of the occupational physician is to assess the employee's physical and psychological health status and the work environment and recommend appropriate courses of action to the employer and employee's own doctor. This may include recommendations about fitness for work. Observance of the principles of confidentiality is of the utmost importance.

There is a need for the development of clear policies and procedures acceptable to management and employees for referral for such assessment.

10.2 Rehabilitation

Occupational physicians have a key role in advising on appropriate rehabilitation strategies in conjunction with the employee's treating doctor.

10.3 Health Promotion

Occupational physicians are ideally qualified to assist with development of health promotion strategies relevant to the workplace including the consideration of the following:

- establishment of health promotion initiatives;
- state of the art practice including logistics and training;
- integration of worksite health promotion with established medical care systems;
- establishment and maintenance of high ethical and quality standards;
- integration of corporate policies, environmental enhancement, and behavioural change strategies to create healthier workplaces; and
- improved methods for evaluating health outcomes and cost-effectiveness of corporate wellness policies and programmes.

Many occupational physicians provide primary, secondary and tertiary health services and deliver either comprehensive or targeted health promotion services in industry.

10.4 Design of Attendance Strategies

Occupational physicians can play a key role as consultant to the organisation in the design of attendance and absence management strategies. They have the ability to work with management, employees and their representatives, committees and human resource practitioners with an appreciation of the complex issues that exist in the workplace. This can include consultancy and problem solving in absence management systems.

10.5 Other Roles for Occupational Physicians

The prime ethical consideration of the occupational physician should be the health and safety of the individual in the workplace. These principles do not differ from those in any other form of medical practice.⁷³ The early identification of workplace problems from sentinel health events can lead to interventions with potentially significant savings and personal impact. Early involvement in case specific assessment can lead to positive outcomes. Hence the occupational physicians role also includes, assessment of fitness to work, assessment of work environment, organisational assessment, strategies, interventions, health surveillance and monitoring, health promotion and intervention, assessing the health impacts of work and hazard assessment and risk communication.

11. SUMMARY

For management, absenteeism is an important concern from the viewpoints of service delivery, efficacy and a concern for their employees. Absenteeism is also an important and legitimate

⁷³ Australasian College of Occupational Medicine. Guidelines on Ethics and Professional Conduct for Occupational Physicians 1998.

concern of trade unions in their role of supporting measures that alleviate the causes of absenteeism including counselling programmes, “wellness programmes” and enhancement of co-worker and supervisor support and the construction of better working arrangements that suit the needs of both employer and employee. To be effective strategies will need to focus on areas of common concern to workers, management and unions, and will require the co-operation of these parties.

That absenteeism is a very complex subject is shown by the enormous number of factors believed to contribute to it, and the mostly ineffectual methods that have been traditionally used in attempts to reduce it. Approaches to workplace attendance need to take into account the complexity of humanity-its behaviour and needs- and not merely consider the matter in terms of money saved or work to be performed. Absenteeism can only be modified but not eliminated when it is excessive. For a programme to be effective an organisation must benefit from it in terms of decreased costs and from the production of a work force with a higher level of morale and commitment.

The common responses to absenteeism are to tighten up certification requirements, restrict access to sick leave, discipline offenders or censure doctors issuing the certificates. These approaches neglect to focus on the opportunity to explore structural and policy factors, which contribute to absenteeism. Ignoring the situation, whereby it may be the culture of an organisation that is a strong determinant of absence behaviour, may reduce the opportunity for effective intervention based upon effective policies and communication, development of supervisory skills and procedures.

Many absenteeism strategies ignore the impact of illness and disease on the workplace and its major role in determining work attendance. Health strategies including health promotion, screening, rehabilitation, drug and alcohol and psychosocial support strategies can and should be addressed in the context of a workplace performance strategy.

Research and experience supports that a program with the following elements is likely to provide solutions to workplace absenteeism and attendance problems if implemented in a consultative manner, with the workforce involved addressing the factors causing the absence problem:

- Workplace Attendance Policy
- Sick Leave System that promotes attendance
- Absence Monitoring System
- Employee health and wellbeing enhancement including Employee Assistance, Rehabilitation and Health Promotion strategies
- Supervisory and Management Training in Absence Management
- Adoption of workplace management practices that promote attendance.

12. RECOMMENDED REFERENCES AND TEXTS

1. Reidel P, Preston A. (Ed) Managing Absenteeism: Analysing and Preventing Labour Absence. Department of Industrial relations. February 1995.
2. Rhodes SR, Steers RM. Managing employee absenteeism. Addison-Wesley Series on managing Human Resources 1990
3. Sargeant A. The missing workforce. Institute of Personnel Management. London 1989.
4. Huczynski AA, Fitzpatrick MJ. Managing employee absence for a competitive edge. Pitman Publishing 1989 London

APPENDIX ONE: THEORETICAL MODELS

There are two competing, though not dissimilar theories for absenteeism, the psychological and economic theories of workplace attendance. These attempt to rationalise absenteeism, a multidimensional construct, to simple important determinants.

1. Psychological Model

Much of the psychological model is based upon work by Steers and Rhodes¹⁹, who advance a dichotomous causal model. Employee attendance is conceptualised as largely a function of two variables:

- (a) the ability to attend
- (b) the motivation to attend.

The model seeks to emphasise as its workplace determinants such job situational variables as routinisation, job stress, job satisfaction, work involvement, leadership and co-worker support. The melding of the joint influences of job satisfaction and pressures to attend result in attendance or absence.⁷⁴

Research attempts to differentiate between voluntary and involuntary absence as separate valid constructs. Hackett defines voluntary absences as being under workers control, being typically short term, casual and illegitimate.⁷⁵ The decision to attend work is based upon motivational factors to attend. Involuntary absences are typically beyond the control of the worker and tend to be longer term, are thought to result more often from illness or family responsibilities, and may be based on the workers ability to attend work. These constructs are distinctly, differentially and significantly related to subsets of organisational, personal and attitudinal variables.⁷⁶ Being older, having longer organisational employment record, organisation commitment and a higher job level are positive factors.

It is intuitively attractive to form a hypothesis that those who are less satisfied with work are more likely to be absent. In a review of a number of meta-analyses researching the relationship between job satisfaction and employee absence⁷⁷ a weak relationship between job satisfaction and absence frequency of -0.2 was consistently evident. (ie. job satisfaction accounted for 20% of the variance of workplace absenteeism).

This lack of strength may be in part attributable to the effect of unavoidable absences where motivation may not be a factor, external factors, which attract absence from the workplace, the influence of organisational policies and workgroup norms. Another consistent finding was increased relationship strength with reduced absence duration. Implying shorter absences were more likely to occur in association with relative job dissatisfaction.

These theories try to describe voluntary absence propensity as a function of a behavioural tendency akin to absence proneness, relative work dissatisfaction competing with the attractiveness of other settings, moulded by social culture and norms, and influenced by past individual adaptations. It

⁷⁴ Rhodes SR, Steers RM. Managing employee absenteeism. Addison-Wesley Series on managing Human Resources 1990

⁷⁵ Hackett RD, Guion RM. A reevaluation of absenteeism-job satisfaction relationship. *Organisational behaviour and Human Decision Processes*. 1985;35:340-381.

⁷⁶ Driver RW, Watson CJ. Construct validity of voluntary and involuntary absenteeism. *J Business and Psychology*. 1989;4:109-118.

⁷⁷ Hackett RD. Work attitudes and employee absenteeism: A synthesis of the literature. *J Occup Psychol* 1989;62:235-248

predicts that absence will be reduced by improving job satisfaction and employee relations and alludes to the significance of an absence culture.

Steers and Rhodes refer to a diagnostic model of attendance¹⁹, which includes consideration of:

- major influences on attendance motivation;
- major influences on perceived ability to attend and actual attendance; and
- role of societal context and reciprocal relationships.

2. Economic theory of labour absence

Alternatively, there is the economic theory of labour absence.⁷⁸ The traditionalist economic perspective sees the need to work competing with other alternatives as commodities within the same market. Much as weights on either side of a balance scale with a potential advantage for the worker occurring where standard hours of work exceed a worker's preferred hours⁷⁹. (so called 'opportunity cost' of taking sick leave) Economists have primarily focused on the effects of incentives, unionisation, wages, sick pay provisions and availability, employment climate and demographic traits.⁸⁰ It emphasises the flattening of organisational structures and the establishment of discretionary power at work as potential solutions.

There are considerable overlaps between these models. It is argued that the economic model is perhaps more predictive for the effects of flexible work places, the effects of changing norms and the presence of external factors and sees the effect of trade-offs between income and leisure and the influence of award provisions, task oriented work groups and the provision of opportunities for employees to have a say in the workplace⁷⁸

Rather than seeing these models as competing alternatives, more insight into voluntary absence may be gained in viewing them as complementary perspectives.

Both of these models highlight the importance of work and non-work factors in absenteeism.

3. Discussion

Despite the volume of writings, the understanding of work absence is poor and there are many criticisms that can be made of the research. Much of the research work is observational in origin utilising cross-sectional techniques studying group behaviour. Few studies have provided a longitudinal, prospective view of the action of these factors. Better analysis of time variables in longitudinal studies through the use of survival analysis and event history models may improve the analysis of non-normally distributed events such as absence behaviour.⁸¹

⁷⁸ Dawkins P, Kenyon P. The incidence, causes monitoring and management of labour absence. Discussion Paper in Economics and Industrial Relations No 1/ 90. Confederation of Western Australian Industry

⁷⁹ Balchin J, Wooden M. Absence penalties and the work attendance decision. Working Paper Series. 1992, 120. National Institute of Labour Studies.

⁸⁰ Leigh JP. Employee and job attributes as predictors of absenteeism in a national sample of workers; The importance of health and dangerous working conditions. Soc Sci Med 1991;33:127-137

⁸¹ O'Reilly CA. Organisational behaviour; Where we've been and where we're going. Ann Rev Psychol 1991;42:427-458

⁸² A series of studies conducted at the Hawthorne Works of the Western Electric Company in the years after World War 1 identified that a number of apparently opposite interventions in the workplace were all surprisingly associated with an increase in worker productivity e.g. both increasing and decreasing illumination for work tasks, was associated with increased

There is very little validation of theories in experimental models and frequently the length of review has been short. (Reliance on natural experiments as opposed to controlled experiments) There are uncertain relationships between interventions and outcomes. Observation alone can produce a Hawthorne effect.⁸² Experiments targeting job satisfaction have managed shifts in this factor but have not measurably changed attendance rates. Perhaps not surprising when job satisfaction accounts for only a small proportion of the overall variance.

Few studies have directly focused on personal perceptions on incapacity and personal motives for absence. One such study suggests that external constraints (a perception of the need to be absent) rather than problems that relate to the organisation may be more important.⁸² The role of disease and illness is generally underplayed or not adequately assessed.

Both models attempt to view absenteeism as a “rational” choice between competing variables.

The models imply linear or additive relationships between factors, however studies of workplaces show a more idiosyncratic action and interaction of factors with marked inconsistency of variables as a cause, outcome or moderator. Whilst absence is usually considered to be the outcome variable, some research suggests that absence can have a causative relationship in lowering job satisfaction, supervisory support, performance and job achievement.⁸³ Job satisfaction, in its relationship with absenteeism, can be moderated by other factors such as promotion opportunity, attendance ability or attendance pressure.

Associations between dependent workplace variables such as job satisfaction and non-work satisfaction suggest the interplay of external factors.⁸¹ More work needs to be done in understanding the moderators and mediators of these relationships.

In the end, these models are trying to explain work absence with constructs, which are relatively difficult to define or measure. With no absolute standard the surrogates who are used must be subject to misclassification and misinterpretation.

These models demonstrate that factors in addition to illness and direct incapacity account for a proportion of workplace absenteeism. This leaves open the opportunity for management interventions to encourage and facilitate attendance by factors that may fall into their control.

productivity. Further analysis led to the conclusion that it was the focus on the problems of the workers by investigators that was the likely cause of the improved productivity rather than the interventions under investigation. This is now described as the “Hawthorne Effect.”

⁸² Haccoun RR, Desgent C. Perceived reasons and consequences of work absence: A survey of French-speaking employees of Quebec. *Int J of Psychology* 1993;28:97-117

⁸³ Tharenou P. A test of reciprocal causality for absenteeism. *J Organisational Behaviour* 1993;14:269-290

APPENDIX TWO: ABSENCE MEASURES

1. Total sickness absence

- *Total days lost*
- *Total time lost per hours of planned work (by shift/part shift/hours)*
- *Severity Rate*

Depending upon the sophistication of the reporting system, provisions may record part days, or at the minimum, half days lost from sickness absence. The inability to do so may result in significant inaccuracies, particularly where half or part days may be counted as full days. The above figures should allow the formulation of an absence rate as a total of days absent over the total days scheduled to work, or as a ratio of hours lost: hours of potential work. It is important to collect data, not only about those who have been absent, but also on the whole of the working population, in order to calculate the above rates. This forms a Severity Rate, which is widely used in industry and can indicate the percentage lost time attributable to sickness absence and is usually expressed as a percentage of potential normal working hours, excluding overtime.³⁷ The term Severity Rate has been used in some literature to denote the ratio of average absence length over the total absence length. This may give rise to some confusion, as they are vastly different.

$$\frac{\text{Working days lost}}{\text{Working days total}^*} \times 100\% \qquad \frac{\text{Working days lost}}{\text{Days available for work}^*} \times 100\%$$

$$\frac{\text{Working hours lost}}{\text{Hours available for work}^*} \times 100\% \quad (\text{Lost time percentage})$$

* normal working time after deducting annual leave and overtime.

- ***Days lost per employee (Lost time rate)***

A similar measure from the above, expresses the average number of days lost per full-time worker. Figures, which essentially can be, used interchangeably when the expected numbers of working days per year are known.

$$\frac{\text{Workdays lost}}{\text{employees (FTE)}} \quad (\text{Annual average duration})$$

- ***Prevalence rates***

Prevalence rates can also be used describing how many people are away from work over a given period. For example, this may be a day, a week, a month or a year. For example: What percentage of your workforce is absent on any particular given day?

$$\frac{\text{No. of staff on leave}}{\text{Week/Month}}$$

2. Measures of attendance

The converse of absence is attendance. Measuring attendance as a fraction of absolute available attendance can confer a different perspective on the data.

$$\frac{\text{Work days attended}}{\text{Working days available}} \times 100\%$$

3. Measures of absence frequency

This describes the incidence or number of absences, regardless of their duration, commencing over a particular period, usually a year. This figure when multiplied by the average duration of absence, should approximate the total days lost.

Number of absence spells

Week/month/year

4. Measures of duration

There is frequently a wide variation in the distribution of the length of leave taken. Much of the sick leave used is of short duration. Long absences can be significant overall contributors. Such measures as the average length of absence spells and a distribution pattern of absence spells may be useful in understanding what is occurring at a workplace. Some researchers put forward the view that shorter spells are more likely to be associated with factors other than illness related incapacity. Analysis of duration of absence may also be important since it, in fact, may be a reflection on the sick leave policy that operates within an industry or company, such as the requirement for certification or notification. Often a simple figure is given to describe the proportion of 1-2 day absences. This can be done on an individual level recording the number of short-term absences, or over a group or entire workforce.

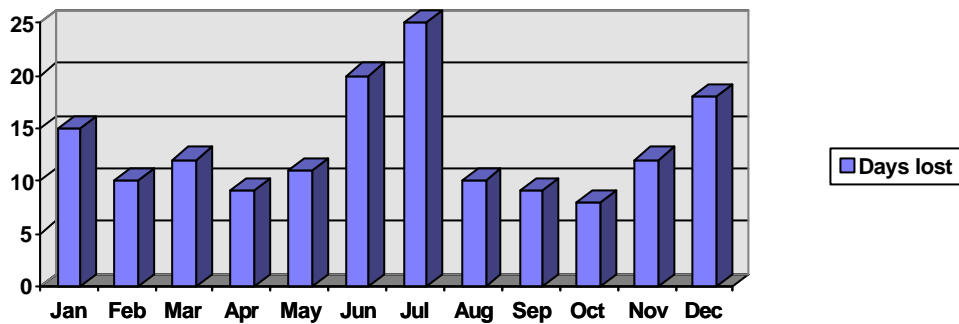
Frequent short term absences may also be relevant to measure in that the consequences of this type of absence is much more disruptive than longer term or planned absence.

5. Comparative measures

Much of the research is based upon comparisons made between different industries and different groups. Comparisons can also assist in understanding the problems within an industry or within a company. Industry norms are important figures for comparison, but are generally not readily available. This in part may be due to the lack of collected data of sufficient quality, or it may be reluctance on behalf of companies to communicate such data for reasons of perceived business confidentiality, concern or embarrassment. Internal comparisons within organisations can identify good performance and poor performance areas and highlight directional trends. Such comparisons may need to consider factors such as shift work, occupational group, age and gender.

Comparisons over time are also important. What appears to be a problem may only be a temporary effect from such factors as an epidemic, or may occur because of the normal ebb and flow of random variation, particularly where the groups compared, or the time frame, is small?

Example of time charting of absence. For example the effect of winter infections and lower staffing during the holiday season might be suggested from a pattern such as below.



6. Demographic

5. organisational unit
6. employee classification
7. employee location
8. employee age, length of service, sex

Occupational status in an organisation can itself account for a three-fold difference in sick rate even when age and sex are taken into account.

7. Work organisation factors

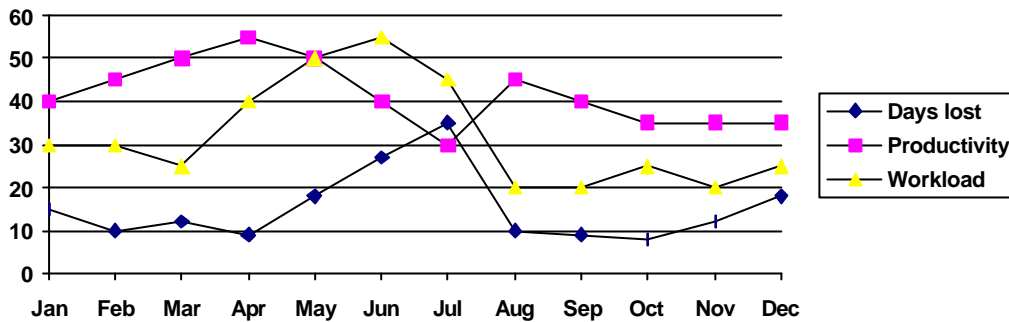
It is important to make some comparison between work absences and such work organisational factors as rostered and non-rostered overtime, workloads and shift work.

8. Miscellaneous

The following are other factors which could be taken into consideration in developing and interpreting an absence monitoring/measuring system:

- Seasonal variation
- Workers' Compensation/work injury rate claims/stress claims
- Turnover
- Industrial relations and workplace disputation
- Accident rate
- Productivity, workload and overtime
- Days of the week, public holiday/ end of roster extensions. "Blue Mondays"
- Certified versus non certified leave
- Leave on pay, half pay or without pay
- Restructuring/reorganisation, including downsizing and other significant organisational events
- Significant external events

9. Interventions: introduction of new absence policies and procedures



Hypothetical example of combined charting.

Notice how the middle of the year is associated with an increase in workloads, increasing absenteeism and falling productivity. No doubt this would have resulted in delays, lost profit, business, increased overtime or additional labour. Some of the absence may be causally related to increased workloads as well as seasonal illnesses.

The above is a comprehensive list. It is important that information is collected which should be meaningful and gives the user the ability to see the extent of leave taking and perhaps an indication in a general sense of the contributions from potentially avoidable absence. It is more practical to take an approach that monitors key variables but has the opportunity for more in-depth analysis if required. Such key variables would include:

an absence rate such as lost time per employee; frequency rate such as number of absence spells; and the proportion or number of short term absences.

APPENDIX THREE: PREVIOUS EXPERIENCE - GOOD AND BAD

1. Solutions based on applied theory, workplace findings and adverse outcomes

There are many illustrations of the success of incentives and disciplinary measures. However, there have been many startling failures with little effect or the reverse. One Sydney firm utilised a monthly lottery system. Absenteeism doubled within a month. Another example includes a Melbourne firm where management moved to control absence by threatening dismissal. The result a reduction in sick leave by 6 percent and an increase in Workers' Compensation from 1.5% to 16%.

The HydroElectric Commission in Tasmania is a statutory body responsible for the generation, distribution and sale of electricity employing nearly 2,000 employees. In 1991 the organisation reviewed the cause of unplanned absence and embarked on an "Absence Management Project".

The programme that was developed had three broad components:

- Organisational Policy
- Management Information System
- Introduction of "No Credit" sick leave.

Unplanned absence rates have fallen significantly from levels as high as 11.5 days per employee per year in 1989 to approximately 7 days per employee per year in 1992/93. Further details are provided at Appendix 4.

ICI embarked on a significant workplace restructuring that involved the introduction of annual salaries, which included the application of staff conditions of employment to all employees. This was linked to the aim of developing a "commitment culture" whereby worker empowerment and trust was encouraged with logistical support and encouragement from management. As part of this change sick leave and compassionate leave was available on an as required basis. These changes had a significant effect on sick leave utilisation rates at the Osbourne plant falling from 9.5 days in 1986 to three days per annum per employee in 1990.

A report was prepared by the Australian Auditor General into a Project Audit of the Australian Tax Office in 1991-1992.⁸⁴ The rate of absenteeism when surveyed in 1989 was 6%. This was the equivalent of 14 working days per employee per annum and \$30 million in 1990-1991 terms. A considerable variation was evident between the States ranging from 10 to 17 days. The monitoring of absenteeism was seen as a useful tool for measuring job satisfaction, organisational commitment and the quality of ATO management and supervisory practices.

Recommendations focused upon improving reporting and validation procedures together with the development of an absenteeism management plan including monitoring, cause identification, training, counselling and the development of appropriate performance indicators.

In 1977 a number of measures were implemented in a public teaching hospital including the introduction of improved monitoring systems, communication of a clear policy to staff, changes to working hours and arrangements, introduction of a staff accident prevention programme, staff and supervisor training, selection and induction procedures. Absenteeism was reduced from 6.6% in 1977 to 5.1% in 1980.³¹ In a published article involving the Austin Hospital, Melbourne,⁸⁵ a research project in the catering department, utilising a series of structured questionnaires based on

⁸⁴ Audit Report No.30. 1991-1992. Project Audit. Australian Taxation Office: Attendance and Absences. The Auditor-General. AGPS, Canberra.

⁸⁵ Milgrom J. Absenteeism and the identification of stressors. J Occup Health Safety- Aust NZ 1992;8:389-400

a model of job stress adapted from NIOSH, gathered information into psychological and workplace factors which underpin the Steers and Rhodes, model together with an assessment of personal stress. The paper illustrates how a consultative approach can be used to gain an understanding of the personal and organisational factors influencing absenteeism. Interventions were subsequently based on responses, however with little or no demonstrable effect. The study was hampered by a low response rate.

Poor outcomes may result from poor processes. "A worker was dismissed after taking 34.5 days off work over a two year period. 14.5 of the days arose out of illness/injury and were justified by medical certificates but 20 days were not substantiated in any way. His final absence before dismissal was accompanied by a doctor's certificate. The Federal Industrial Relations Court found that the employer had been unfair in the procedure it followed in dismissing the worker. It said that the employer had an obligation to make an adequate investigation of the circumstances of an absence before thinking the worst of the worker and dismissing. Industrial Relations Court of Australia, *AWU and Farrell v Congara Wool*. VI 162/94"⁸⁶

Deery et al⁸⁷ performed research into absenteeism among blue-collar workers in a large motor vehicle manufacturer. Utilising twelve measures derived from psychological, econometric and sociological models of absenteeism and measuring frequencies of short-term absences as a correlate (estimate) of voluntary or avoidable absences a causal model was hypothesised. The model was able to account for 24% of the variance in absenteeism. The major associations with this variance were routinisation and supervisory support, external responsibilities, accumulated sick pay (surrogate for past absence behaviour) and job motivation. Absence culture (acceptability of absence) was a significant negative variable. These results are consistent with the body of research in this area. The authors highlighted the importance of supervisor training and the presence of other modifiable factors within the control of employers.

The Department of Social Security in its Survey of Workplace Attendance Factors found amongst other things:⁸⁸

- Staff who took leave only with a medical certificate had a lower level of sick leave than staff who took part of their sick leave without a medical certificate.
- 10. 37% of staff used some type of leave when eligible for special leave.
- 11. Some staff appeared to be particularly unaware of their leave entitlements, particularly in relation to special leave.
- 12. Staff with a higher degree of satisfaction with their job, quality of supervision and work environment had a lower level of sick leave.
- 13. When staff felt unwell, the factors likely to encourage staff to come to work were job commitment and the job itself.
- 14. Less than half of the staff utilised sick leave last time they became ill at work, remaining until the completion of core hours.
- 15. Most one day leave was taken on Mondays and Fridays with the highest proportion of uncertified leave occurring on Fridays.

The DSS Survey⁸⁸ goes on to make the following recommendations:

- Action is taken to promote its report to the staff and public including promotion of the dedication and commitment of DSS staff to their work.
- Implementation of regular management reports to allow early detection and action on problems.

⁸⁶ Occupational Health Newsletter. Issue 333, Oct 27. 1994

⁸⁷ Deery SJ, Erwin PJ, Iverson RD, Ambrose M. A causal model of absenteeism: Evidence from Australian blue-collar employees. 1992. Working Paper 68. Centre for Industrial Relations and Labour Studies.

⁸⁸ Department of Social security. Review of Absenteeism. 1992 December

- Undertake further work investigating options for reducing the increased frequency of sick leave taken on Mondays and Fridays.
- Absenteeism should be used as a measure to evaluate Departmental strategies designed to increase staff competence and job satisfaction.
- Staff and supervisors should be taught about existing leave provisions and their correct use.

A background paper was also prepared discussing preliminary research findings for a Joint Task Force established to reduce absenteeism in the Australian Public Service.⁸⁹

2 Enterprise agreements

An enterprise agreement at a WA timber mill resulted in a dramatic 64% reduction in absenteeism by providing unlimited sick leave with certification and productivity bonuses. However, some concerns about occupational health and safety exist when such incentives operate.

A report on enterprise agreements prepared by the Australian Chamber of Commerce and Industry (ACCI) indicated that a number of agreements have been reached whereby financial attendance incentives are becoming widespread.

Some organisations have made attempts to substantially curtail, or even abolish, sick leave as a part of enterprise bargaining. Employee organisations have argued that paid sick leave is a basic right, which should not be bargained away in return for financial benefit.

⁸⁹ Research and Policy Development and Planning Division, Department of Industrial Relations. Absenteeism; Some preliminary research findings. 1993

APPENDIX FOUR: POLICY & GUIDELINES H.E.C TASMANIA

Policy statement and guidelines for managers and supervisors from the HEC Tasmania.

POLICY STATEMENT HYDRO ELECTRIC COMMISSION TASMANIA

Planned and Unplanned Employee Absence

1. Purpose

The purpose of this policy statement is to:

- define the principles to be adopted to minimise the impact and cost of employee absence from work.
- ensure relevant standards are applied uniformly throughout the HEC.

2. Scope

This policy statement applies to the management of all types of Employee Absence from work whether planned or unplanned.

3. Definition of Terms

Absence Rate

The number of days of unplanned absence per employee for any given period of time (usually a year).

Planned Leave

Employee leave that is usually planned in advance including annual, long service and study leave.

Recreational Leave

Leave entitlements categorised as annual or long service leave.

Unplanned Leave

Employee leave that is not usually planned or predictable including sick leave, workers compensation absence, special leave, leave without pay and absence without leave.

4 Discussion

4.1 Background

Employee absence is a significant cost to the HEC. Costs associated with absence include not only the direct salary costs of employees not at work but also costs associated with the provision of additional resources to cover absence, overtime costs, disruption to work schedules and supervisory time in re-scheduling work.

Planned absence such as annual leave, long service leave and study leave can be managed to ensure minimum disruption to work schedules while allowing the benefits from relaxation, recreation, personal development and meeting family responsibilities to be optimised by employees. Excessive leave accrual represents a financial liability to the organisation and has the potential to impair employee efficiency.

Unplanned absence includes sick leave, workers compensation absence, special leave, leave without pay and absence without leave.

Absence rates, for the HEC and individual Business Units/work groups, are an important measure of the physical and psychological health of the workforce and in many situations reflect the level of employee commitment and job satisfaction.

Changes within the workplace designed to promote trust and breakdown barriers between employees and management will help to foster commitment to the organisation and contribute to reductions in absence rates.

Intervention where unplanned absence problems exist provides opportunities to assist employees overcome health problems, improve the work environment where work factors contribute to absence, and to develop strategies through communication, involvement and personal development to enhance commitment to the HEC.

Managing employee absence within the workforce is a line management responsibility although additional specialist advice and resources may be needed from time to time to assist in that process.

4.2 Objectives

The objectives of this policy are to:

- encourage the management of planned leave to minimise:
 - disruption of work schedules; and
 - financial liability associated with excessive accrued leave entitlements, while ensuring employees optimise benefits from their leave entitlements
- establish absence rates as an important indicator of business performance.
- minimise unplanned absence.
- foster employee commitment to the HEC, provide opportunities to enhance the health of employees, promote a healthy and positive work environment and encourage the development of openness and trust.
- reduce the costs to the HEC associated with employee absence.

5 Policy

- Absence management practices that promote the development of trust and commitment by the workforce are utilised within the HEC.
- Managing employee absence is a line management responsibility.
- Planned employee absence is managed to:
 - ensure operational efficiency and customer service; and
 - minimise the HEC's financial liability for accrued leave entitlements, while optimising employee relaxation, recreation and personal fulfilment.

- Unplanned employee absence is managed with the primary objectives of identifying and controlling work factors contributing to absence, and assisting employees to overcome other problems contributing to their absence.
- Absence problems are discussed with employees.
- Relevant absence information is available to line managers to assist in the assessment of absence performance.
- Assessment of an employee's performance will include a review of his/her absence rate.
- Assessment of a manager's performance includes appropriate assessment of employee absence measures in his/her area of responsibility.
- Employees are encouraged to take regular recreational leave.

6 Responsibilities

6.1 Maintenance of Policy and Procedures

General Manager Corporate is responsible for the review and maintenance of this Policy Statement and associated guidelines.

6.2 Implementation

Each General Manager is responsible for the implementation of this Policy within Business Units.

General Manager Corporate is responsible for Corporate Information Systems to provide information on absence performance.

6.3 Employees

Employees have a responsibility to:

- take into account work requirements when planning leave;
- be reliable in attendance at work; and
- ensure unplanned absences occur only when they are unavoidable.

7 References

- Unplanned Absence Management Guidelines
- Planned Absence Management Guidelines
- Rehabilitation Policy
- Health Promotion and Fitness Policy
- HEC Employment Manual

UNPLANNED ABSENCE MANAGEMENT

GUIDELINES FOR SUPERVISORS AND MANAGERS

CHAPTER 1.

PRACTICAL PROCEDURES FOR SUPERVISORS

- 1.1 Introduction**
- 1.2 Role of Supervisor**
- 1.3 What is Unplanned Absence?**
- 1.4 Monitoring Employee Absence**
- 1.5 Counselling and Code of Discipline**
- 1.6 Further Assistance and Advice**

CHAPTER 2.

UNPLANNED ABSENCE MANAGEMENT-BACKGROUND INFORMATION

- 2.1 The HEC's Policy**
- 2.2 Cost of Absence**
- 2.3 Measure of Absence**
- 2.4 Causes of Employee Absence**
- 2.5 Preventing Employee Absence**
- 2.6 Dealing with Individuals Absence**
- 2.7 Information on Absenteeism**
- 2.8 Monitoring**

1. PRACTICAL PROCEDURES FOR SUPERVISORS

1.1 Introduction

The objective of this guideline is to provide supervisors and managers with guidance on how to deal with individual absence problems and provide information about assistance that is available to employees and supervisors within the HEC.

1.2 The Role of Supervisors

It is the role of supervisors and managers to manage employee absence within their work group.

This means taking an interest in the health and well-being of employees, monitoring absence within the work group and taking appropriate action where absence problems are evident.

1.3 What is Unplanned Absence?

Unplanned absence is the non-attendance of employees for scheduled work when they would otherwise be expected to attend. Absence can be categorised as sick leave, workers compensation and other forms including special leave and leave without pay. Annual leave, long service leave and study leave, which is usually planned, is not covered in these guidelines.

1.4 Monitoring Employee Absence

Many supervisors are aware of attendance patterns of employees through their normal day to day activities. To assist supervisors to monitor individual and group absence rates the Human Resource Information System (HRMIS) has the capability of producing detailed information on employee absence. Quarterly reports tracking Responsibility Centre (RC) absence rates compared to the RC's previous performance and other RC's will be available to each RC Manager along with a confidential report highlighting individuals with frequent absence. More detailed information will be available through on-line enquiries to the HRMIS. The RC Manager's Training Kit provides more detailed information on interpreting HRMIS information.

It is the responsibility of supervisors and managers to analyse the information to determine which attendance records, if any, require review.

1.5 Counselling and Code of Discipline

Absence problems are managed with the primary objective of identifying work factors contributing to absence and assisting employees to overcome any problems contributing to their absence.

Where a supervisor or manager is concerned about an individual employee's level of absence, counselling should be undertaken as soon as possible to relay that concern to the employee. Together they should formulate a plan of action to deal with it. As discussion of personal health is a potentially sensitive issue, the supervisor should confine any discussion to work performance, or failure to meet certification requirements, and not discuss the employee's personal health without their consent.

1.5.1 Initial Discussion

At an initial discussion it is appropriate to:

- Reinforce the employee's appreciation of the Management's expectations and HEC leave procedures.
- Express concern about the absences and the effect they have on the work team.
- Enquire about any work-related factors, which are contributing to the absences.
- Advise the employee about the availability of resources within the HEC that may be able to assist (eg. Employee Assistance Services).
- Encourage the employee to talk by being an "active listener".
In many cases the employee will use the opportunity to discuss any problems in a constructive way.
- Formulate a plan of action.

1.5.2 Interviews in Accordance with Code of Discipline

If the absence problem continues, it may be necessary to proceed to a formal interview conducted in accordance with the Code of Discipline guidelines.

- Prior to the interview the employee shall be advised.
- The reason for the interview including details of the unsatisfactory attendance record.
- Details of the action plan agreed to at previous discussions.
- Time and place of interview.

During this interview the following points will be brought to the attention of the employee:

- The absence record is unsatisfactory and that a significant improvement is required.
- Support and counselling is available from internal and external sources.
- The details of the interview will be documented and placed on the employee's personal file. A copy is also given to the employee.

The supervisor depending on the circumstances could consider the following actions:

- An independent medical opinion is sought from a Medical Practitioner nominated by the HEC.
- The absence is recorded as "Leave Without Pay".
- If the attendance record does not improve and a third interview becomes necessary, disciplinary action may follow.
- Restrictions on access to sick leave without medical certification may apply.

Plan the discussion and the matters you wish to cover before the interview. Ensure the employee has ample opportunity to respond. Advise him/her of the support services that exists.

1.5.3 Disciplinary Procedures

The emphasis of absence counselling is on assisting the employees in overcoming problems affecting attendance at work. If unsatisfactory attendance continues, despite counselling and formal interview, disciplinary action should follow.

This would include formal warnings and ultimately dismissal.

1.6 Further Assistance and Advice

Your own supervisor or manager should be able to give further advice in dealing with employee absence. Human Resource Co-ordinators within each Business Unit may also be able to assist.

In helping employees overcome problems that are affecting their work attendance the following support services and resources are available:

1.6.1 Internal

- (i) Assistance/Counselling for Employees
HEC Employee Assistance Officer
Occupational Assistance Service
 - Hobart
 - Launceston
 - Burnie
 - Country Areas
- (ii) HEC Rehabilitation Service
Employee Assistance Officer
Occupational Health Adviser
- (iii) HEC Alcohol and Drug Dependency Programme
- (iv) Health - Rehabilitation Advice
Commission Community Health Nurses
 - Tullah
 - Tarraleah
 - StrathgordonOccupational Health Adviser
- (v) Industrial Chaplain
- (vi) Industrial Relations Advice
Employee Relations Department

1.6.2 External

- (i) Family Doctor or Specialist
- (ii) Community Support Groups. (These are listed in the Telecom Telephone Directories white pages under "Community Help References").
- (iii) Local Church Groups

This is not an exhaustive list. Many other support groups exist that may be easily contacted.

2 UNPLANNED ABSENCE MANAGEMENT-BACKGROUND INFORMATION

2.1 HEC's Policy

The policy statement on Planned and Unplanned Employee Absence indicates that an important objective is to minimise unplanned absence from work and disruption from such absence that does occur. (Refer to Policy Statement).

2.2 Cost of Absence

Employee absence is a significant cost to the HEC. This cost includes salaries paid to those who are absent, additional staff needed to cover the absence, additional overtime and disruption to

work schedules. It is difficult to calculate the cost accurately, but the salary bill alone for employees on sick leave runs into millions of dollars each year.

2.3 Measures of Absence

There are a number of standard methods of measuring workforce absence rates as follows:

- (i) Absence Rate - average days lost per worker per year.
- (ii) Percentage absence -
Number of working days lost x 100%
Average number of employees x number of workdays.
- (iii) Absence frequency -
Number of episodes of absence
Number of employees
- (iv) Percentage of single day absences -
Number of worker days as single day's absence
Total number of workers days lost

2.4 Causes of employee Absence

Personal ill health is the major cause of sick leave absence. However, studies indicate that absence rates can be influenced by many factors. These include:

Work Factors

- Dissatisfaction with supervisors/peers.
- Stress.
- Poor enforcement or control of absence rules.
- Fatigue or tiredness due to overwork or too much overtime.
- Working conditions unsafe or uncomfortable.

Personal Factors

- Employee values/job expectations.
- Personal characteristics (age, sex).
- Satisfaction with job.
- Family pressures.

Attendance Factors

- Pressure to attend.
- Economic conditions.
- Sick Leave entitlements.
- Ability to attend eg. transport problems.
- Emergencies.

2.5 Preventing Employee Absence

Elimination of all unscheduled absence from work is not a realistic goal, but a target of 3% or less is. Managers should be aware of their own group's absence performance and attempt to

determine the causes for any absence problems that exist within their work group. Appendix 1 gives guidance on how to determine causes of absence within a work group.

Actions of managers and supervisors can help with absence prevention as indicated below.

2.5.1 Reinforcement of Expectation for Attendance

It should be reinforced with employees that consistent reliable attendance at work is expected and sick leave is only for use when they are incapacitated for work because of personal ill health. Procedures for notifying incapacity for work, applying for sick leave and certification requirements should also be reinforced at every opportunity.

2.5.2 Employment - A Positive Experience

As well as a source of income, work provides an opportunity for social interaction, a sense of involvement and achievement, and an opportunity for personal development.

These are the factors that can make working a positive experience and should be kept in mind when considering a strategy to prevent absence. Employees who feel they make an important contribution at work will believe that they need to attend for their work group to be effective.

Praising good attendance as well as good work can reinforce this.

2.5.3 Employee Morale

Employee morale, in particular, can have a marked effect on attendance at work. Some areas where improvements can be achieved are:

- Improving communications - within the work group and with supervisors and managers.
- Encouraging employees to participate in decision making in the area of their own expertise.
- Encouraging problem solving in a team environment.
- Providing training and development opportunities.
- Providing feedback about work performance.
- Dealing positively with employee concerns.

2.5.4 Employee Health

Obviously the state of health of employees is an important factor in work place absence. Health promotional activities over a period of time are expected to improve employee health and reduce absence.

Various health promotional activities including lifestyle assessment, recreational and fitness programmes, quit smoking courses and blood pressure surveys are available in the community and through the Commission.

Supervisors and managers should encourage employee participation, in external and in-house programmes.

2.5.5 Rehabilitation

For employees who have been affected by personal illness or injury, an early return to work, in line with the HEC's Rehabilitation Policy, will reduce the length of absence and may enhance their recovery.

Employees should be reminded of the rehabilitation policy at regular training sessions or work group meetings.

2.5.6 Employee Counselling Services

Confidential counselling for employees with personal problems can help them solve their problems and reduce their stress levels. Promoting awareness and encouraging the use of these services available within the Commission and the community may therefore assist in reducing employee absence.

Wherever possible action to overcome absence problems within a work group should be targeted at causes that have been identified by an objective process. The Business Unit HR Co-ordinator can provide information to assist in identifying workgroup causes.

2.6 Dealing with Individuals with Absence Problems

The “Practical Procedures for Supervisors” outlines the role of supervisors and managers in dealing with individual absence problems. Some important issues affecting individual ability to attend are covered below.

2.6.1 Health Problems

Employees with frequent episodes of absence may be suffering from recurrent illness. If they have not sought medical assistance from their doctor it may be appropriate for the supervisor or manager to suggest this course of action.

Some conditions such as stress, drug and alcohol abuse/dependence may also cause recurrent absence.

The supervisor will not be looking for symptoms of any particular problem, but if an employee shows signs of declining work performance, poor inter-personal relations with fellow workers, or marked continuing changes in work and attendance patterns, it indicates something of importance has been occurring to alter his or her life patterns.

Where such signs exist, professional assessment is essential. Guidance on actions to be taken is available through the HEC’s Employee Assistance Service or HR Co-ordinator.

2.6.2 Rehabilitation Programme

Employees with serious illness or injury may be assisted in a return to work by the development of an appropriate rehabilitation programme. Managers or supervisors should take the earliest opportunity during a personal visit to discuss this with the employee. Further information is available from the Co Commission Rehabilitation Service or HR Co-ordinator.

2.6.3 Multiple Brief Absences

Many of us are aware of features of leave taking that might suggest abuse. For example, multiple short periods of absence (eg. single days) particularly if the days taken run into weekends but this pattern may also be seen when an employee suffers a genuine illness, eg. an employee with a chronic illness who requires regular medical attention, or an employee with alcohol dependence.

Invite the employee to talk about the absence patterns in a quiet setting away from the general workgroup. Question the process, not the person.

2.6.4 Approach to an Employee with an Attendance Problem

Features of an employee's leave taking may be indicators of abuse, but there is no absolute way to determine this purely from leave patterns. This is not to say such absences should be ignored.

Excess absence is a work performance issue that can, and should, be dealt with by the supervisors and managers like any other work performance issue. Refer to "Practical Procedures for Supervisors".

2.7 Information on absenteeism

Regular information will be available from the Human Resources Management Information System (HRMIS) about the time lost by employees in each work group. This will assist supervisors and managers to determine whether there is a problem within their own work group or with particular employees. Workgroups can plot their own absence rates, which can then be discussed and assessed at work group meetings.

In addition, absence rates for the HEC will be published quarterly against which local performance can be compared.

Quarterly absence charts for the Commission/Group/Department/Unit can be conveniently displayed for the information of all employees as appropriate, provided the displayed information **does not identify individuals within the work group.**

2.8 Monitoring

It is important to monitor an absence management programme to ensure it is having the desired effect. A number of different criteria can be used to measure the effectiveness of the programme. These can include:

- The absence rate and absence frequency.
- Response of employees to the new programme.
- Improvement in the quantity and quality of service provided.
- Percentage of work completed on schedule.
- The number of ideas to improve the programme originating from the work group.

Managers and supervisors must earn the confidence and trust of employees by showing concern for their needs. This is achieved by asking questions, listening to the answers and helping to solve the problems raised.

They must move from the old role of controller and director to the more open and trusting role of coach, communicator, teacher, facilitator and enabler.

They must seek continuous improvement by involving work group teams in problem solving.

APPENDIX FIVE: ABSENCE MANAGEMENT AT THE HYDRO

Peter Sharman FAFOM

**Paper Presented at the Annual Scientific Meeting
Australasian Faculty of Occupational Medicine
Hobart 16/5/1994 - 20/5/1994**

My paper covers experience with an Absence Management Project involving the development of new Sick Leave Provisions with the Hydro-Electric Commission in Tasmania commencing in 1991.

Unplanned absence from work is a major problem for Australian industry with an estimated 30-50 million working days lost per annum at a cost estimated at \$7 billion per annum. In many organisations the amount of work time lost due to sick leave is 4-10 times that due to work injuries. Taylor estimated that there was 40 times as much work time lost through unplanned absence as there was through strikes.

The common response to “absenteeism” is to tighten up certification requirements, restrict access to sick leave, discipline offenders or blame the doctors issuing the certificates.

These approaches ignore the situation whereby it may be the culture of the organisation that is a strong determinant of absence behaviour, that the common systems of cumulative annual sick leave entitlements can promote absence and that in many cases managers leave the management of absence from work to the sick leave provisions themselves rather than trying to identify and confront the issues causing absence in their workplace.

The Hydro-Electric Commission (HEC)

The HEC has been through major restructuring in the past few years with a reduction in the work force from over 5,000 to about 2,000 at present. The organisation has focused on its core business of generation, distribution and sale of electricity. Customer Service and Commercial operation have been emphasised. Total Quality Management and “Continuous Improvement” concepts have been widely adopted within the organisation. Major down sizing has been achieved without significant industrial disputation through effective communication processes with the workforce. There has been emphasis on involvement and participative decision making wherever possible to assist in gaining commitment from the workforce to the new HEC.

There was some awareness of problems with absenteeism in the organisation. A survey in 1989 shows the extent of the problem, which was comparable to statistics from other state electricity authorities. A rate of 11.5 days per employee per year for all unplanned absence was found with the sick leave component being 7.5 days per employee.

Some work was undertaken at the time on a disciplinary approach to managing any problems evident.

In 1991 some opportunities emerged to enable some fundamental changes to be made. With Award Restructuring the conditions of employment for “staff” and “award” employees had to be brought into line. This included sick leave entitlements which were different between staff (12 days per annum plus half pay sick leave) and wages employees (9-10 days per annum with no half pay sick leave). A new Human Resource Management Information System was being developed which provided new opportunities for monitoring performance in relation to absence. There was increasing concern about efficiency within the organisation with the cost impact of absenteeism

being more fully understood within the organisation. In addition there was increasing coverage in the media about “the Great Australian Sickie”.

As a result, a broad programme was developed with the following component:

Organisational Policy

For the first time, an organisational policy was produced which outlined the organisation’s objectives and philosophy and assigned responsibilities to management, supervisor, and employees. This policy was supported by the development of a training package for managers and an information booklet for employees.

Management Information System

A newly developed module on the Human Resource Management System was made available to assist managers monitor absence performance in both a group and individual basis and training was made available in the interpretation of data.

Review of Sick Leave System

The third component was a review of the sick leave system, which is the major focus of this presentation. A number of options were considered.

Incentive schemes had significant support, particularly systems, which provide for the pay out of unused sick leave on retirement. These were not seriously considered for implementation because:

- Little evidence that they have long term effects
- Relatively expensive
- Not supported by Unions
- Discriminate against employees with ill-health
- Contrary to the original concept of sick leave as an insurance against ill health.

The alternative was a “No Credit” system. This was loosely based on the system ICI had introduced for its employees where their staff entitlements were applied to the entire work force as a part of widespread industrial change (including the introduction of annual salaries). This was the system it was agreed would be looked at in detail. It was decided to call the system “No Debit” to emphasise that even though sick leave was not credited that there was no debit when you were sick.

The system is open ended and works as follows:

- There are no individual sick leave entitlements or sick leave balances.
- Sick leave is available on the basis of need.
- Rehabilitation is linked into the system.
- Sick leave is available until medical evidence indicates that the employee will permanently not be able to return to work.

The concept was agreed at a Management/Union Office level. It was agreed that it would be implemented as a Total Quality Management Project with considerable employee involvement. Some resistance was evident from long standing employees who had a feeling of security with their existing sick leave entitlements.

It was agreed that the system would be trialed in the North East of the state taking in Launceston Offices and Workshops, Bell Bay Power Station and a number of Depots in the North East. The trial was held over a 12 month period.

The main issues that arose were:

- What to do with employees' existing sick leave balances (many employees with large balance felt relatively disadvantaged going into the new system).
- Concern that abuse might occur, particularly if certificate requirements were reduced as had been agreed.
- What would happen to employees on long term sick leave, would they be pushed out of the organisation or sick leave denied?

The issue of existing sick leave balances was resolved by agreement to "token" compensation for existing balances with a small percentage of existing sick leave entitlements being converted to annual leave that could be taken when convenient to the employee and the HEC.

Trial Results

The results of the trial were positive with management and employees supporting the continuation of the system and extension of the remainder of the HEC.

Employees liked the openness and trust inherent in the new system as well as the availability of sick leave to cover their needs, irrespective of their length of service. The relaxation of the requirement for medical certificates was also seen as positive.

Management thought there were benefits in that sick leave was no longer seen as an individual entitlement. The new system was more open and honest, especially with changes to the Special Leave System that made it easier for employees to take leave for unforeseen domestic necessity. For example, employees could take a few hours off for a legal appointment rather than claiming a day's sick leave.

Management thought that single days absences were reduced.

The statistics indicated a modest reduction in Unplanned Absence in the trial area in comparison to the remainder of the HEC. This was despite the fact that some increase was possible because of the "pent up" demand for sick leave that was presumably present in the old system, eg for elective surgery.

As a result of favourable experience with the new system, the "No Debit" System was extended to the entire HEC on 1/3/1994.

Conclusions

Although this wasn't a rigorously controlled trial, the findings indicate that there are ways of influencing absenteeism at an organisational level with the potential for other significant benefits in terms of productivity and commitment. Many other schemes, while they may result in short term reductions in sick leave absence, often result in increased lost time from other causes or adversely affect morale in the workplace.

The major benefits are in promoting trust and commitment by employees with potential for increase in productivity and reduction in costs. Management was happy with the new system, even if it didn't

reduce absenteeism, because of these other benefits. Reduction in absence was really a bonus as far as they were concerned. The system also facilitated rehabilitation with management being more receptive to graduated return to work programmes with this system.

This system may have widespread application in Australian Industry and the Public Sector. A participative introduction, involving employees to the greatest possible extent, is an essential ingredient to the success of a system based on commitment and trust. It may not be appropriate where organisations are currently going through dramatic restructuring, or other change, that may affect management/employee trust.

Absence in the workplace is a major cost to Australian Industry, which has received relatively little attention. I feel it is an issue that the Faculty could look at more closely and put forward ideas to the Business Community in the form of a position paper.