



## ► HR

Protecting your business against  
sickness and absence costs

**Part 1 - Prevention**

An Ink Guide to ...

## Protecting your business against sickness and absence costs

### Part 1: Prevention

You can't mitigate all risks as a business owner and if you are an employer, you'll know that your people represent your biggest cost and one of the biggest variables in your profit & loss account.

The UK's sick leave bill in 2013 was estimated at £28.8bn. For the small, medium and large companies behind this statistic, absence is a massive inconvenience and can be hugely time consuming and expensive to deal with. In the short term sickness absence can cause disruption to the business, put pressure on colleagues, and reduce morale and productivity. In the longer term, illness and incapacity is damaging to your business and can be seriously life changing for your employees.

This guide focuses on what you can do to prevent sickness and absence in the workplace. (Part 2 of this guide looks at possible cures for when prevention meets its limit.)

#### Prevention rather than Cure

Good – and straightforward - HR practice can have a significant impact on reducing sickness absence levels in a business. We suggest six simple principles to keep your people healthy and at work:

##### 1. Monitor Absence

Management information is the first step in tackling absence. Keep records so that you can know who has been absent, for what reasons, how often and how long for.

Knowing **why** someone has been absent can help you build up a picture of the triggers that come from your business. For example, if you have high frequency of back pain, this could be due to ergonomic factors (such as seating); headaches might be caused by poor lighting; stress could easily be linked to poor management. If the answer to the 'why' is found within your own business at least you can start to put a problem right.

Knowing the **frequency and duration** of absences often gives insight where patterns emerge. If you've heard of the Bradford Factor you'll know that it helps employers to spot inauthentic absence using a scale where:

$$B = S^2 \times D$$

- B is the Bradford Factor score
- S is the total number of spells (instances) of absence of an individual over a set period
- D is the total number of days of absence of that individual over the same set period

You can be fairly sure that high scorers are a problem, and you can also be sure that you can discipline or manage them out of your business as appropriate.

## **2. Hold Return to Work Interviews**

These are a great way to flush out the fakers! Return to work interviews can be used to deter non-genuine absences as employees tend to find it hard to maintain tall stories over a period of time.

More positively, though, these interviews help you to identify sickness types and (per 1, above) see if there is a causal link with your business environment.

Typically an interviewer will welcome the employee back to work, check they are actually well enough to work (often with a view to protecting other colleagues), update them on any important company news and then ask the employee to self-certify their absence through an employee statement.

## **3. Introduce Flexible Working**

As you know, since April this year the right to request flexible working was extended to all employees with 26 weeks service (rather than being restricted to parents with children aged under 17 or carers). We think there's a reason for this extension, but we encourage employers to understand the business benefits – rather than the legal imperatives – that surround it.

There is nothing better for 'employee health' than a genuine work/life balance. If employees feel they have this balance they are less likely to take time off for sickness leave because 1) they are not stressed; 2) they are happier and more engaged with the business; and 3) they are not inclined to 'pull a sickie'.

Flexible working also helps employees to manage their home life more effectively which in turn means that during the hours they work for you they are focused on their role rather than on domestic issues. This flexibility also means that employees can work from home or avoid busy office hours which can have an effect on things like illnesses passed from employee to employee.

## **4. Train Line Managers**

Not only should your managers be familiar with Health & Safety and Equality legislation but they should also possess the 'people skills' required to look out for 'stress indicators' and support their team's overall wellbeing.

Recognising the signs of stress, either physical or mental can come naturally to good managers, but others will need training. This could be as simple as being able to spot poor

manual handling techniques or as complex as spotting stress and anxiety in senior managers and employees.

Managers also need to understand the basics of various pieces of legislation including The Equality Act, The Access to Medical Records Act (AMRA) and the Data Protection Act 1998 (DPA).

#### **5. Offer Incentives for Good Attendance**

We include this one with a caveat – be careful not engender a culture of ‘presenteeism’ (i.e. where sick employees turn up for work, bringing their snivels and low productivity with them!).

Offering attendance incentives definitely divides opinion and can be a last resort in a business where sickness absence is a problem. However, used effectively (and cautiously) incentives for good attendance can produce results.

Incentives such as cash rewards, prizes or additional holiday can be used, as can disincentives such as reduced bonus allocation.

#### **6. Nurture a Culture of Health and Wellbeing**

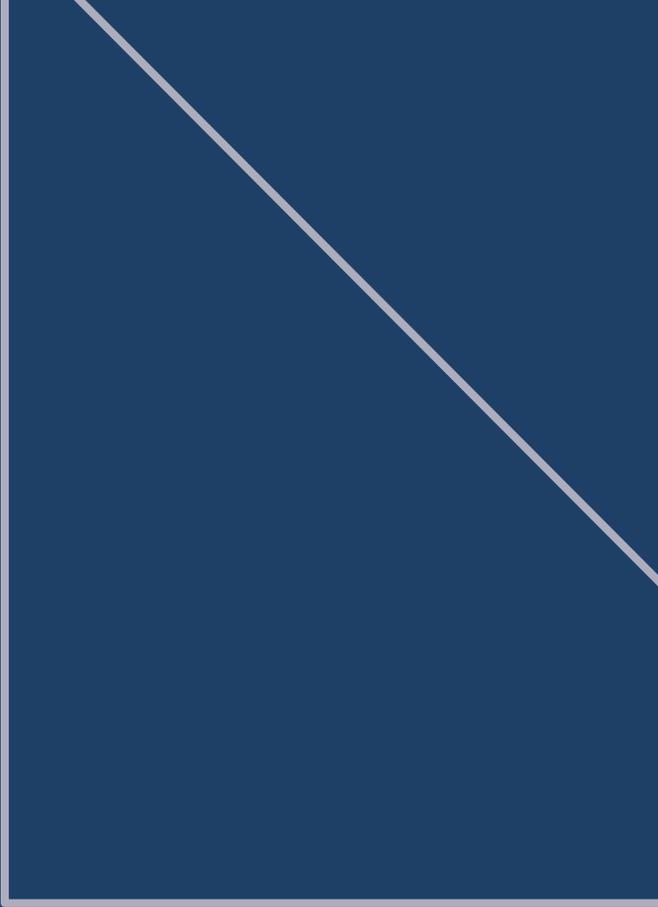
Obviously, it’s good to encourage your workers to adopt healthier lifestyles and, today, employers are increasingly aware that healthier individuals are less likely (statistically) to be sick or absent. Nearly three quarters of UK employers now offer some of health promotion programme.

Many employers choose to offer free or subsidised gym membership, subsidised healthy meals or provide health related benefits such as Ride 2 Work (tax free bicycles).

Others, perhaps with budgetary constraints, look more towards education and promotion of issues such as cardiovascular disease, posture, mental health or even addressing financial wellbeing and issues such as long term care of dependents.

#### **Summary**

The link between healthy people and healthy businesses cannot be overstated. If you are keen to see your business flourish you’ll understand why a proactive approach to employee wellbeing is the very best place for you to start.



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