Annual survey report 2014

in partnership with

ABSENCE MANAGEMENT

2014

WORK

WORKFORCE

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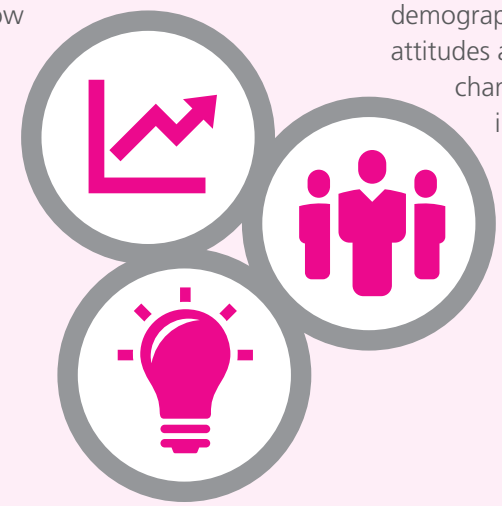
Championing better work and working lives

The CIPD's purpose is to **champion better work and working lives** by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of **work**, the diverse and changing nature of the **workforce**, and the culture and organisation of the **workplace**.

WORK

Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.



WORKFORCE

Our focus on the workforce includes demographics, generational shifts, attitudes and expectations, the changing skills base and trends in learning and education.

WORKPLACE

Our focus on the workplace includes how organisations are evolving and adapting, understanding of culture, trust and engagement, and how people are best organised, developed, managed, motivated and rewarded to perform at their best.

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FOREWORD

Welcome to the fifteenth edition of our *Absence Management* survey report in partnership with Simplyhealth. As in previous years, we provide useful benchmarking data for organisations on absence levels and the cost and causes of absence as well as a focus on employee well-being. We continue to track the effect of the economic climate on employee absence and this year we included two focus sections in the survey about the impact of government initiatives on absence management and how organisations are supporting carers.

Overall, there has been a fall in absence levels this year by a day per employee, from 7.6 days in 2013 to 6.6 days in 2014. Public sector absence has fallen by almost a day, although at 7.9 days per employee, this figure is still markedly higher than in the private sector (5.5 days).

This year we have observed some positive trends which could have contributed to the fall in absence levels, including an increased focus on attendance strategies. We have also seen a notable rise in the number of organisations that are developing line manager capability, from 39% of organisations in 2013 to 61% in 2014.

There are still a significant percentage of organisations, particularly in the public sector, reporting an increase in stress and mental health problems among employees as well as an increase in presenteeism. The public sector has traditionally been more proactive in promoting well-being and taking action to identify and manage stress at work, but encouragingly this year's findings reveal that more private and non-profit sector organisations are training line managers to identify and manage stress.

In this survey report we include an interesting case study from Unilever which explains how they are promoting good mental health across the workforce. They have developed a four-pillar programme, supported by tools and resources, which is owned by the whole business. As well as being seen as the right thing to do, Unilever leadership sees supporting employees' physical and mental well-being as essential to the sustainability of the company.

It's important to consider the findings in the context of the wider economic climate and we asked survey respondents about the economic circumstances facing their organisation. Despite improvements in the economy overall, two-fifths of organisations said their economic or funding circumstances are worse than before (74% of public sector organisations). And redundancies are still on the cards for a considerable number of organisations.

The pressure people are experiencing as a result of the wider context we're operating in makes a focus on employee health and well-being important. Ignoring employee health and well-being can result in significant costs to an organisation in terms of sick pay and temporary staffing cover as well as having a negative impact on employee morale, colleague workloads and ultimately business productivity.

Just under a third of organisations say they have increased their focus on employee well-being as a result of the economic context, but those reporting worsened economic conditions were only slightly more likely to have increased their focus. There is still more that employers can do to identify key issues for the workforce and develop targeted and cost-effective ways to support people.

Sickness absence remains a focus for policy-makers with the new Health and Work Assessment and Advisory Service due to be up and running by the end of this year. In this report we continue to track employer views on the value of this service. The service will provide employers with bespoke, independent advice for cases of sickness absence of more than four weeks. It is intended to stop thousands of people falling out of work and onto long-term sickness benefits.

I hope you find the survey report an interesting read and useful in informing your absence management and well-being approaches.

Dr Jill Miller
Research Adviser
CIPD

We are delighted to be sponsoring the fifteenth annual CIPD *Absence Management* survey. And what an exciting edition to be a part of! Average absence levels have fallen by a day, which is great news, particularly for us as HR professionals.

At Simplyhealth we believe health and well-being strategies play a fundamental role in managing absence, and we are delighted to see this come out in the report. Plus businesses are seeing the positive impact it makes; those who evaluate their well-being spend are twice as likely to increase spend next year.

In addition, employers are recognising the importance of the role of line managers and are taking steps to develop their absence management capability.

Identifying underlying causes of stress-related absence should remain a priority as we continue to see stress and mental health problems affecting the workforce. Worryingly, the report also reveals that businesses are not taking steps to address it. This may be because they don't know how. We have put together information in partnership with Robertson Cooper to share practical ways of building resilience in the workplace at **www.simplyhealth.co.uk/resilience**

It's really interesting to see socio-economic factors coming through in the report. The ageing population brings with it important considerations for employers. One that has particularly stood out here is the impact of caring responsibilities on absence. Nearly a third have highlighted it's already made an impact on absence, and this is only going to increase.

These insights will certainly play a part in developing our own strategy to keep absence at a sustainable level and enable our people to be proactive about their own health and well-being.

Corinne Williams
Head of Human Resources
Simplyhealth

ABOUT US

CIPD

The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

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Simplyhealth

Discover why 20,000 businesses choose us as their healthcare provider including major UK brands such as AstraZeneca, British Airways, John Lewis Partnership, Royal Mail and Tesco. We cover almost 4 million people with healthcare cover, making us the largest in our industry.

Discover how you can rely on our specialist knowledge because we only focus on healthcare. We partner with experts in the industry to keep your business informed on the latest HR and healthcare developments.

Discover why the Institute of Customer Service recognises our customer service team as world class and we have achieved its ServiceMark accreditation. We adopt a genuine partnership approach to ensure your plan runs efficiently and smoothly and that's why our clients stay with us for ten years on average.

Discover personalised health plans to suit your business and your budget. We specialise in private medical insurance, health cash plans, dental plans and self-funded health plans. We'll manage the cost and value to ensure your employees receive appropriate care.

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SUMMARY OF KEY FINDINGS

This report sets out the findings of the CIPD's fifteenth national survey of absence management trends, policy and practice. The analysis is based on replies from 518 organisations across the UK in reference to 1.4 million employees.

Absence levels

More than three-quarters of organisations record their annual employee absence rate, rising to 91% of the public sector.

The average level of employee absence has fallen compared with last year from 7.6 to 6.6 days per employee. Moreover, data from the last five years suggests a fluctuating downward trend in absence levels in all sectors except manufacturing and production, which has seen little change. There is, however, considerable variation across organisations, with some reporting extremely high levels of absence.

Average absence levels are highest in the public services and non-profit sectors and lowest in the private services sector. Absence levels also tend to increase with organisation size, regardless of sector.

The gap between the absence levels of manual and non-manual workers appears to be increasing, although there is considerable variation between organisations.

Length of absence

Echoing findings from the last two years, two-thirds of working time lost to absence is accounted for by short-term absences of up to seven days. A fifth is attributed to long-term absences (four weeks or more). There are, however, significant sector differences. Over a quarter of absence in the public sector is due to long-term absences of four weeks or longer, twice as much as in the private sector.

Length of absence is also related to organisational size, regardless of sector, with smaller organisations attributing a higher proportion of their absence to short-term leave compared with larger organisations.

Targets to reduce absence

Most organisations (70%) believe it is possible to reduce employee absence, particularly in the public sector (82%) where absence levels are highest. Half of those who believe it is possible to reduce absence have a target in place to do so.

Cost of absence

Just under two-fifths of organisations report they monitor the cost of employee absence. The public sector and larger organisations are most likely to do so.

The overall median cost of absence per employee (£609) has changed little over the last few years. As in previous years the median absence cost is highest in the public sector and lowest in the private sector.

Causes of absence

Most organisations (87%), regardless of sector or size, collect information on the causes of

employee absence. Minor illness remains the most common cause of short-term absence as in previous years, followed by musculoskeletal injuries, back pain and stress. The most common causes of long-term absence are acute medical conditions, stress, musculoskeletal injuries, mental ill health, and back pain.

The public sector is more likely than the private to rank stress and musculoskeletal injuries among their top five causes of short- and long-term absence. Across all sectors, organisations that had made redundancies in the previous six months are most likely to include stress among their most common causes of short- and long-term absence.

Overall, three in ten organisations report that non-genuine absence is one of their top causes of short-term absence for manual workers and one in five for non-manual workers. It is most common in the private sector but, regardless of sector, is less common in organisations that use flexible working.

Work-related stress

Two-fifths of respondents report that stress-related absence has increased over the past year for the workforce as a whole, while a quarter report it has increased for managers and one in seven that it has increased for senior managers. Just one in ten report that stress-related absence has decreased. Public sector and larger organisations were most likely to report that stress-related absence has increased.

Workload is ranked the most common cause of stress followed by non-work relationships/family, management style and relationships at work.

Three-fifths of organisations are taking steps to identify and reduce stress in the workplace, rising to three-quarters of the public sector. Overall, a third have increased their focus on stress management for the workforce as a whole over the past 12 months. Nevertheless, a third of organisations that included stress among their top five causes of absence are not taking any steps to address it.

Popular methods to identify and reduce workplace stress include staff surveys, risk assessments/stress audits and flexible working options/improved work–life balance. More private and non-profit sector organisations report they are training line managers to more effectively identify and manage stress in their team compared with last year, bringing them more in line with the public sector, which is most proactive on this. Overall, 71% of those who take steps to address stress offer some sort of stress management training.

Managing mental health

Just over two-fifths of organisations have noticed an increase in reported mental health problems (such as anxiety and depression) among employees in the past 12 months. Larger organisations are particularly likely to report an increase.

Most organisations offer one or more initiatives to support employees with mental health problems. Counselling, flexible working options/improved work–life balance and employee assistance programmes are most commonly used, although many organisations are also making efforts to raise awareness of mental health issues.

Managing absence

The vast majority of organisations (95%) have a written absence/attendance management policy. In three-fifths absence level is a key performance indicator.

Half have introduced changes to some aspect of their approach in the last year, with public sector organisations most likely to have made changes. The most common change is to develop line manager capability to manage absence, showing an increased focus on this compared with last year (2014: 61%; 2013: 39%). Other common changes include introducing a new, revising or reinforcing an existing absence management policy and introducing or revising monitoring procedures. There is also an increased focus this year on attendance strategies.

The vast majority of organisations indicate that they do assess the impact of changes they make to absence management. Most of those who gave a view on the impact of changes they had made report a positive impact on absence levels.

The most common methods used to manage short-term absence include return-to-work interviews, trigger mechanisms to review attendance, leave for family circumstances, disciplinary procedures for unacceptable absence and giving sickness absence information to line managers. As last year, return-to-work interviews and trigger mechanisms to review attendance are most commonly ranked among organisations' most effective methods of managing short-term absence.

Return-to-work interviews also remain the most common method used to manage long-term absence, followed by occupational health involvement, risk assessments to aid return to work and giving sickness absence information to line managers. The use of occupational health is most commonly reported to be among organisations' most effective methods for managing long-term absence, as in the last few years.

Three-fifths of organisations report that line managers take primary responsibility for managing short-term absence and 46% that they take responsibility for long-term absence. Not all organisations, however, train managers in absence-handling and fewer provide them with tailored support.

The public and non-profit sectors tend to take a more proactive approach to managing absence using a range of methods to promote good health and attendance. Private sector employers are more likely to offer private health/medical insurance and alternative health plans and they are also more likely to restrict sick pay.

Supporting employees with acute conditions

The vast majority of organisations provide some sort of support for employees with acute conditions. Changes to working patterns or environment to enable people to stay in or return to work, flexible working arrangements, return-to-work interviews and occupational health involvement were most commonly used.

The impact of government initiatives on absence management

Just under a quarter of organisations believe the Independent Assessment and Advisory Service (now called the Health and Work Assessment and Advisory Service) would be beneficial in helping them manage long-term sickness absence more effectively, while just over a quarter do not believe it would be helpful.

Slightly fewer organisations than last year plan to access the advisory service to get advice about managing long-term sickness absence (2014: 22%, 2013: 28%), while more report they will not be accessing the service (2014: 35%, 2013: 28%). Plans to access the service were not significantly related to absence levels.

Current occupational health provision

Overall, three-quarters of organisations (rising to 96% of the public sector) use occupational health in their absence management approach. Most use an external provider, although a third of the public sector provides in-house services.

The point at which employees are referred to occupational health varies across organisations. For two-fifths of organisations it depends on the condition and for a similar proportion it is at the company's discretion. Smaller proportions refer employees after a certain number of days of continuous or non-continuous absence.

Employee well-being

Half of organisations have an employee well-being strategy, although they are more common in the public sector and larger organisations.

Nearly half of organisations have made changes to their approach to well-being in the past 12

months. The most common change is to improve communication to staff about the well-being benefits on offer and how to access them. Only a very small minority reduced their offering.

Most organisations surveyed provide one or more well-being benefits. As in previous years, access to counselling services and employee assistance programmes were the most common well-being benefits on offer. There were also sector differences, with public and non-profit organisations more likely to offer health promotion initiatives and the private sector more likely to provide insurance for employees.

A fifth of organisations report their well-being spend increased this year in comparison with the last financial year, while just 6% reported it had decreased. Similar changes are anticipated in 2015.

A fifth of organisations report they evaluate the impact of their well-being spend. Those that do were twice as likely to predict an increase in their well-being spend for the following year.

Supporting carers

Nearly a third of organisations report that absence has been affected by the caring responsibilities of employees; 14% report caring responsibilities have had a moderate or considerable impact.

One in six organisations has a specific policy or guidelines for supporting employees who are carers and an additional two-fifths report that decisions regarding support are made on an individual basis. Flexible working is the most common type of support provided to carers, followed by compassionate leave and (paid or unpaid) carers' leave.

Employee absence and the economic climate

Overall a fifth of organisations report their general economic/funding circumstances improved in the last year, while two-fifths report they were worse (74% of the public sector). More than two-fifths of organisations made redundancies in the past six months and nearly half will, or will possibly, make redundancies in the next six months. Nearly half of organisations use employee absence records as part of their criteria for selecting for redundancy.

A third of organisations report an increase in people coming to work ill in the last 12 months, rising to nearly half of those who are anticipating redundancies in the next six months. Organisations that report an increase in 'presenteeism' are also more likely to report an increase in stress-related absence and mental health problems over the same period. Nevertheless, half of those who have noticed an increase in 'presenteeism' over the past 12 months have not taken steps to discourage it.

Three in ten organisations have increased their focus on employee well-being and health promotion as a result of the economic context. Those who have made redundancies in the past six months are somewhat more likely to have increased their focus on employee well-being than those who haven't.

RATES OF EMPLOYEE ABSENCE

Average absence rates in the private services and public sector have reduced by one day compared with last year and are at their lowest for five years. Reduced absence is observed in all sectors except manufacturing and production, although there remains considerable variation at organisational level.

More than three-quarters of organisations report they record their annual employee absence rate (2014: 76%; 2013: 81%; 2012: 82%; 2011: 81%). In line with previous years' findings, public sector organisations are most likely to record this information and private services the least (public sector: 91%; private services: 69%; manufacturing and production: 82% and non-profits: 84%).[1]

As in previous years, there is considerable variation in reporting levels of absence, with some organisations reporting very high absence levels.[2] In order to avoid a few extreme cases skewing the results, we report the 5% trimmed mean (Table 1).[3] This suggests that, on average, absence has reduced by one day compared with last year. Moreover, it is at the lowest level observed in the last five years (although comparable with that in 2012).

Sector variations

Figure 1 shows that absence levels remain considerably higher in the public and non-profit sectors compared with the private sector, although absence levels have decreased in all sectors except manufacturing and production, where there has been little change over the last few years. Moreover, there is some evidence, not only of a reduction compared with last year, but a general decline over the last few years, although there is considerable fluctuation across years (particularly within the private sector) as well as variation within sectors (Table 2).

Table 3 shows that there is also considerable variation within sectors, although the small number of respondents in each industry means differences should be treated with caution. Public

Table 1: Average level of employee absence, per employee per annum

	Average working time lost per year (%)			Average number of days lost per employee per year		
	5% trimmed mean	Standard deviation	Mean	5% trimmed mean	Standard deviation	Mean
2014: all employees	2.9	3.1	3.3	6.6	7.0	7.4
2013: all employees	3.3	3.9	3.8	7.6	9.0	8.6
2012: all employees	3.0	3.3	3.4	6.8	7.5	7.7
2011: all employees	3.4	3.5	3.8	7.7	8.0	8.7
2010: all employees	3.2	1.9	3.4	7.4	4.3	7.7

Base: 342 (2014); 393 (2013); 498 (2012); 403 (2011); 429 (2010)

sector health organisations and non-profit care services report particularly high average absence levels, as we've found in previous years.

Manual and non-manual absence levels

Just 62 respondents reported average levels of absence for manual employees and 84 for non-manual employees. From this reduced sample it appears that average absence levels have increased for manual workers (2014: 7.2 days per employee per year; 2013: 6.4 days; 2012: 5.7 days; 2011: 5.7 days), although there is particularly high variation among organisations in the figures reported this year, with some reporting very high levels of absence for manual workers. The median level of absence for manual workers shows little change over the last few years (2014: 5.9 days; 2013: 5.9 days; 2012: 5.9 days; 2011: 5.5 days).

In contrast, levels of absence for non-manual workers have decreased slightly (5% trimmed mean – 2014: 4.7 days per employee per year; 2013: 5.0 days; 2012: 4.7 days; 2011: 5.5 days; median – 2014: 4.3 days; 2013: 4.6 days; 2012: 4.6 days; 2011: 4.6 days).

The gap between the absence levels of manual and non-manual employees appears to be increasing. In 2011 manual employees had an average (trimmed mean) of 0.2 days more absence per year, in 2012 1.0 day more, in 2013 1.4 days more and in 2014 2.5 days more than non-manual workers.[4] The median absence levels confirm this increase (2011: 0.9 days more; 2012: 1.3 days more; 2013: 1.3 days more; 2014: 1.6 days more).

Figure 1: Average number of days lost per employee per year by sector (5% trimmed mean)

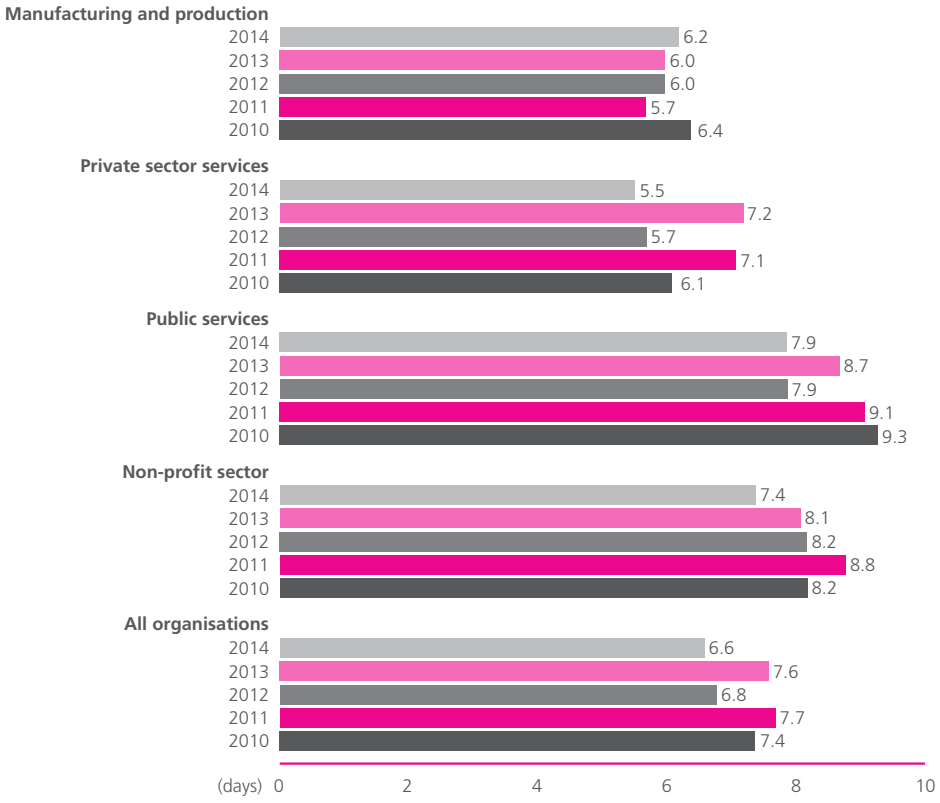


Table 2: Average level of employee absence, by sector for all, manual and non-manual employees

		Average working time lost per year (%)			Average number of days lost per employee per year		
	Number of respondents	5% trimmed mean	Standard deviation	Mean	5% trimmed mean	Standard deviation	Mean
All employees							
Manufacturing and production	73	2.7	3.3	3.2	6.2	7.6	7.2
Private sector services	115	2.4	3.9	2.9	5.5	8.9	6.6
Public services	88	3.5	1.8	3.6	7.9	4.1	8.2
Non-profit sector	66	3.3	2.4	3.5	7.4	5.4	8.0
Total	**342**	**2.9**	**3.1**	**3.3**	**6.6**	**7.0**	**7.4**
Manual employees							
Manufacturing and production	32	3.2	10.3	5.0	7.3	23.5	11.3
Private sector services*	16	2.1	2.4	2.2	4.7	5.5	5.1
Public services*	9	3.4	2.3	4.2	9.5	5.2	9.6
Non-profit sector*	5	4.8	4.6	4.9	11.0	10.5	11.1
Total	**62**	**3.2**	**7.7**	**4.1**	**7.2**	**17.5**	**9.4**
Non-manual employees							
Manufacturing and production	31	1.8	7.1	3.0	4.0	16.1	6.9
Private sector services	30	2.0	1.8	2.2	4.5	4.0	4.9
Public services*	15	2.6	0.8	2.5	5.8	1.9	5.7
Non-profit sector*	8	2.8	1.4	2.8	6.4	3.3	6.5
Total	**84**	**2.0**	**4.4**	**2.6**	**4.7**	**10.1**	**5.9**

*** Not all respondents gave absence levels for manual and non-manual employees. Figures for these categories are based on a small number of respondents so should be treated with caution.**

Table 3: Average level of employee absence, all employees, by industry

			Average working time lost per year (%)		Average days lost per year	
		Number of respondents	5% trimmed mean	Mean	5% trimmed mean	Mean
Manufacturing and production	Agriculture and forestry	1	n/a*	4.0	n/a*	9.1
	Chemicals, oils and pharmaceuticals	11	4.6	5.5	10.5	12.5
	Construction	4	1.9	1.8	4.2	4.2
	Electricity, gas and water	3	n/a*	2.6	n/a*	5.9
	Engineering, electronics and metals	12	2.0	2.1	4.6	4.8
	Food, drink and tobacco	17	2.8	2.9	6.5	6.6
	General manufacturing	7	4.7	4.8	10.6	10.9
	Mining and quarrying	0	/	/	/	/
	Paper and printing	1	n/a*	2.3	n/a*	5.2
	Textiles	3	n/a*	2.0	n/a*	4.5
	Other manufacturing/ production	14	2.5	2.6	5.7	5.9
Private sector services	Professional services (accountancy, advertising, consultancy, legal, etc)	21	1.9	2.2	4.4	4.9
	Finance, insurance and real estate	14	2.3	2.5	5.1	5.6
	Hotels, catering and leisure	3	n/a*	2.4	n/a*	5.4
	IT services	8	1.5	1.5	3.4	3.4
	Call centres	2	n/a*	3.2	n/a*	7.3
	Media (broadcasting and publishing, etc)	1	n/a*	3.5	n/a*	8.0
	Retail and wholesale	12	3.4	3.4	7.8	7.7
	Transport, distribution and storage	19	3.0	3.0	6.8	6.9
	Communications	3	n/a*	2.9	n/a*	6.7
	Other private services	32	2.4	3.7	5.4	8.4
Public services	Central government	15	3.2	3.3	7.4	7.4
	Education	16	2.7	2.6	6.1	6.0
	Health	31	4.2	4.2	9.7	9.6
	Local government	11	3.6	3.5	8.2	8.0
	Other public services	15	3.2	3.7	7.4	8.4
Non-profit sector	Care services	16	4.3	4.5	9.8	10.3
	Charity services	17	2.7	3.2	6.2	7.3
	Housing association	21	3.6	3.6	8.2	8.3
	Other voluntary	12	2.4	2.4	5.5	5.5

*** It is not meaningful to calculate the 5% trimmed mean with a low number of respondents.**

The effect of workforce size

As we've found in previous years, larger organisations tend to have higher levels of absence than smaller ones, regardless of sector (Table 4).[5] In smaller organisations absence may be more disruptive and noticeable and, moreover, sick pay schemes tend to be less generous, which may discourage absence or incentivise a speedy return to work.

Regional breakdown

Table 5 shows regional differences in absence levels. Some of these differences are likely to be due to sampling differences between regions in terms of the size and sector of organisations. For example, while the absence level in the north-west of England is particularly high, a high proportion of organisations reporting for this region are public sector organisations, where absence tends to be higher.

Table 4: The effect of workforce size

		Average working time lost per year (%)			Average number of days lost per employee per year (days)		
No. of UK employees	Number of respondents	5% trimmed mean	Standard deviation	Mean	5% trimmed mean	Standard deviation	Mean
1–49	46	1.7	2.4	2.1	3.9	5.6	4.8
50–249	119	2.6	3.7	3.1	6.0	8.5	7.0
250–999	88	2.9	1.5	3.0	6.5	3.4	6.8
1,000–4,999	47	3.9	2.6	4.2	9.0	6.0	9.7
5,000+	42	3.9	3.9	4.4	8.8	8.8	10.1

Table 5: Average level of absence, by region

		Average working time lost per year (%)		Average number of days lost per employee per year (days)	
	Number of respondents	5% trimmed mean	Standard deviation	5% trimmed mean	Standard deviation
East Anglia	23	2.3	2.9	5.3	6.7
East Midlands	8	3.4	3.0	7.8	6.8
West Midlands	18	2.7	2.1	6.1	4.7
North-east of England	6	3.4	1.3	7.7	3.1
North-west of England	27	3.7	1.9	8.5	4.2
South-west of England	18	2.6	1.5	6.0	3.5
Yorkshire and Humberside	17	3.0	1.2	6.8	2.8
South-east of England (excluding London)	46	3.0	1.6	6.9	3.7
London	30	2.7	1.3	6.1	2.9
Scotland	29	2.9	1.5	6.5	3.4
Wales	12	3.0	1.9	6.7	4.3
Northern Ireland	11	3.7	2.2	8.4	5.0
Ireland	30	2.7	2.5	6.2	5.8
Whole of UK	63	3.1	5.8	7.1	13.3

Length of absence

As we've found in previous years, two-thirds of working time lost to absence is accounted for by short-term absences of up to seven days. A fifth of absence is attributed to long-term absence (four weeks or more), while 16% is attributed to absences of between eight days and four weeks (Table 6).

In previous years we have found that manual workers tend to have a higher proportion of long-term absence than non-manual workers. This year the difference is small and not significant. The average length of manual workers' sickness absence has reduced slightly in comparison with previous years: on average 16% of manual workers' absence is long term, compared with 23% in 2013, 20% in 2012 and 22% in 2011. These proportions, however, are based on a small sample of organisations and there is considerable variation between them.

Our findings also show (as in previous years) that the length of absence varies significantly across sectors (Table 6). On average, just over half of absence in the public sector is short term, compared with nearly three-quarters in private services, over two-thirds in manufacturing and

Table 6: The average proportion of sickness absence attributed to short-, medium- and long-term absence, by workforce size and industry sector

	Number of respondents	Up to seven days (%)	Eight days up to four weeks (%)	Four weeks or longer (%)
All employees	268	65	16	19
Manual employees	33	69	15	16
Non-manual employees	51	72	13	14
Industry sector: all employees				
Manufacturing and production	50	67	18	15
Private sector services	108	73	13	14
Public services	66	52	20	28
Non-profit sector	44	62	15	22
Number of UK employees: all employees				
1–49	24	72	11	18
50–249	112	70	13	16
250–999	70	66	17	17
1,000–4,999	35	52	21	27
5,000+	27	51	23	26

production and three-fifths in non-profits.[6] Over a quarter of absence in the public sector is due to long-term absences of four weeks or longer, twice as much as in the private sector.

Across sectors, smaller organisations attribute more of their absence to short-term leave than larger organisations.[7] As previously discussed, absence may be more notable in smaller organisations and they tend to have less generous sick pay schemes, which may act as an incentive to return to work (CIPD *Absence Management* survey report 2012).

Targets to reduce absence

Seventy per cent of organisations believe it is possible to reduce employee absence (2013: 71%). One in six (17%) do not think it is possible (13% don't know). Public sector organisations, where absence levels are highest, are most likely to believe they can reduce absence levels (public services: 82%; non-profits: 68%; private services sector: 63%; manufacturing and production: 71%).[8] Larger organisations are also more likely to believe they can reduce absence.[9]

Half of those who believe it is possible to reduce absence have a target in place to do so (compared with just 7% of those who don't believe it is possible to reduce absence). Organisations with higher levels of absence are more likely to have a target.[10] In addition, targets are most common in the public sector (Table 7) and in larger organisations.[11]

Table 7: Organisations that have a target for reducing absence, by sector (%)

	Does your organisation have a target for reducing employee absence?		
	Yes	No	Don't know
All	38	56	6
Manufacturing and production	38	59	4
Private sector services	27	67	6
Public services	60	32	8
Non-profit sector	32	62	6

Base: 515

THE COST OF ABSENCE

The median annual absence costs per employee (£609) are similar to previous years, although they have increased considerably in the public sector.

Just under two-fifths of organisations report they monitor the cost of employee absence, showing little change from previous years (2014: 37%; 2013: 38%; 2012: 40%; 2011: 42%; 2010: 45%; 2009: 41%). Larger organisations, and those in the public sector, are significantly more likely to monitor the cost (Table 8).[12]

A total of 101 respondents reported their average annual cost of absence per employee. There is considerable variation in the figures reported and some very extreme responses (Table 9).[13] In the past we have found that organisations include different costs in their calculations, which may partly explain the variation (CIPD *Absence Management* survey reports 2013 and 2012). The prevalence of some extremely high figures also raises the possibility that some respondents misread the question and reported absence costs for the whole organisation rather than per employee. The median figures are therefore considered to be most representative of the sample and are reported on.

The overall median cost of absence per employee has changed little over the last few years (Figure 2). It has, however, increased substantially this year in the public sector, despite a fall in the average level of absence per employee (see 'Rates of employee absence' above). The median absence cost per employee has also increased substantially in the manufacturing and production sector, although given the small sample size and considerable variation these changes should be interpreted with caution.

Table 8: Does your organisation monitor the cost of employee absence? (%)

	Yes	No	Don't know
All organisations	37	51	12
Industry sector			
Manufacturing and production	31	57	12
Private sector services	29	55	16
Public services	55	35	10
Non-profit sector	38	56	6
Number of UK employees			
1–49	18	68	14
50–249	30	60	9
250–999	39	50	11
1,000–4,999	51	33	16
5,000+	63	23	14

Base: 518

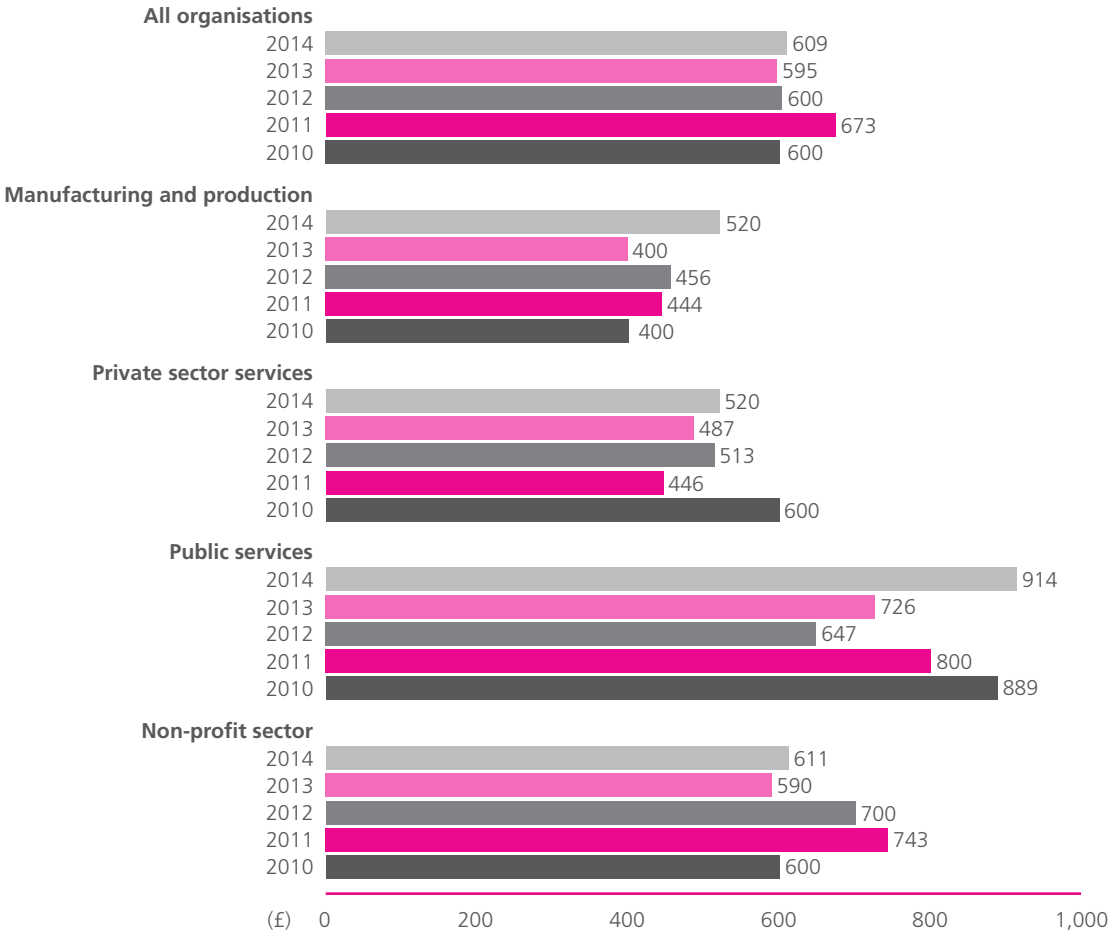
Table 9: Average annual cost of absence per employee per year, by sector

	Number of respondents	Cost (£) per employee per year: Median	5% trimmed mean	Minimum	Maximum
All	101	609	760	66	2,028,108*
Manufacturing and production	13	520	61,264	131	2,028,108*
Private sector services	43	520	697	73	10,4000
Public services	26	914	1,179	66	7,800
Non-profit sector	19	611	616	100	1,045

***The organisation reporting this figure may have misread the question and reported for the organisation rather than PER EMPLOYEE. However, we cannot verify this. Reporting the median helps reduce the bias from such extreme figures.**

As in previous years the median absence cost is highest in the public sector and lowest in the private sector (Table 9). This reflects average levels of absence, which are highest in the public sector and lowest in the private (Table 2), sector differences in the proportion of long-term absence (Table 6) and the generosity of sick pay schemes (CIPD *Absence Management* survey report 2012).

Figure 2: Median cost of absence per employee per year, by sector and by year



CAUSES OF ABSENCE

Minor illness remains the most common cause of short-term absence for the vast majority of organisations. Acute medical conditions, stress, musculoskeletal injuries, mental ill health and back pain are most commonly responsible for long-term absence. Organisations that have experienced redundancies in the past six months are significantly more likely to include stress among their top causes of absence.

Most organisations, regardless of sector or size, collect information on the causes of employee absence (2014: 87%; 2013: 84%; 2012: 88%; 2011: 84%; 2010: 86%). Respondents were asked to rank the five most common causes of short- and long-term absence, for both manual and non-manual workers.

Short-term absence

The main causes of short-term absence (four weeks or less) are similar to previous years. Minor illness (including colds, flu, stomach upsets, headaches and migraines) is by far the most common cause of short-term absence for both manual and non-manual employees (Table 10). Musculoskeletal injuries, back pain and stress are also common causes of short-term absence, although, as in previous years, musculoskeletal injuries and back pain are more common causes of absence for manual workers, while stress is somewhat more common for non-manual workers.

Table 10: Common causes of short-term absence (%)

	Most common cause		In top 5 most common causes	
	Manual	Non-manual	Manual	Non-manual
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	80	83	96	96
Back pain	2	2	58	42
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	7	3	57	51
Stress	4	7	46	51
Home/family responsibilities	1	0	36	35
Recurring medical conditions (for example asthma, angina and allergies)	0	1	34	38
Mental ill-health (for example clinical depression and anxiety)	2	3	29	32
Injuries/accidents not related to work	0	0	19	19
Acute medical conditions (for example stroke, heart attack and cancer)	0	0	17	20
Work-related injuries/accidents	1	0	12	4
Pregnancy-related absence (not maternity leave)	0	0	11	14
Drink- or drug-related conditions	0	0	2	2
Absences due to non-genuine ill-health (for example 'pulling a sickie')	1	1	30	18

Base: 297 (manual); 265 (non-manual)

Across all sectors, organisations that have made redundancies in the previous six months are considerably more likely to include stress among their most common causes of short-term absence (71% compared with 38% of those who have not made redundancies).[14]

Overall, 30% of organisations report that non-genuine absence is one of their top causes of short-term absence for manual workers and 18% for non-manual workers. Organisations that use flexible working to manage absence are significantly less likely to include illegitimate absence among their top five causes of short-term absence for either manual or non-manual employees (20% compared with 37% of those who don't use flexible working to manage short-term absence).[15] Those who offer flexible working are also significantly less likely to include home/family responsibilities among their top causes of short-term absence (34% versus 45% who don't offer flexible working).[16]

Sector differences

Stress remains a more common cause of absence in the public sector than the private, for manual and non-manual workers (Tables 11 and 12). This year three-quarters of the public sector included it among the top five causes of absence in their organisations reversing the decline observed last year.[17] The public sector is also more likely than the private to report that musculoskeletal injuries are a common cause of absence, particularly for manual workers.

In contrast, the public sector continues to be less likely than the private to include home/family responsibilities and illegitimate absence among their top causes of absence. This may be at least partly attributable to more widespread flexible working practices in the public sector (see Table 23), although the ongoing cuts and redundancies in this sector may also deter public sector employees from taking illegitimate absence.

Table 11: Top five most common causes of short-term absence for manual workers, by sector (%)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Minor illness (for example colds/ flu, stomach upsets, headaches and migraines)	96	94	99	92	95
Back pain	58	63	55	66	44
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	57	62	44	79	47
Stress	46	29	42	77	44
Home/family responsibilities	36	39	46	23	23
Recurring medical conditions (for example asthma, angina and allergies)	34	33	32	33	47
Mental ill-health (for example clinical depression and anxiety)	29	28	28	25	37
Injuries/accidents not related to work	19	22	22	16	9
Acute medical conditions (for example stroke, heart attack and cancer)	17	17	12	23	21
Work-related injuries/accidents	12	20	13	5	5
Pregnancy-related absence (not maternity leave)	11	4	16	7	16
Drink- or drug-related conditions	2	3	3	0	0
Absences due to non-genuine ill-health (for example 'pulling a sickie')	30	36	37	20	16

Base: 297

Table 12: Top five most common causes of short-term absence for non-manual workers, by sector (%)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	96	95	99	92	98
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	51	53	40	66	52
Stress	51	35	43	75	52
Back pain	42	39	39	42	55
Recurring medical conditions (for example asthma, angina and allergies)	38	31	42	41	36
Home/family responsibilities	35	42	45	25	18
Mental ill-health (for example clinical depression and anxiety)	32	35	29	30	39
Acute medical conditions (for example stroke, heart attack and cancer)	20	18	16	23	27
Injuries/accidents not related to work	19	21	21	17	16
Pregnancy-related absence (not maternity leave)	14	8	16	16	14
Work-related injuries/accidents	4	10	4	0	0
Drink- or drug-related conditions	2	2	2	2	0
Absences due to non-genuine ill-health (for example 'pulling a sickie')	18	16	32	11	5

Base: 265

Long-term absence

The most common causes of long-term absence (four weeks or more) among manual and non-manual workers are similar to previous years. The most common causes are acute medical conditions (for example stroke, heart attack and cancer), stress, musculoskeletal injuries (for example neck strains and repetitive strain injury), mental ill health, and back pain (Table 13). Musculoskeletal injuries, back pain and work-related injuries/accidents are particularly common for manual workers, while stress is more common for non-manual workers.

As with short-term absence, stress is a more common cause of long-term absence among organisations that have made redundancies in the last six months (74% compared with 55% of organisations that have not made redundancies).[18]

Sector differences

In previous years, manufacturing and production organisations were least likely to include mental ill-health among their main causes of absence. This year's findings show this is no longer the case. The proportion of manufacturing and production organisations including mental ill-health among their main causes of long-term absence has more than doubled for both manual (2014: 56%; 2013: 27%) and non-manual workers (2014: 60%; 2013: 23%). There has also been a small increase in those including it among their main causes of short-term absence.

As in previous years, and echoing the findings for short-term absence, public sector organisations are more likely than the private sector to report that stress and musculoskeletal injuries are among their most common causes of long-term absence for both manual and non-manual workers (Tables 14 and 15).

Injuries/accidents (both related and unrelated to work) are more commonly among the top causes of long-term absence for manual workers in the private sector (Tables 14 and 15).

Table 13: Common causes of long-term absence (%)				
	Most common cause		In top 5 most common causes	
	Manual	Non-manual	Manual	Non-manual
Acute medical conditions (for example stroke, heart attack and cancer)	23	27	58	61
Stress	17	22	55	64
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	16	12	57	49
Mental ill-health (for example clinical depression and anxiety)	14	19	55	54
Back pain	12	3	50	31
Injuries/accidents not related to work	6	4	23	23
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	5	6	14	14
Recurring medical conditions (for example asthma, angina and allergies)	2	3	29	33
Work-related injuries/accidents	2	0	18	5
Pregnancy-related absence (not maternity leave)	1	2	13	14
Home/family responsibilities	1	0	12	16
Drink- or drug-related conditions	0	0	3	4
Absences due to non-genuine ill-health (for example 'pulling a sickie')	0	0	8	3

Base: 262 (manual); 231 (non-manual)

Table 14: Top five most common causes of long-term absence for manual workers, by sector (%)					
	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Acute medical conditions (for example stroke, heart attack and cancer)	58	60	55	65	49
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	57	51	52	72	59
Stress	55	40	51	77	61
Mental ill-health (for example clinical depression and anxiety)	55	56	53	52	66
Back pain	50	56	49	55	34
Recurring medical conditions (for example asthma, angina and allergies)	29	29	25	30	37
Injuries/accidents not related to work	23	28	26	15	17
Work-related injuries/accidents	18	21	21	10	15
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	14	11	13	18	15
Pregnancy-related absence (not maternity leave)	13	6	19	10	15
Home/family responsibilities	12	13	12	12	10
Drink- or drug-related conditions	3	3	6	3	0
Absence due to non-genuine ill-health (for example 'pulling a sickie')	8	3	10	8	10

Base: 262

Table 15: Top five most common causes of long-term absence for non-manual workers, by sector (%)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Stress	64	58	57	82	55
Acute medical conditions (for example stroke, heart attack and cancer)	61	54	61	66	65
Mental ill-health (for example clinical depression and anxiety)	54	60	47	55	60
Musculoskeletal injuries (for example neck strains and repetitive strain injury, but excluding back pain)	49	42	44	66	43
Recurring medical conditions (for example asthma, angina and allergies)	33	23	35	29	48
Back pain	31	33	29	34	28
Injuries/accidents not related to work	23	21	31	18	20
Home/family responsibilities	16	17	19	11	15
Minor illness (for example colds/flu, stomach upsets, headaches and migraines)	14	10	17	15	15
Pregnancy-related absence (not maternity leave)	14	13	14	13	15
Work-related injuries/accidents	5	4	5	8	0
Drink- or drug-related conditions	4	4	5	6	0
Absence due to non-genuine ill-health (for example 'pulling a sickie')	3	4	3	3	3

Base: 231

WORK-RELATED STRESS AND MENTAL HEALTH

Two-fifths of organisations report an increase in stress-related absence over the past year and a similar proportion claim an increase in reported mental health problems. Many organisations are taking steps to address these issues. Nevertheless, a third of organisations that identified stress as a top cause of short-term absence are not taking any steps to address it.

Overall, two-fifths of respondents report that stress-related absence has increased over the past year for the workforce as a whole, while a quarter report it has increased for managers and one in seven that it has increased for senior managers (Table 16). Just one in ten report that stress-related absence has decreased.

As last year, the figures are considerably worse in the public sector, where nearly three-fifths report stress-related absence has increased for the workforce as a whole and over a third that they have increased for managers (Table 16).[19] As noted above ('Causes of absence'), stress is a more common cause of absence in the public sector.

Larger organisations, across all sectors, are also more likely to report stress-related absence has increased.[20]

Table 16: Proportion of respondents reporting increases or decreases in stress-related absence over the past year (%)

	Increased	Stayed the same	Decreased	Don't know
The workforce as a whole				
All respondents	**38**	**36**	**11**	**15**
Private sector	33	43	10	15
Public services	56	16	13	16
Non-profit sector	30	40	14	16
For managers (all those with management responsibility excluding senior management)				
All respondents	**25**	**48**	**10**	**17**
Private sector	21	56	9	14
Public services	37	28	8	28
Non-profit sector	22	49	13	16
Senior management (including the executive team or equivalent)				
All respondents	**14**	**55**	**9**	**22**
Private sector	13	57	10	19
Public services	13	46	6	36
Non-profit sector	18	59	10	13

Base: 494

Causes of stress at work

Respondents were asked to rank the top three causes of work-related stress. As in previous years, workload is ranked the most common cause, while other top causes included non-work relationships/family, management style and relationships at work (Table 17).

In comparison with the last few years, fewer public and private sector organisations include considerable organisational change/restructuring among their top causes of stress (2014: 20%; 2013: 32%; 2012: 31%; 2011: 31%), although it remains considerably more common in public and non-profit organisations than in private.[21]

While redundancies have been more common in the public sector than the private, there are no significant sector differences in the proportion of organisations that include job insecurity among the top three causes of stress at work. Moreover, this year only 10% of public sector organisations include job insecurity among their top causes of workplace stress, half the proportion of the last three years and back in line with findings from 2010, before the Coalition Government's programme of widespread public sector cuts began (2013: 20%; 2012: 22%; 2011: 24%; 2010: 10%). Changes in the scale of redundancies in the public sector, coupled with a stronger employment market generally, may have contributed to this reduction.

The manufacturing and production sector is more likely than other sectors to include non-work factors – relationships/family, personal illness/health issues and financial concerns – among their top causes of stress at work (Table 17).

Managing stress

Overall, in similar findings to previous years, three-fifths of organisations (60%) are taking steps to identify and reduce stress in the workplace.

Table 17: The causes of stress at work (top three causes, % of respondents)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Workloads/volume of work	56	56	56	57	55
Non-work factors – relationships/family	36	45	34	30	35
Management style	34	32	34	36	36
Relationships at work	27	22	21	37	33
Considerable organisational change/ restructuring	20	11	14	32	31
Pressure to meet targets	19	21	21	17	18
Non-work factors – personal illness/health issues	19	26	17	14	21
Lack of employee support from line managers	15	13	16	13	16
Poorly managed organisational change/ restructuring	13	17	12	14	8
Long hours	11	9	19	8	3
Non-work factors – financial concerns	11	17	12	6	8
Lack of control over how work is carried out	9	8	9	9	8
Job insecurity	8	4	9	10	9
Lack of training	4	6	4	3	1
Poorly designed jobs/roles	4	3	5	3	4
Lack of consultation	3	1	6	2	1
Other	3	3	3	3	5

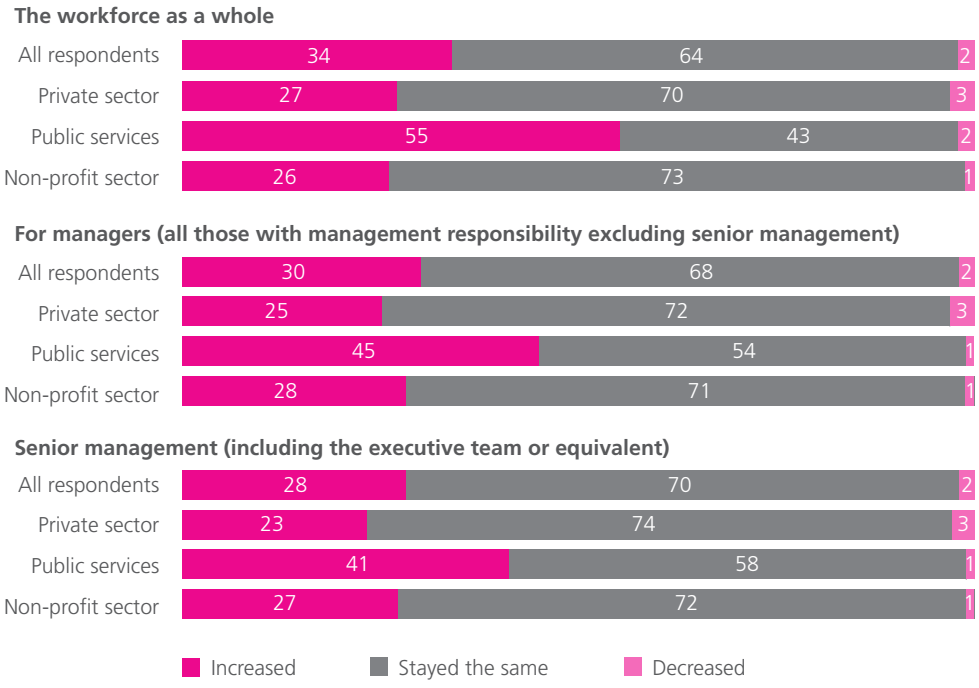
Base: 479

Organisations that ranked stress in their top five causes of absence are particularly likely to be taking steps to address stress (68% versus 45% for whom stress is not a top cause of absence).[22] Nevertheless, a third of organisations that identified stress as a top cause of absence are not taking any steps to address it.

A third have increased their focus on stress management for the workforce as a whole over the past 12 months (43% of those who identified stress as a top cause of absence), 30% have increased their focus on stress management for managers (40% of those who identified stress as a top cause of absence) and 28% for senior managers (36% of those who identified stress as a top cause of absence). Most of the rest report their focus on stress has remained the same and only a very small minority of organisations report they have decreased their focus on stress (Figure 3).

As we found last year, these overall figures mask considerable sector differences. Public and non-profit organisations (where stress is a more common cause of absence) are considerably more likely to be taking steps to identify and reduce workplace stress than those in the private sector (public sector: 77%; non-profits: 62%; private sector: 52%).[23] Even among organisations that had identified stress as a top cause of absence, these sector differences existed.[24] Public sector organisations were also significantly more likely to report they have increased their focus on stress management over the past 12 months for the workforce as a whole as well as for managers and for senior managers (Figure 3).[25] This is encouraging given the scale (and cost) of stress-related absence in the public sector, but organisations will need to ensure that efforts to address stress are adequately evaluated and reviewed to ensure their effectiveness.

Figure 3: Changes in organisations' focus on stress management over the past 12 months (%)



Base: 461

Organisations that take steps to identify and reduce stress in the workplace do so using a range of methods. As last year, the most common methods used are staff surveys, risk assessments/stress audits and flexible working options/improved work-–life balance (Table 18).

These findings are similar to previous years, although this year a higher proportion of private and non-profit organisations report they are training line managers to more effectively identify and manage stress in their team (manufacturing and production 2014: 58%; 2013: 42%; private sector services 2014: 44%; 2013: 39%; non-profit sector 2014: 64%; 2013: 46%), bringing them more in line with the public sector, which led the way on this last year (2014: 60%; 2013: 61%).

As we've found in previous years, the public sector are most proactive in their efforts to manage stress and are more likely than other sectors (particularly private sector services) to use several of the methods listed in Table 18, including written stress policy/guidance, staff surveys, focus groups, HSE standards and occupational health specialists.

Stress management training

Seventy-one per cent (2013: 72%) of those who take steps to identify and reduce stress in the workplace offer some sort of stress management training. Three-fifths provide stress management training (31% to all employees; 27% to line managers; 18% to senior managers), while two-fifths provide training aimed at building personal resilience, such as coping techniques, cognitive behaviour therapy, positive psychology courses (29% to all employees; 10% to line managers; 8% to senior managers) (Table 19).

The public sector is most likely to offer training to reduce stress and more likely to offer the training to all employees (Table 19). The public sector is also more likely to offer training aimed at building personal resilience. Nevertheless, the proportion of the public sector that doesn't offer stress management training almost doubled compared with last year (2014: 30%; 2013: 17%). In contrast, while private sector organisations are less likely to offer training, the proportion that do increased, albeit very slightly, this year compared with last.[26]

Table 18: Methods used to identify and reduce stress in the workplace (% of respondents that take steps to manage stress)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Staff surveys	70	52	61	86	74
Risk assessments/stress audits	62	68	49	71	62
Flexible working options/improved work–life balance	59	48	46	67	79
Training for line managers to more effectively identify and manage stress	55	58	44	60	64
Employee assistance programme	49	48	47	46	57
Written stress policy/guidance	48	36	34	69	49
Greater involvement of occupational health specialists	45	48	29	61	43
Health and Safety Executive's stress management standards	27	14	24	34	30
Focus groups	23	18	18	33	17
Changes in work organisation, for example job role adaptations	20	16	15	24	28
Other	2	2	1	2	2

Base: 271

Table 19: Types of training offered to groups of employees (% of respondents that take steps to manage stress)

	All sectors	Private sector	Public services	Non-profits
Stress management training				
Offered to all employees	31	19	51	28
Offered to line managers	27	31	16	32
Offered to senior management	18	19	12	26
Not offered	*40*	*48*	*30*	*36*
Building personal resilience				
Offered to all employees	29	19	44	32
Offered to line managers	10	12	10	4
Offered to senior management	8	7	9	6
Not offered	*59*	*69*	*43*	*60*

Base: 290

*** Some respondents offer training to both line managers and senior management (but not all employees) so columns do not equal 100%.**

Managing mental health

Just over two-fifths (43%) of organisations claim an increase in reported mental health problems (such as anxiety and depression) among employees in the past 12 months (2013: 42%; 2012: 49%; 2011: 45%; 2010: 42%, 2009: 24%).[27] Larger organisations are more likely to report increases (71% of organisations with 5,000+ employees report an increase compared with 50% of those with 250–999 employees and 27% of those with fewer than 50 employees).[28] Once size is taken into account there are no significant sector differences.

Most organisations, particularly in the public and non-profit sectors, report they have one or more initiatives to support employees with mental health problems (Table 20). Counselling, flexible working options/improved work–life balance and employee assistance programmes are most commonly used. Many organisations are also making efforts to raise awareness of mental health issues. A third are increasing awareness across the workforce as a whole (33% up from 28% in 2013), 28% are promoting the value of good-quality conversations about mental health issues between line managers and staff[29] and 23% provide training for managers to more effectively manage and support staff with mental health problems (2013: 22%).

The public sector, followed by non-profit organisations, leads the way in promoting awareness of mental health issues in their organisations and they are more likely to use a range of approaches to support employees (see Table 20).

Across sectors, efforts to support employees with mental health problems also increase with organisational size. Over a quarter of organisations with fewer than 50 employees (28%) are not taking any action compared with 12% of those with 250–999 employees and 4% of very large organisations with more than 5,000 employees. All of the initiatives in Table 20 are more widespread in larger organisations, with the exception of flexible working options/improved work–life balance, which is also common in smaller organisations.

Table 20: Efforts to support employees with mental health problems (% of respondents)

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit sector
Counselling service	56	48	41	77	68
Flexible working options/improved work–life balance	52	44	44	65	62
Employee assistance programme	46	46	41	49	53
Greater involvement of occupational health specialists	38	35	26	62	32
We are increasing awareness of mental health issues across the workforce as a whole	33	22	21	53	44
We are promoting the value of good-quality conversations about mental health issues between line managers and staff.	28	21	20	43	32
We provide training for managers to more effectively manage and support staff with mental health problems.	23	21	15	35	24
Other	2	5	1	1	1
We are not taking any action.	16	16	26	7	5

Base: 457

Unilever case study: Mind, body and heart

Unilever's purpose – to make sustainable living commonplace – applies as much to its people as the wider world. Employee well-being is a key part of delivering on this purpose and being a responsible employer.

Employee well-being has been a key focus at Unilever for some years now, both in the UK and globally. However, well-being initiatives have predominantly focused on physical issues. The company is now moving to manage mental health with the same openness and priority as they manage physical health, to provide a holistic view of general health and well-being. Whether it is help and support on nutrition, sleep, exercise, mindfulness, they can all help improve an individual's day-to-day well-being.

Mental health problems are common. Research shows that in the UK one in four people experience some form of mental health problem in the course of a year, but there is a stigma associated with mental health problems which deters many people from seeking help or even talking about their situation. Research also shows that 45% of people with physical health problems experienced mild to moderate depression but were more worried about telling their employer about their mental health issues than their physical health problems. People are often reluctant to discuss mental health issues with their family and friends because of the stigma attached. With 7,500 employees in the UK, the onus was on Unilever to try and create an environment where it is 'good to talk'.

Mental well-being is owned by the whole business

In Unilever, HR and occupational health lead on this work, drawing on their specialist experience, but it's crucial that people across the business also take ownership and buy into its importance through a common framework with a common set of tools.

Unilever developed a four-pillar programme for supporting mental health for its UK employees.

Tim Munden, VP HR UK & Ireland, explains:

'The first thing we did was to assemble a team of senior leaders who really backed the programme and our model.

'Then we've engaged with our site leaders. I did three sessions with the HR community across the country, presenting the programme and discussing how to signpost people to support.'

The four-pillar model

1 Leadership and management

Increasing leadership and management awareness of mental health issues and ensuring they have the capability and the confidence to support employees who need it is vital. An individual's work experience is hugely dependent on their line manager. So at Unilever line managers are being trained to better understand mental health matters, spot potential issues and be able to advise people about where to go to get help.

Every line manager is expected to complete an entire training module, and in priority sites to attend a half day of face-to-face training, which focuses on spotting signs of mental health issues and how to respond. This isn't about asking line managers to diagnose but to become more aware of the issues and signals.

2 Culture and communication

Focusing on culture and communication is essential to break the stigma which can be associated with talking about mental health.

Unilever has built a dedicated portal on its intranet which houses online tools for employees and managers. There is a video wall of stories and testimonials from senior business leaders, an Olympic gold medal winner, a politician and colleagues from around the UK. Business leaders, including the chief HR officer of Unilever worldwide, the chief marketing officer, and the UK VP of HR, all talk about the importance of good mental health and telling their own stories. It is about showing that mental health issues can affect everyone and that we all need to be aware of the importance of looking after ourselves and each other. The objective of all the communications activities is to make talking about mental health easier and more acceptable within the business and at home.

Communication needs to be a continuous process, with constant reinforcement, to have the desired cultural impact, as opposed to the programme being seen as a one-off initiative. The communication strategy is closely linked to the overall goals of the company. For example, one of the communications themes was, *'You can do anything; but you can't do everything.'* This strap-line clearly linked health and well-being to the company's goal of simplification and prioritisation.

3 Prevention

This pillar is about giving people access to tools that can help them stay fit and healthy as well as deal with issues that they may encounter. There is a team-based tool, implemented via external providers. Everyone in the team is asked to fill in a survey and the data is anonymised, collated and a facilitator has a conversation with the team and their leader about the main sources of pressure the results have highlighted and how they could be managed better within the team. This is about having honest conversations and taking actions that the team is committed to which can really make a difference.

There is also an individual personal resilience tool that can be accessed through the portal and provides people with a personalised report based on their responses. People are made aware at the start of the tool that, as a result of their responses, they might get contacted by a qualified mental health practitioner who can then help them further if required. For example, this might include counselling funded by the company.

The organisation is keen to provide people with tools and techniques they can use to manage their own mental health. Unilever has recently launched Headspace's mindfulness app to give employees free access to mindfulness techniques, which has proved very popular. Cognitive behaviour therapy is currently being piloted and will soon be available for people to access online too.

4 Support

The final pillar of Unilever's model for building mental well-being is concerned with how the company can best support employees who have a mental health problem. Their view is that whatever the cause of the problem, the company can be part of the solution. The medical and occupational health team provides this support. The philosophy is no one should be more than one conversation, click or call away from help and support. For example, everyone has access to an employee assistance programme (Lifeworks), which includes counselling, as well as support for other everyday challenges such as financial and legal.

Tim summarises, *'What we're very clear about is that this is a programme, not an event. It will never be totally solved and we will need to keep refreshing our approaches in line with a changing world. We'll adapt to what we see happening in the world around us and in our company.*

'But this is a part of running a good business. It's taking proper responsibility for your people. It's also doing everything you can to build good performance. I hope that we will reach a point one day where we don't keep having to break the stigma because there is no stigma and that we manage physical health and mental health in similar ways. So those things, I hope, will change. But I think we'll have to keep supporting people working in tough and complex environments in a fast-changing world.'

MANAGING ABSENCE

Three-fifths of organisations report that absence level is a key performance indicator in their organisation. Our findings suggest an increased focus on developing line manager capability to manage absence and attendance strategies.

Almost all organisations surveyed (95%) have a written absence/attendance management policy. Even among very small organisations (1–9 employees), 83% have a written policy. Moreover, three-quarters (73%) of organisations with more than 250 employees report that absence level is a key performance indicator, although private services organisations are less likely to report this is the case (Table 21).

Table 21: Proportion of organisations that use absence level as a key performance indicator, by sector and size (%)

	All sizes	1–49	50–249	250–999
All sectors (n=516)	60	35	51	73
Manufacturing and production (n=111)	70	36	71	80
Private sector services (n=197)	46	41	39	54
Public services (n=123)	75	33	54	84
Non-profit sector (n=85)	58	26	51	86

Table 22: Changes made to employee absence management in the last year (% of employers who have made changes)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Developed line manager capability to manage absence	61	55	56	67	68
Introduced a new or revised absence management policy	57	51	55	63	59
Reinforced existing employee absence policy	47	34	50	52	46
Introduced or revised monitoring procedures	47	49	38	57	41
Introduced or revised attendance strategy	42	49	40	51	22
Introduced or revised training for line managers to conduct effective return-to-work interviews	36	32	38	40	29
Introduced return-to-work interviews	29	28	38	22	27
Involved occupational health professionals	27	36	20	30	22
Introduced Bradford points* or another trigger system	25	32	30	16	22
Introduced or revised well-being benefits	19	11	20	24	17
Absence rate has become a key performance indicator	18	19	16	23	12
Introduced or revised attendance incentive scheme	9	15	6	9	12
Other	10	13	6	16	5

** The Bradford points formula identifies persistent short-term absence for individuals and is a measure of the disruptions caused by this type of absence.*

Base: 256

Half of organisations have introduced changes to some aspect of their approach to absence management in the last 12 months. As we've found in previous years, public sector organisations are most likely to have made changes (68% compared with 45% of the private sector and 49% of non-profit organisations).[30]

The most common change made is to develop line manager capability to manage absence (Table 22). Our findings suggest an increased focus on this compared with last year (2014: 61%; 2013: 39%). Other common changes include introducing a new or revised absence policy, reinforcing an existing one and introducing or revising monitoring procedures. There is also an increased focus this year on attendance strategies (2014: 42%; 2013: 21%). Only a minority from any sector, however, have introduced or revised an attendance incentive scheme.

Organisations were asked to indicate the impact of the changes listed in Table 22 on absence levels. The vast majority of organisations indicate that they do assess the impact of changes they make to absence management, although for each of the changes listed a substantial proportion (a quarter to half of those who have made the change) report it is too early to tell what the impact is.[31]

Only a minority of respondents report that changes they have made have had a negative impact on absence levels (Figure 4). The vast majority of those who gave a view on the impact of changes they have made report a positive impact. This is clearly encouraging and underlines the benefits of a proactive approach to managing absence.

Managing short-term absence

Most organisations use a range of methods to manage short-term absence. The most common approaches, as in previous years, focus on procedures to monitor and deter absence, including return-to-work interviews, trigger mechanisms to review attendance, disciplinary procedures for unacceptable absence and giving sickness absence information to line managers (Table 23). Overall half restrict sick pay, although this is less common in the public sector.

Figure 4: Impact of changes made on absence levels (% of respondents who made changes and are able to indicate impact)

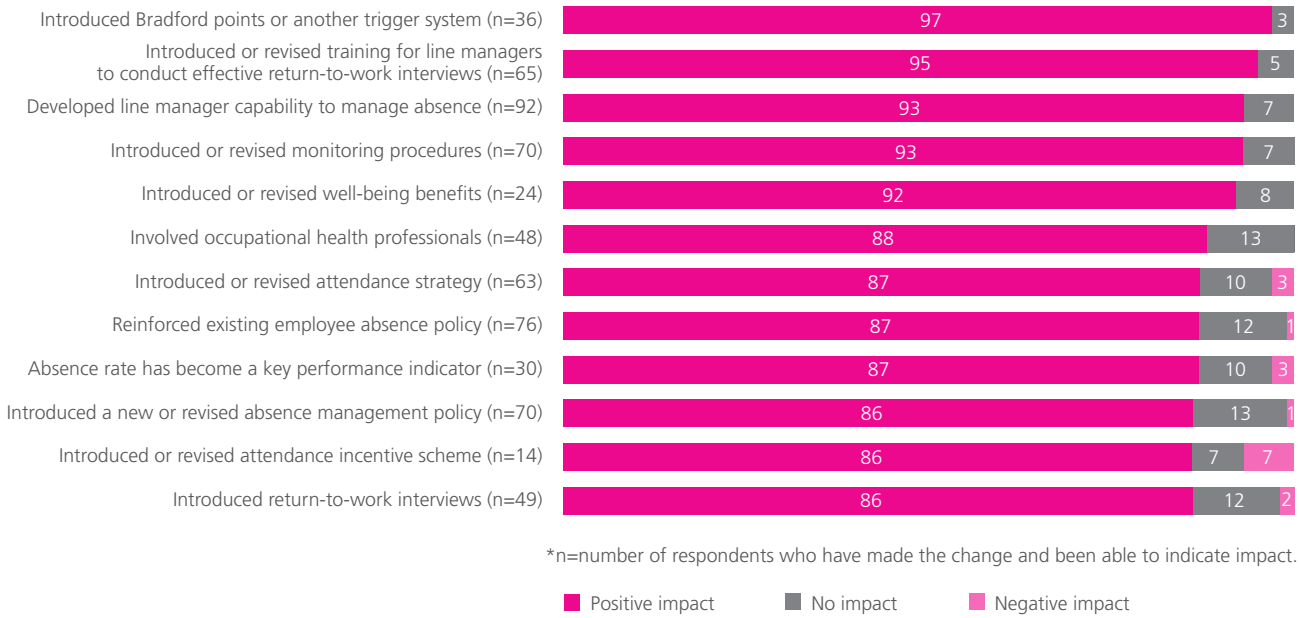


Table 23: Approaches used to manage short-term absence (% of respondents)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Return-to-work interviews	85	88	79	92	87
Trigger mechanisms to review attendance	81	91	71	89	81
Leave for family circumstances (such as carer/ emergency/dependant/compassionate leave)	76	70	71	79	92
Sickness absence information given to line managers	75	73	70	83	79
Disciplinary procedures for unacceptable absence	75	79	74	74	74
Line managers take primary responsibility for managing absence	67	57	63	78	74
Managers are trained in absence-handling	57	59	46	73	59
Flexible working	55	43	48	66	69
Occupational health involvement	51	59	34	74	51
Restricting sick pay	50	53	61	33	45
Changes to working patterns or environment	47	39	40	56	64
Employee assistance programmes	47	48	39	55	55
Capability procedure	44	37	36	55	58
Stress counselling	42	35	28	65	51
Health promotion	40	35	28	61	42
Well-being benefits	33	28	34	36	36
Tailored support for line managers (for example online support, care conference with HR)	29	24	20	42	36
Offering alternative health plans, for example health cash plans and dental	25	25	29	13	34
Risk assessment to aid return to work after long-term absence	24	27	16	34	22
Offering private medical insurance (PMI) to employees in senior grades	22	31	31	5	13
Employees' absence records taken into account when considering promotion	21	25	23	20	13
Rehabilitation programme	16	15	10	30	14
Offering PMI to all employees	16	17	27	2	9
Attendance driven by board	14	6	11	22	21
Attendance record is a recruitment criterion	14	10	14	19	12
Nominated absence case manager/management team	13	11	9	23	12
Attendance bonuses or incentives	11	23	12	3	4
Other	3	3	2	2	5

Base: 511

Leave for family circumstances is also among the most common methods used to help manage short-term absence (76%). Fewer use flexible working (55%). Two-fifths focus on avoiding absence through health promotion (rising to 61% of the public sector) and a third through well-being benefits.

Line managers take primary responsibility for managing short-term absence in three-fifths of private sector organisations and three-quarters of public and non-profit organisations. Despite the findings above – that this year an increased proportion of organisations report they have developed line manager capability to manage absence – less than three-fifths overall report that managers are trained in absence-handling and even fewer provide managers with tailored support (29%). Even in organisations where line managers take prime responsibility for managing absence, over a quarter indicate that managers do not receive training and nearly two-thirds do not provide tailored support. Private services organisations are least likely to do so.[32]

Across all sectors, organisations that have a target for reducing absence or where absence is a key performance indicator are more likely to be using most of the approaches listed (Table 24). They are dramatically more likely to report that attendance is driven by the board but they are also twice as likely to report that managers are trained in absence-handing, that attendance records are a recruitment criterion and that they use rehabilitation programmes. The findings are similar regarding approaches to long-term absence.

As we've found in previous years, the public and non-profit sectors tend to take a more proactive approach to managing absence using a range of methods to promote good health and attendance. In particular, they are more likely than the private sector to provide leave for family circumstances, flexible working, stress counselling, health promotion and changes to working patterns or environment. They are more likely to report attendance is driven by the board, have capability procedures, use line managers to manage absence and provide them with support. In addition, the public sector is most likely to train line managers in absence-handling, have a nominated absence case manager/management team and use occupational health services and rehabilitation programmes to manage absence.

Private sector employers are more likely to offer private medical insurance and alternative health plans and they are also much more likely to restrict sick pay. The same sector differences are observed in approaches to managing long-term absence (Table 26).

Table 24: Approaches used to manage short-term absence in organisations where absence is a key performance indicator (KPI) or they have a target to reduce absence (% of respondents)

	Absence level is not a KPI	Absence level is a KPI	Organisation does not have a target for absence	Organisation has a target for reducing absence
Return-to-work interviews	76	92	80	93
Trigger mechanisms to review attendance	68	90	76	90
Leave for family circumstances (such as carer/ emergency/dependant/compassionate leave)	75	77	77	75
Sickness absence information given to line managers	65	82	70	83
Disciplinary procedures for unacceptable absence	66	82	72	82
Line managers take primary responsibility for managing absence	57	74	60	76
Managers are trained in absence-handling	33	74	45	77
Flexible working	45	62	53	61
Occupational health involvement	33	63	41	67
Restricting sick pay	48	52	51	50
Changes to working patterns or environment	35	56	41	56
Employee assistance programmes	37	55	41	56
Capability procedure	28	56	38	56
Stress counselling	26	53	34	54
Health promotion	25	49	32	52
Well-being benefits	28	37	29	38
Tailored support for line managers (for example online support, care conference with HR)	20	35	22	37
Offering alternative health plans, for example health cash plans and dental	24	26	25	26
Risk assessment to aid return to work after long-term absence	15	29	18	31
Offering private medical insurance (PMI) to employees in senior grades	18	24	24	19
Employees' absence records taken into account when considering promotion	18	23	21	21
Rehabilitation programme	8	22	10	28
Offering PMI to all employees	20	14	22	9
Attendance driven by board	2	22	6	28
Attendance record is a recruitment criterion	7	19	10	21
Nominated absence case manager/management team	7	17	8	21
Attendance bonuses or incentives	9	12	10	12

Base: 511

Most effective approaches for managing short-term absence

Employers were asked to rank the top three most effective approaches for managing short-term absence from the list in Table 23. As last year, return-to-work interviews and trigger mechanisms to review attendance are most commonly cited among the top three most effective methods by employers from all sectors. These methods demonstrate to employees that absence is actively managed, helping to deter illegitimate absence and identify risks and threats to health. Other deterrents, disciplinary procedures and, in the private sector, restricting sick pay are also commonly among the most effective methods, as in previous years (Table 24).

Table 25: Most effective approaches for managing short-term absence (% of respondents citing as one of top three most effective methods)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Return-to-work interviews	62	74	58	55	65
Trigger mechanisms to review attendance	57	58	49	69	58
Disciplinary procedures for unacceptable absence	26	32	27	25	17
Restricting sick pay	22	26	31	5	18
Sickness absence information given to line managers	21	15	20	25	22
Line managers take primary responsibility for managing absence	20	15	20	22	22
Managers are trained in absence-handling	17	14	14	23	19
Occupational health involvement	8	14	2	11	10
Leave for family circumstances (such as carer/ emergency/dependant/compassionate leave)	8	4	9	6	10
Flexible working	7	4	7	6	12
Attendance bonuses or incentives	5	11	6	0	0
Capability procedure	4	2	4	5	4
Tailored support for line managers (for example online support, care conference with HR)	3	2	1	6	5
Nominated absence case manager/management team	3	1	2	5	4
Changes to working patterns or environment	2	1	4	1	3
Employee assistance programmes	2	0	2	1	6
Health promotion	2	0	3	1	3
Attendance driven by board	1	2	1	2	0
Stress counselling	1	0	0	2	3
Risk assessment to aid return to work after long-term absence	1	2	0	2	0
Offering PMI to all employees	1	0	2	0	0
Rehabilitation programme	1	0	1	1	1
Employees' absence records taken into account when considering promotion	1	1	1	0	0
Well-being benefits	0	0	1	0	0
Offering alternative health plans, for example health cash plans and dental	0	0	1	0	1
Attendance record is a recruitment criterion	0	0	1	0	0
Offering private medical insurance (PMI) to employees in senior grades	0	0	0	1	0

Base: 455

Managing long-term absence

Approaches used to manage long-term absence are similar to previous years. Return-to-work interviews remain the most common method used, followed by occupational health involvement, risk assessments to aid return to work and giving sickness absence information to line managers (Table 26).

Organisations are slightly more likely to report they use a nominated absence case manager/ management team for long-term (21%) than short-term (13%) absence. They are less likely to report line managers take primary responsibility for managing long-term absence (46% versus 67% for short-term absence).[33] Organisations are also more likely to report that they provide line managers with tailored support for managing long-term absence (38% compared with 29% for short-term absence). Nevertheless, three-fifths of the private sector, one-fifth of non-profits and one-third of public sector organisations that give line managers primary responsibility for managing long-term absence do not provide them with tailored support.

As might be expected, risk assessments to aid return to work, rehabilitation programmes, occupational health involvement and changes to working patterns or environment are more commonly used to manage long-term than short-term absence, as are capability procedures. In contrast, organisations are more likely to use leave for family circumstances, disciplinary procedures and trigger mechanisms to review attendance for short-term absence.

In line with findings on managing short-term absence, the public sector (and, to a lesser extent, non-profit organisations) are more likely than their private sector counterparts to use most of the methods listed for managing long-term absence. They are less likely than the private sector, however, to offer private medical insurance or alternative health plans (Table 26). They are also less likely to restrict sick pay, although the gap here is narrowing as the proportion of public sector and non-profit organisations that are restricting sick pay to manage long-term absence has increased in recent years.[34]

Table 26: Approaches used to manage long-term absence (% of respondents)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Return-to-work interviews	84	86	77	89	89
Occupational health involvement	73	71	61	87	76
Risk assessment to aid return to work after long-term absence	71	76	61	77	73
Sickness absence information given to line managers	68	64	63	76	72
Trigger mechanisms to review attendance	64	66	52	81	64
Flexible working	63	55	55	73	73
Changes to working patterns or environment	60	51	55	71	65
Capability procedure	58	55	51	65	66
Disciplinary procedures for unacceptable absence	54	47	51	62	56
Employee assistance programmes	52	54	45	58	56
Restricting sick pay	51	53	58	42	47
Managers are trained in absence-handling	48	42	38	68	46
Stress counselling	47	37	33	70	55
Line managers take primary responsibility for managing absence	46	34	39	69	46
Leave for family circumstances (such as carer/ emergency/dependant/compassionate leave)	42	38	34	50	53
Rehabilitation programme	41	50	31	53	36
Health promotion	38	32	29	57	38
Tailored support for line managers (for example online support, care conference with HR)	38	29	30	55	40
Well-being benefits	35	28	36	35	39
Offering alternative health plans, for example health cash plans and dental	25	21	32	14	32
Offering private medical insurance (PMI) to employees in senior grades	25	36	36	7	13
Nominated absence case manager/management team	21	23	18	28	15
Employees' absence records taken into account when considering promotion	18	20	21	18	12
Offering PMI to all employees	17	21	31	2	7
Attendance driven by board	13	7	9	23	19
Attendance record is a recruitment criterion	13	10	11	18	13

Base: 482

Table 27: Most effective approaches for managing long-term absence (% of respondents citing as one of top three most effective methods)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
Occupational health involvement	46	55	37	47	51
Trigger mechanisms to review attendance	28	25	23	42	24
Return-to-work interviews	26	37	25	18	25
Restricting sick pay	17	20	21	12	13
Rehabilitation programme	15	23	12	13	16
Flexible working	14	18	17	7	15
Risk assessment to aid return to work after long-term absence	14	17	16	8	16
Managers are trained in absence-handling	13	9	10	19	13
Capability procedure	12	11	14	11	12
Line managers take primary responsibility for managing absence	12	7	12	18	11
Changes to working patterns or environment	12	11	11	11	15
Sickness absence information given to line managers	11	4	9	16	19
Disciplinary procedures for unacceptable absence	11	10	11	15	9
Tailored support for line managers (for example online support, care conference with HR)	10	7	6	18	11
Nominated absence case manager/management team	8	10	11	4	5
Employee assistance programmes	6	3	7	5	12
Stress counselling	4	1	3	8	1
Offering PMI to all employees	4	1	9	0	0
Leave for family circumstances (such as carer/ emergency/dependent/compassionate leave)	3	2	2	2	5
Attendance driven by board	1	3	1	1	0
Attendance bonuses or incentives	1	3	1	0	0
Health promotion	1	0	2	1	1
Well-being benefits	1	0	3	0	0
Offering private medical insurance (PMI) to employees in senior grades	1	0	2	1	0
Employees' absence records taken into account when considering promotion	1	2	1	0	0
Attendance record is a recruitment criterion	1	0	2	0	0
Offering alternative health plans, for example health cash plans and dental	0	0	1	0	1

Base: 428

Most effective approaches for managing long-term absence

As in the last few years, the involvement of occupational health professionals is most commonly reported to be among organisations' most effective methods for managing long-term absence. Trigger mechanisms to review attendance and return-to-work interviews, both among the most common approaches to manage long-term absence, are also among the most effective methods (Table 27).

Supporting employees with acute conditions

This year a new question asked how organisations support employees with acute conditions (for example, stroke, heart attack and cancer). The vast majority (97%) report that they use one or more approach to support these employees. Changes to working patterns or environment to enable people to stay in or return to work, flexible working arrangements, return-to-work interviews, risk assessments to aid return to work and occupational health involvement are most commonly used (Table 28).

All the approaches listed, with the exception of flexible working and private medical insurance, are more common in larger organisations.[35] Private medical insurance is also more commonly used in the private sector.[36] In contrast (once size is taken into account), the public sector is significantly more likely to provide tailored support for line managers and train managers in absence-handling.[37] Private sector services are least likely to provide occupational health involvement, risk assessments to aid return to work after long-term absence or changes to working patterns or environment to enable people to stay in or return to work.[38]

Table 28: Which of the following approaches are used to support employees with acute conditions? (% of respondents)

	All	Manufacturing and production	Private sector services	Public services
Changes to working patterns or environment to enable people to stay in or return to work	84	86	74	90
Flexible working arrangements	76	72	72	80
Return-to-work interviews	75	73	68	83
Risk assessment to aid return to work after long-term absence	69	77	57	79
Occupational health involvement	69	70	54	89
Employee assistance programme	47	44	41	52
Rehabilitation programme	38	44	31	46
Tailored support for line managers (for example online support, care conference with HR)	37	28	32	54
Managers are trained in absence-handling	35	30	24	54
Nominated absence case manager/management team	22	21	21	30
Offering private medical insurance	20	24	35	2
Other	3	4	3	2

Base: 513

THE IMPACT OF GOVERNMENT INITIATIVES ON ABSENCE MANAGEMENT

Organisations have mixed views regarding the benefits of the new Health and Work Assessment and Advisory Service (Independent Assessment and Advisory Service). Our findings suggest a slight decline in the proportion expecting to use the service, although many remain undecided.

The Health and Work Assessment and Advisory Service

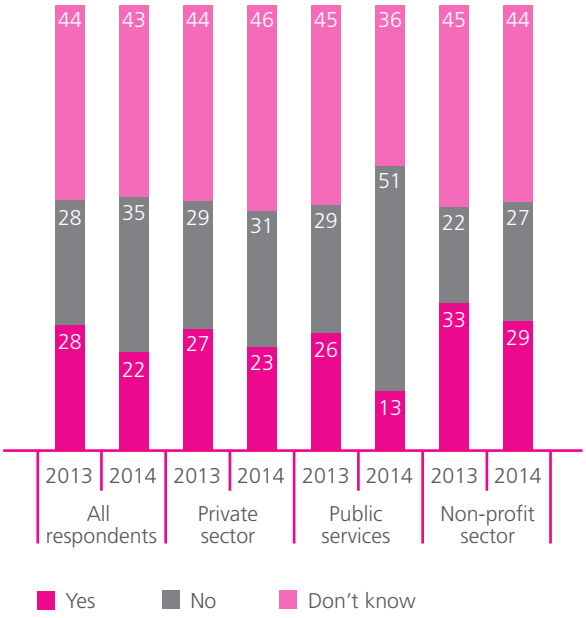
In January 2013 the Government announced a new Independent Assessment and Advisory Service (now called the Health and Work Assessment and Advisory Service) to help British businesses tackle long-term absence from work. This initiative will provide employers with bespoke, independent advice for cases of sickness absence lasting more than four weeks. The service is intended to stop thousands of people falling out of work and onto long-term sickness benefits. It is expected to be up and running by the end of 2014.

Views regarding the potential value of this service are mixed and show little change from last year.

The proportion of organisations that believe the service will not help them manage long-term sickness absence more effectively is slightly higher than the proportion that thinks it will be helpful (28% versus 23%). Fifteen per cent don't know and a similar proportion (16%) isn't aware of the establishment of this service (rising to 21% of organisations with fewer than 50 employees). A fifth (19%) report the service would not be applicable as they don't have an issue with long-term sickness. Small organisations with fewer than 50 employees are most likely to report they don't have an issue with long-term sickness (44%) or that they aren't aware of the establishment of the service (21%). Once these factors are accounted for, there are no significant sector or size differences in views regarding the benefits of the service.

The proportion of organisations that plan to access the advisory service has fallen slightly in comparison with last year (2014: 22%, 2013: 28%), while more report they will not be accessing the service (2014: 35%, 2013: 28%). Two-fifths don't yet know if they will access it (2014: 43%; 2013: 44%). Plans to access the service are not significantly related to organisational size, absence levels or the proportion of sickness absence that is attributed to long-term absences in any sector.

Figure 5: Do you plan to access the Health and Work Aassessment and Advisory Service to get advice about managing long-term sickness absence?



Base: 508 (2014); 608 (2013)

Although long-term sickness absence is more common in the public sector, public sector organisations are significantly less likely to report they plan to use the service (Figure 5), even when they believe it would help their organisation to manage long-term sickness absence more effectively: 17% of public sector organisations that believe the service would be beneficial for their organisation do not plan to access it, compared with 6% of their private sector counterparts and no non-profit organisations. Public sector organisations are more likely to have their own occupational health service (see below) so they may feel less inclined to use the new service.

Current occupational health provision

The involvement of occupational health services as part of absence management practice is very similar to last year. The vast majority of public sector organisations (96%) report that occupational health is currently part of their absence management approach compared with four-fifths (79%) of non-profits, three-quarters (76%) of manufacturing and production organisations and three-fifths (61%) of private services.[39] The use of occupational health services also increases with organisational size.[40]

Overall four-fifths (82%; 2013: 82%) of those who provide occupational health services report they use an external provider but, as we found last year, there are significant sector differences, with almost all non-profits using an external provider (98%) compared with 85% of private sector organisations and 66% of the public sector.[41] Larger organisations are also more likely to provide occupational health services in-house.[42]

As we found last year, most organisations that provide occupational health services do so on a flexible basis. Just over two-fifths (42%) report that the point of referral depends on the condition, while just under two-fifths (37%) report employees are referred at the company's discretion. A fifth refer people after a certain number of days of absence: 16% after a certain number of days of continuous absence and 5% after a certain number of days of non-continuous absence over a set period.

Public sector organisations are most likely to have set conditions for referral, with just 22% reporting they refer employees at the company's discretion (Table 29). Manufacturing and production organisations are also more likely than private sector services or non-profit organisations to report they refer people after a certain number of days of continuous absence and less likely to report referral is at the company's discretion (Table 29).

Table 29: At what point are employees referred to occupational health? (% of respondents who provide occupational health services)

	All	Manufacturing and production	Private sector services	Public services	Non-profit sector
It depends on the condition	42	46	40	48	33
At the company's discretion	37	33	46	22	50
After a certain number of days of continuous absence	16	18	9	25	12
After a certain number of days of non-continuous absence over a set period	5	4	4	5	5

Base: 377

EMPLOYEE WELL-BEING

Half of organisations have a well-being strategy and a third report that over the last year they have improved communications with staff about the benefits on offer and how to access them. Organisations are three times more likely to report an increase in well-being spend this year than a decrease, even in the cash-strapped public sector. Our findings imply this is a worthwhile investment.

Overall, nearly half (49%) of organisations report they have a well-being strategy (or similar), rising to 69% of the public sector (non-profit organisations: 42%, private sector: 43%). This is comparable with findings from previous years once size differences in the samples are taken into account. Larger organisations from all sectors are considerably more likely to have a well-being strategy (1–-49 employees: 28%; 250–-999 employees: 47%; 5,000+ employees: 81%).[44]

Organisations where attendance is driven by the board are particularly likely to report they have a well-being strategy (72%), regardless of size or sector.[45] Similarly, organisations that have a target to reduce absence are significantly more likely to have a well-being strategy (66% compared with 37% of those without a target), as are those for whom absence level is a key performance indicator (KPI) (61%, compared with 30% of those who do not use absence level as a KPI).[46]

Changes to well-being approach

Overall nearly half of organisations (71% of those with a well-being strategy or similar and 21% of those without) had made one or more changes to their approach to well-being in the past 12 months (Table 30). Overall, a third of organisations had improved communications to staff regarding the well-being benefits they offer and how to access them and 12% had introduced new offerings based on a review of the causes of absence. Very few had slimmed their offering. All changes were more common in organisations that had a well-being strategy or similar. Those who also used absence as a KPI were particularly likely to have introduced or revised monitoring of usage of offerings.[47]

Larger organisations with a well-being strategy were more likely to have introduced new offerings based on a review of the causes of absence.[48] There were no significant sector differences in the changes made to well-being approach once having a well-being strategy was taken into account.

Table 30: Over the past 12 months, have you made any of the following changes to your well-being approach?

	All organisations	Organisations with a well-being strategy	Organisations without a well-being strategy
Improved communication to staff about the well-being benefits we offer and how to access them	34	57	11
Introduced new offerings based on a review of the causes of absence	12	24	2
Introduced or revised monitoring of usage of offerings	7	12	3
Introduced or revised measures to evaluate the business benefits of individual offerings	6	11	1
Slimmed our offering due to budget constraints	6	9	3
Slimmed our offering based on a review of usage	2	3	0
Slimmed our offering based on a cost–benefit analysis/review of the business benefits	2	2	1
Other	3	2	5

Base: 497

Well-being benefits

Most organisations surveyed provide one or more well-being benefit to all employees, even if they don't have a specific well-being strategy (Table 31). The proportion of organisations providing each of the benefits listed is very similar to last year. Employee support programmes – access to counselling services and employee assistance programmes – are the most common well-being benefits on offer.

Seventy per cent of organisations offer some sort of health promotion programme. The most common initiatives, offered by three in ten organisations, include advice on healthy eating, stop smoking support, subsidised gym membership, health screening and healthy canteen options (Table 31). Across all sectors, organisations that used absence as a KPI were more likely than those who don't to offer a range of health promotion benefits, including advice on healthy eating (42% vs 15%), health screening (35% vs 19%), access to physiotherapy (30% vs 12%), walking pedometer initiatives (21% vs 8%) and stop smoking support (39% vs 17%).

Nearly two-thirds of organisations overall offer some sort of insurance or protection initiatives, at least to some groups of staff. The most common type of insurance offered is private medical insurance provided by half of organisations, although 29% just offer it to certain employee groups dependent on grade/seniority. Insurance and protection initiatives, particularly private medical insurance, are considerably more common in the private than public or non-profit sector (Table 31). In contrast, the public sector and non-profit organisations are more likely to offer employee support initiatives (particularly counselling services). The public sector also leads the way in health promotion initiatives.

Most benefits on offer are available to all employees, particularly in the public and non-profit sector. As noted above, however, provision of insurance/protection initiatives is often dependent on seniority in the private sector, especially in manufacturing and production organisations (Table 31). Health screening is also dependent on grade or seniority in 9–10% of private sector organisations.

Table 31: Employee well-being benefits provided by employers (% of respondents)

Employee support	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Access to counselling service					
All employees	61	52	48	83	72
Depends on grade/seniority	2	1	4	0	0
Employee assistance programme					
All employees	53	51	47	61	59
Depends on grade/seniority	1	1	2	0	0
Health promotion					
Advice on healthy eating					
All employees	31	27	26	49	22
Depends on grade/seniority	1	0	2	0	0
Stop smoking support					
All employees	30	30	22	45	26
Depends on grade/seniority	0	0	0	0	0
Subsidised gym membership					
All employees	29	25	30	33	25
Depends on grade/seniority	1	1	1	1	0
Health screening					
All employees	28	41	21	34	19
Depends on grade/seniority	6	9	10	1	1
Healthy canteen options					
All employees	28	30	23	47	9
Depends on grade/seniority	0	0	1	0	0
Access to physiotherapy					
All employees	23	25	15	40	14
Depends on grade/seniority	2	2	3	0	1
Walking/pedometer initiatives					
All employees	15	11	12	26	14
Depends on grade/seniority	0	0	0	0	0
Free fresh fruit					
All employees	14	10	22	8	8
Depends on grade/seniority	1	2	1	1	0
In-house gym					
All employees	13	7	10	28	7
Depends on grade/seniority	0	0	1	0	0
On-site massages					
All employees	11	7	13	9	13
Depends on grade/seniority	0	0	0	0	0
Personalised healthy living programmes					
All employees	7	5	8	11	2
Depends on grade/seniority	0	1	0	0	0

continued

Table 31 (continued)

Insurance/protection initiatives	All organisations	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Private medical insurance					
All employees	19	19	33	4	9
Depends on grade/seniority	29	52	36	8	12
Healthcare cash plans					
All employees	17	17	18	10	26
Depends on grade/seniority	2	3	4	0	0
Long-term disability/permanent health insurance/income protection					
All employees	15	16	21	8	9
Depends on grade/seniority	5	12	6	0	0
Self-funded health plans/healthcare trust					
All employees	12	12	14	11	12
Depends on grade/seniority	1	1	3	0	0
Group income protection					
All employees	11	17	16	1	6
Depends on grade/seniority	3	6	5	0	1
Personal accident insurance					
All employees	10	16	14	3	4
Depends on grade/seniority	5	10	7	0	0
Dental illness insurance					
All employees	10	9	16	5	2
Depends on grade/seniority	4	6	6	0	0
Critical illness insurance					
All employees	7	9	11	1	2
Depends on grade/seniority	6	14	6	2	2

Base: 511

Well-being spend

In similar findings to last year, while two-fifths (42%) of organisations report that that their well-being spend has not changed this year compared with the previous year (and a further 31% don't know how it has changed), three times as many respondents report their well-being spend has increased as report it has decreased (Table 32). There are no significant sector differences, unlike last year when the public sector was least likely to report an increase in well-being spend (2013: 9% reported an increase; 2014: 21%).

Predictions for 2015 are strongly related to changes in well-being spend this year such that organisations that have seen increases expect further increases and those that have seen decreases anticipate more of the same (Table 32).[49] A fifth of public sector organisations anticipated an increase in well-being spend, suggesting greater optimism compared with last year's survey, when 11% predicted an increase. Nevertheless, public sector organisations remain more likely to anticipate decreases than their counterparts in other sectors.[50]

Organisations that anticipate an increase in their well-being budget were asked what it would be used for. Two-fifths (41%) report it will be required to deliver their existing well-

being offering to an increased workforce and over a third (36%) to meet the rising costs of existing provision. A further 44% report it will be used to deliver an increased demand for existing initiatives. Three in ten (29%), however, report the increase will be used to introduce or explore new initiatives. These include employee assistance programmes, a range of benefits (cash plans, medical insurance, fresh fruit, massage, exercise classes), training and awareness campaigns (resilience training, stress management, mindfulness courses, health checks, mental health awareness campaigns).

Just 7% of organisations anticipate a decrease in their well-being budgets in 2015 (13% of the public sector). Nearly half of these report, however, that the decreased budget won't affect the extent of their well-being offering, either because they have seen a reduction in employee numbers (37%) or because they have increased the efficiency of the service provided (13%). Most of those who report that the decreased budget will affect their well-being offering indicate that they will be looking for more creative and innovative ways to retain their focus on well-being (47%), while smaller proportions will be looking for different providers (7%) or removing specific initiatives from their offering (7%).

Evaluating well-being investment

A fifth of organisations report they evaluate the impact of their well-being spend (21%; 2013: 18%; 2012: 23%). Fifty-six per cent report they don't, while 23% don't know. Larger organisations are more likely to evaluate the impact[51] but there were no significant sector differences once size is taken into account. Regardless of size, organisations with a target for reducing employee absence and those who use absence as a KPI are more likely to evaluate the impact of well-being spend than those who don't.[52]

In previous years we have found that organisations that evaluate the impact of their well-being spend are more likely to increase their well-being spend, suggesting that evaluations tend to conclude that investing in well-being is worthwhile. Once again our findings support this: organisations that evaluate the impact of their well-being spend are more than twice as likely to report they increased their well-being spend this year compared with those who don't evaluate well-being spend (45% compared with 20%).[53] They are also more likely to report they will be increasing well-being spend in 2015 (38% compared with 23%).[54]

Table 32: Changes to well-being spend this year and next (% of respondents)

		All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Compared with the last financial year, did your organisation's well-being spend this year…?	Increase	20	24	19	21	16
	Decrease	6	7	6	7	6
	Stay the same	42	39	45	34	53
	Don't know	31	30	31	39	24
In 2015, do you predict that your organisation's well-being spend will…?	Increase	20	24	21	21	14
	Decrease	7	5	6	13	5
	Stay the same	47	46	49	37	61
	Don't know	25	25	25	29	20

Base: 518

SUPPORTING CARERS

Nearly a third of organisations report that absence has been affected by the caring responsibilities of employees. One in six has a specific policy or guidelines for supporting employees who are carers (beyond the minimum statutory rights).

This year we included new questions to examine the impact of caring responsibilities on employee absence and whether and how organisations support employees who are carers. Overall, just 16% of organisations report they have a specific policy or guidelines for supporting employees who are carers (beyond the minimum statutory rights), while a further 37% report that decisions are made on an individual basis. Two-fifths (40%) do not have a specific policy or guidelines, while just 7% report this is not applicable to them (14% of organisations with fewer than 50 employees).

Public sector organisations are most likely to report they have specific policies or guidelines to support employees who are carers (36% compared with 15% of not-for-profits and 8% of the private sector).[55]

Impact of caring responsibilities on absence

Nearly a third of organisations report that absence has been affected by the caring responsibilities of employees. Just 2% report they have noted a considerable impact, while 12% report a moderate impact and 19% a small impact. Just under half report they haven't noted an impact, while 6% report this is not applicable to them and a further 15% don't know.

Public sector respondents are twice as likely as their private sector counterparts to report that the caring responsibilities of employees have had a considerable or moderate impact on absence (public sector: 22%; private sector: 10%; non-profits: 13%). They are least likely to report they haven't noticed any impact (public sector: 37%; private sector: 50%; non-profits: 51%).

Support provided to carers

The most common type of support that organisations provide to employees who are carers is flexible working (68%), followed by compassionate leave (53%) or (paid or unpaid) carers' leave (48%). Two-fifths (42%) offer access to counselling services and three in ten offer career breaks and sabbaticals. One in six organisations offer access to financial services (17%) or options to purchase additional holiday days (15%).

Organisations that have a specific policy or guidelines for supporting employees who are carers are considerably more likely to provide these types of support (Table 33). The public sector are particularly likely to offer career breaks/sabbaticals, access to counselling services, flexible working and compassionate leave.

Table 33: What support do you provide to employees who are carers? By sector and whether organisation has specific policy/guidelines for supporting carers (% of respondents)

	All respondents Specific policy/ guidelines for supporting carers?		**Private sector** Specific policy/ guidelines for supporting carers?		**Public services** Specific policy/ guidelines for supporting carers?		**Non-profit sector** Specific policy/ guidelines for supporting carers?	
	Yes	No	Yes	No	Yes	No	Yes	No
Flexible working	93	64	80	57	100	73	92	83
Carers' leave (paid or unpaid)	85	41	76	39	86	48	100	43
Compassionate leave	82	48	68	42	89	60	85	60
Access to counselling services	72	36	52	27	84	55	69	53
Career breaks and sabbaticals	71	22	40	15	89	44	69	26
Options to purchase additional holiday days	34	12	36	10	36	13	23	17
Access to financial services	32	14	24	11	32	21	46	17

Base: 515; *'No' includes those who responded not applicable and decisions are made on an individual basis

EMPLOYEE ABSENCE AND THE ECONOMIC CLIMATE

Three-quarters of the public sector, half of non-profits and a fifth of the private sector report deterioration in their economic/funding circumstances over the last year. Overall, more than two-fifths have made redundancies in the last six months and many anticipate further redundancies in the next six months. A third of employers have noticed an increase in the number of people coming to work ill in the last 12 months, although just half of these have taken action to discourage it.

The economic context facing organisations

Despite improvements in the UK economy, just a fifth of organisations overall (30% of private sector services) report their general economic/funding circumstances have improved in the last year. Three-quarters of the public sector, nearly half of non-profit organisations, a quarter of private services and a fifth of manufacturing and production report their economic/funding circumstances are worse (Table 34). Larger organisations are also slightly more likely to report that their situation is worse than before.[56]

Redundancies and absence

Overall, 44% (2013: 47%) of organisations report they have made redundancies in the past six months. Organisations that report their economic circumstances were worse over the last year are twice as likely to report they have made redundancies compared with organisations that report improvements (61% versus 31%).

As last year, public sector organisations are most likely to have made redundancies and manufacturing and production organisations the least (public: 56%; non-profits: 49%; private services: 42%; manufacturing and production: 32%).[57] Larger organisations in all sectors are most likely to have made redundancies.[58]

Over a fifth (22%) are planning redundancies in the next six months and a further 26% report they will possibly be making redundancies. Despite the growth in the UK economy, just 43% report they will not be making redundancies in the next six months (8% don't know). Again, the public sector are most likely to be anticipating redundancies (37% are planning redundancies; 30% possibly) and the manufacturing sector the least (13% are planning redundancies, 17% possibly).[59] Across all sectors, larger organisations are more likely to be planning redundancies in the next six months than smaller ones.[60]

Table 34: How would you describe the general economic/funding circumstances facing your organisation in the past 12 months? (%)

	All respondents	Manufacturing and production	Private sector services	Public services	Non-profit organisations
Better than before	18	21	30	6	9
About the same as before	42	59	46	19	45
Worse than before	39	20	24	74	46

Base: 471

As we found last year, those who have made redundancies in the past six months are considerably more likely to be planning further redundancies in the next six months than those who haven't (regardless of sector).[61] These organisations need to ensure the redundancy process is well managed to minimise the impact of stress and uncertainty on the health and well-being of remaining staff.

In similar findings to previous years, 45% of organisations report they use employee absence records as part of their criteria for selecting for redundancy. As in previous years this is most common in the private sector, particularly manufacturing and production organisations (62%; private services: 52%; public sector: 25%; non-profits: 36%).[62]

Presenteeism

'Presenteeism' – people coming to work when unwell – can be more detrimental to businesses than absence. It is associated with anxiety, particularly when job security is threatened and there are high levels of workload and stress. Overall, a third of organisations report they have noticed an increase in people coming to work ill in the last 12 months (2014: 33%; 2013: 34%; 2012: 34%; 2011: 33%; 2010: 26%).[63]

Presenteeism is more significantly related to redundancies than the general economic/funding context experienced by organisations. As we found last year, organisations that are expecting redundancies in the coming six months are twice as likely to report an increase in people coming to work ill (49%) as those who are not planning to make any redundancies (24%).[64] The public sector are particularly likely to report an increase in people coming to work ill: 61% of the public sector who are planning redundancies have noticed an increase in people coming to work ill (private sector: 45%; non-profit organisations: 35%); 31% of the public sector who aren't planning redundancies have noticed an increase in people coming to work ill (private sector: 22%; non-profit organisations: 25%).

In previous years we have pointed to the links between increased 'presenteeism', stress and mental health problems. Our findings this year support these links. Regardless of redundancy plans, organisations that have noted an increase in 'presenteeism' over the past year are more likely to report an increase in stress-related absence over the same period compared with those who do not report an increase in people coming to work ill (61% compared with 36%).[65] Similarly, those who have noted an increase in presenteeism are more likely to report an increase in mental health problems, such as anxiety and depression (58% compared with 34% of those who do not report an increase in people coming to work ill).[66]

Overall, a third of organisations (32%), regardless of size or sector, report that they have taken steps to discourage 'presenteeism' over the past 12 months (2013: 34%). Organisations that have noticed an increase in people coming to work ill in the last 12 months are twice as likely as those who haven't to have taken steps to address it (48% versus 25%). Nevertheless, half (52%) of organisations that have noticed an increase in presenteeism have not taken any steps to discourage it.

Focus on employee well-being

Thirty per cent of organisations report they have increased their focus on employee well-being and health promotion as a result of the economic context (2013: 22%; 2012: 32%; 2011: 32%; 2010: 23%).[67] Organisations that have experienced a worse economic/funding situation over the past year are only slightly more likely to have increased their focus on employee well-being and health (36% compared with 27% of those who have experienced an improved situation). Those who have made redundancies in the past six months are also somewhat more likely to have increased their focus on employee well-being than those who haven't (37% versus 23%).[68]

Consistent with findings from the last three years, public sector organisations are most likely to have increased their focus on well-being as a result of the economic context (44%; private sector: 23%; non-profits: 33%).[69] This sector continues to face austerity measures and cuts as part of the deficit reduction programme, so it is particularly important for them to take action to safeguard employee well-being during this period of redundancies, uncertainty and change.

CONCLUSIONS

This year's findings show that the average level of employee absence has fallen compared with last year and there is some indication of a fluctuating downward trend over the last few years. Previous trends have implied that absence is more likely to fall when unemployment levels are rising, as the threat of redundancies and job insecurity encourages ill employees to struggle to work to demonstrate their commitment. The reduction in absence noted this year is, therefore, particularly positive as it coincides with a period of strong job growth in the UK economy. Although a substantial number of organisations in our sample, particularly in the public sector, continue to face the threat of redundancies, our CIPD *Labour Market Outlook* survey data suggests redundancies are now on a smaller scale compared with previous years.

Will absence levels continue to decline?

Some organisations show strong commitment to reducing absence

Most organisations believe it is possible to reduce absence in their organisations; the question is whether they are doing enough to address the absence issues and threats they face. Some organisations are clearly making considerable efforts. One in seven report that attendance is driven by the board, three-fifths that absence is a key performance indicator and two-fifths have a target for reducing absence. These organisations are considerably more likely to have a well-being strategy and use a wider range of approaches for managing absence. They are also more likely to evaluate the impact of well-being spend.

Organisations are making effective changes

Evaluating the impact of efforts to reduce absence and promote well-being is clearly essential to ensure investments are having the desired effect. The vast majority of organisations that have made changes to some aspect of their approach to absence management in the last 12 months indicate that they do assess the impact of changes they make and the vast majority that have done so are positive regarding the outcomes. Our findings also imply that investments in well-being pay off.

Increased focus on developing line manager capability to manage absence and stress

Two-thirds of organisations report that line managers take primary responsibility for managing short-term absence and half of organisations that they take responsibility for managing long-term absence. Nevertheless, our findings over the past few years have found that not all of these organisations train managers in absence-handling and fewer provide them with tailored support. Our findings this year are no different in this respect. Nevertheless, this year there is an increased focus on developing line manager capability to manage absence among organisations that have made changes to their absence management approach (61%, up from 39% in 2013). In addition, a higher proportion of private and non-profit organisations report they are training line managers to more effectively identify and manage stress in their team.

Well-being spend is more likely to increase than decrease

Most organisations expect their well-being spend to remain the same in 2015, but a fifth expect an increase while just one in fourteen anticipate it will reduce. Even the cash-strapped public sector are more likely to anticipate an increase than a decrease. For many the increase is required to deliver existing provision to a growing number of employees or to meet the rising cost of the current provision, but three in ten will use the increase to introduce or explore new initiatives.

Some organisations are more proactive than others

These are positive indicators; however, some organisations are clearly more proactive in their approach to absence management than others. While the vast majority have an absence management policy, record their employee absence rate, collect information on the causes of absence and provide one or more well-being benefit, fewer have a well-being strategy or targets to reduce absence and the majority do not evaluate the impact of their well-being spend. Moreover, half had not made any changes to their approach to managing absence over the past year, which raises questions regarding how proactive they are in terms of using their absence data to review and improve practice.

Future challenges

Some level of absence is inevitable, but understanding and addressing the main causes of absence and supporting employees to make a speedy return to work can have a significant impact on absence levels.

Supporting employees with acute conditions

Acute medical conditions are the most common cause of long-term absence for both manual and non-manual workers. The vast majority of organisations provide at least some support to these employees, most commonly through changes to working patterns or environment to enable people to stay in or return to work, flexible working arrangements, return-to-work interviews and occupational health involvement.

Minor illness

The vast majority of organisations include minor illness among their most common causes of short-term absence. Short-term absence accounts for two-thirds of working time lost and can be incredibly disruptive, particularly for smaller businesses. Most organisations employ a range of methods, such as return-to-work interviews and trigger mechanisms to review attendance, which send a clear message to employees that absence is actively managed and also enable organisations to identify patterns of absence which may indicate illegitimate absence or provide a warning of more serious or ongoing health issues.

Most also provide one or more well-being benefit, which can also help reduce absence due to minor illness where they are effective in promoting health and well-being.

Many organisations report an increase in people coming to work ill, which can have a knock-on effect on other employees. Organisations and line managers need to send a clear message that employees should stay at home when ill to prevent the spread of minor illnesses through the workforce. Flexible working policies that enable employees to work from home when ill, if appropriate, can help, for example if someone has a broken leg but wants to take part in a project conference call. But it's also important that people are encouraged to take time out from work to recover from illness. Flexible working options can also be helpful in reducing illegitimate absence and absence due to home/family/carer responsibilities.

Musculoskeletal injuries and back pain

Musculoskeletal injuries and back pain remain among the top causes of both long- and short-term absence, particularly among manual workers. Good workplace design can help, but managers and employees also need to be able to understand the hazards that some working tasks have on the body, usually over a period of time, and spot the signs before injuries become severe. Organisations can help by encouraging early reporting of symptoms or discomforts, sharing solutions throughout the company, promoting individual physical fitness through health programmes and conducting risk assessments across the business.

Stress and mental health

Two-fifths of organisations report an increase in stress-related absence over the past year and a similar proportion claim an increase in reported

mental health problems (such as anxiety and depression). Positively, the survey shows that many organisations are taking steps to identify and reduce workplace stress and support employees with mental health problems. A third have increased their focus on stress management for the workforce as a whole over the past 12 months and, as noted above, a higher proportion of private and non-profit organisations are training line managers to more effectively identify and manage stress in their team compared with last year. Our findings also suggest that more organisations are increasing awareness of mental health issues across the workforce compared with last year and over a quarter are promoting the value of good-quality conversations about mental health issues between line managers and staff.

Despite these improvements, a third of organisations that identified stress as a top cause of absence are not taking any steps to address it. Even when the causes of stress at work are seen to be non-work factors, organisations can help themselves and their employees through proactive efforts to build resilience, identify early warning signs and support staff.

Moving forward

While there is clear variation in how proactive organisations are in managing absence, most employ a range of methods and make some effort to promote well-being and attendance. To be successful, they need to regularly monitor and review the data they collect on the level and causes of absence to ensure efforts are targeted at their specific issues. Evaluating the impact of initiatives is a crucial part of that and will help to make a strong business case for investment in well-being.

The variation between organisations also highlights the importance of understanding the costs of absence, not just in terms of replacing employees or loss of services or sales, but also the impact on the morale, workloads and stress levels of colleagues. Understanding the costs can help galvanise senior management support for understanding and addressing absence issues. And our survey findings suggest that having an absence-related KPI and a formal well-being strategy are both powerful tools to focus attention on promoting attendance and driving employee well-being.

BACKGROUND TO THE SURVEY

This is the fifteenth annual CIPD *Absence Management* survey report. It explores absence management trends, policy and practice in the UK. The survey was completed by 518 respondents in June and July 2014.

The survey comprised 41 questions completed through an online self-completion questionnaire. The majority of questions remain the same as previous years, to provide useful benchmarking data on topics including absence levels, causes and costs, as well as how organisations attempt to manage absence and promote health and well-being at work. We also continue to explore the influence of external factors, such as the economic climate and government initiatives such as the Health and Work Assessment and Advisory Service, on absence rates and policy.

This year a new section examines the impact of caring responsibilities on employee absence and whether and how organisations support employees who are carers. We also examine in more detail how organisations are supporting employees with acute conditions.

Sample profile

As in previous years, most respondents (80%) answered the questions in relation to their whole company/organisation, while 13% answered in relation to a single site and 7% in relation to a single division.

Respondents come from across the UK in a similar spread to last year, although this year there is an increased proportion from Ireland (7%; 2013: 1%). Just under a fifth responded in relation to employees across the UK, while others replied in relation to employees in specific UK regions (see Table A1).

Table A1: Distribution of responses, by region (% of respondents)

	Number of respondents 2014	2014	2013	2012	2011	2010
East Anglia	*38*	7	4	4	3	4
East Midlands	*20*	4	5	5	4	6
West Midlands	*28*	5	5	5	5	7
North-east of England	*11*	2	4	3	3	4
North-west of England	*40*	8	11	8	9	7
South-west of England	*32*	6	8	8	9	7
Yorkshire and Humberside	*26*	5	5	5	6	5
South-east of England (excluding London)	*71*	14	12	12	12	13
London	*48*	9	11	11	11	10
Scotland	*41*	8	9	9	7	7
Wales	*13*	3	3	3	3	3
Northern Ireland	*13*	3	2	0	3	4
Ireland	*38*	7	1	0	1	0
Whole of UK	*94*	18	20	26	24	26

Base: 513 (2014); 611 (2013); 663 (2012); 582 (2011); 564 (2010)

Respondents come from organisations of all sizes, in a distribution very similar to last year. Medium-sized organisations are particularly well represented (Table A2).

As in previous years, three-fifths of respondents work in the private sector, although this year the proportion in manufacturing and production

Table A2: Number of people employed in respondents' organisations (% of respondents reporting for whole organisation)

	2014	2013	2012	2011	2010
1–49	14	13	6	12	6
50–249	37	38	34	30	28
250–999	21	22	31	28	35
1,000–4,999	15	14	19	18	16
5,000+	13	13	10	11	15

Base: 413 (2014); 499 (2013); 592 (2012); 579 (2011); 429 (2010)

Table A3: Distribution of responses, by sector

	Number of responses	%
Manufacturing and production	**112**	**22**
Agriculture and forestry	1	1
Chemicals, oils and pharmaceuticals	18	3
Construction	7	1
Electricity, gas and water	4	1
Engineering, electronics and metals	26	5
Food, drink and tobacco	20	4
General manufacturing	9	2
Mining and quarrying	0	0
Paper and printing	1	1
Textiles	3	1
Other manufacturing/production	23	4
Private sector services	**198**	**38**
Professional services (accountancy, advertising, consultancy, legal, etc)	40	8
Finance, insurance and real estate	22	4
Hotels, catering and leisure	10	2
IT services	12	2
Call centres	4	1
Media (broadcasting and publishing, etc)	4	1
Retail and wholesale	24	5
Transport, distribution and storage	23	4
Communications	4	1
Other private services	55	11
Public services	**123**	**24**
Central government	15	3
Education	30	6
Health	43	8
Local government	16	3
Other public services	19	4
Voluntary, community and not-for-profit ('non-profit organisations')	**85**	**16**
Care services	19	4
Charity services	27	5
Housing association	24	5
Other voluntary	15	3

Base: 518

organisations has slightly increased (2014: 22%; 2013: 15%; 2014: 16%) and the proportion in private sector services slightly decreased (2014: 38%; 2013: 45%; 2014: 43%). Similar proportions to previous years work in public sector services and voluntary, community and not-for-profit organisations (referred to in the report as 'non-profit organisations') (Table A3).

Public sector organisations tend to be larger in size than those in the private or non-profit sectors: 22% of public sector organisations are SMEs compared with 58% of private services organisations, 56% of manufacturing and production and 65% of non-profits; a third of public sector organisations have more than 5,000 employees compared with 7% of private services, 10% of manufacturing and production and 1% of non-profits.

Note on abbreviations, statistics and figures used

Voluntary, community and not-for-profit organisations are referred to throughout the report as 'non-profits'.

'The private sector' is used to describe organisations from manufacturing and production and private sector services. These two groups are combined for reporting purposes where there are no significant differences between their responses.

Some respondents did not answer all questions, so where percentages are reported in tables or figures, the respondent 'base' for that question is given.

'Average' in the report is used to refer to the arithmetic mean unless otherwise stated. The median is used in cases where the distribution is significantly skewed and the 5% trimmed mean where there are some extreme outliers. The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results is a better estimate of central tendency when extreme outliers exist. When the median or 5% trimmed mean is used, it is noted.

With the exception of average working time and days lost, all figures in tables have been rounded to the nearest percentage point. Because of rounding, percentages may not always total 100.

Different statistical tests have been used, depending on the type of analysis and the measures used in the questionnaire, to examine whether differences between groups are significantly different than could be expected by chance and to examine associations between measures. Non-parametric tests are used where the data did not meet the requirements of parametric equivalents. Tests used include Chi-Square (χ^2), Spearman's rho (ρ), Tau-b, Wilcoxon Signed Rank test and Kruskal-Wallis H. We report on statistics at the generally accepted level of significance, $p<0.05$.

FURTHER SOURCES OF INFORMATION

Visit **cipd.co.uk/absencemanagementsurvey** to access related products and services and to view previous *Absence Management* survey reports and case studies.

All of the resources listed below can be accessed via **cipd.co.uk/atozresources** unless otherwise indicated.

Absence measurement and management

Read our factsheet, which provides guidance on absence policies, measuring absence levels and managing short- and long-term absence.

Acas have published an advisory booklet on how to manage attendance and employee turnover. Available at: **www.acas.org.uk**

Download the guidance produced jointly by the National Institute for Health and Clinical Excellence (NICE) and the CIPD, which offers advice to employers: *Managing Long-term Sickness Absence and Incapacity for Work.*

Well-being

Read our report *What's Happening with Well-being at Work?* which provides case study examples of how employers are introducing the concepts of employee well-being into their organisations and identifies the impact of well-being on individuals and organisations.

Stress

The CIPD factsheet *Stress and Mental Health at Work* provides advice on identifying the key indicators of stress and outlines steps that people management specialists can take to manage it.

Read our research insight *Preventing Stress: Promoting positive manager behaviour*. This report is the result of collaboration between the CIPD, Investors in People and the Health and Safety Executive on research into management competencies for preventing and reducing stress at work. Case studies are included of organisations that have implemented the findings from previous stages of the research.

Developing Resilience: An evidence-based guide for practitioners provides a thorough review of the available evidence about how to develop resilience at individual and organisational level.

Mental health

Managing and Supporting Mental Health at Work: Disclosure tools for managers, produced by the CIPD and Mind, contains information, practical advice and templates to help managers facilitate conversations about stress and mental health problems, and put in place support so employees can stay well and in work.

Read our survey report *Employee Outlook: Focus on mental health in the workplace*, which examines the impact of poor mental health on performance in the workplace and highlights why mental health in the workplace is an issue that employers cannot afford to ignore.

Health and safety

The CIPD factsheet *Health and Well-being at Work* gives introductory guidance on employers' duties to provide a safe and healthy working environment. It introduces the law on health and safety at work and outlines employers' obligations.

Occupational health

Take a look at our factsheet *Occupational Health*.

Flexible working

Read our survey report *Flexible Working Provision and Uptake*, which discusses the type of flexible arrangements employers adopt, the benefits of offering flexible working and the typical barriers faced.

To stay up to date with the latest thinking from the CIPD, visit **cipd.co.uk/research**

Sign up to receive our weekly e-newsletter and get the latest news and updates on CIPD research straight into your inbox.

Sign up by visiting **cipd.co.uk/cipdupdate**

ACKNOWLEDGEMENTS

The CIPD is very grateful to those organisations and individuals who gave their time to take part in this research. They include:

- Annette Sinclair, Research Consultant, for analysing the findings and writing this comprehensive report
- all those who shared examples of their organisation's practices
- Simplyhealth for their support and commitment at every stage of the research.

We hope that you find the research useful when considering your own absence management practices.

Please contact us if you have any questions or ideas based on our findings: **research@cipd.co.uk**

ENDNOTES

1 Chi Square=24.4, df=3, p<0.001, n=495.

2 Seven organisations (across all sectors) report that 10% or more of working time was lost to absence.

3 The 5% trimmed mean is the arithmetic mean calculated when the largest 5% and the smallest 5% of the cases have been eliminated. Eliminating extreme cases from the computation of the mean results is a better estimate of central tendency when extreme outliers exist.

4 Wilcoxon Signed Rank test, p<0.001, n=60.

5 Rho=0.46, p<0.001, n=342.

6 Kruskal-Wallis=25.2, df=3, p<0.001, n=268.

7 Rho=0.37, p<0.001, n=268.

8 Chi Square=15.1, df=6, p<0.05, n=514.

9 Chi Square=69.2, df=8, p<0.001, n=514.

10 Rho=0.34, p<0.001, n=329.

11 Chi Square=68.9, df=4, p<0.001, n=485.

12 Size of organisation: Chi Square=46.5, df=8, p<0.001, n=518; Sector: Chi Square=28.8, df=6, p<0.001, n=518.

13 Five respondents reported absence costs of over £5,000 per employee.

14 Chi Square=42.8 with continuity correction, df=1, p<0.001, n=407.

15 Chi Square=13.6 with continuity correction, df=1, p<0.001, n=411.

16 Chi Square=5.0 with continuity correction, df=1, p<0.05, n=411.

17 Manual workers – 2014: 77%; 2013: 58%; 2012: 59%; 2011: 69%; 2010: 66%; Non-manual workers – 2014: 75%; 2013: 64%; 2012: 71%; 2011: 72%; 2010: 80%.

18 Chi Square=13.5 with continuity correction, df=1, p<0.001, n=358.

19 While a similar proportion of respondents from all sectors report that stress-related absence has increased among the senior management team, a greater proportion of public sector respondents don't know whether it has or not.

20 Workforce as a whole: Rho=0.31, p<0.001, n=418; Managers: Rho=0.28, p<0.001, n=397; Senior managers: Rho=0.11, p<0.05, n=369.

21 Public sector – 2014: 32%; 2013: 50%; 2012: 50%; 2011: 52%; manufacturing and production sector – 2014: 11%; 2013: 19%; 2012: 20%; 2011: 21%; private services sector – 2014: 14%; 2013: 25%; 2012: 23%; 2011: 19%; non-profit organisations – 2014: 31%; 2013: 39%; 2012: 28%; 2011: 29%.

22 Chi Square=17.2 with continuity correction, df=1, p<0.001, n=381.

23 Chi Square=20.5, df=2, p<0.001, n=463.

24 In organisations where stress is a top cause of absence, 78% of the public sector, 73% of non-profits and 60% of private sector organisations are taking steps to address it.

25 For the workforce as a whole: Chi Square=29.6, df=4, p<0.001, n=461; For managers: Chi Square=13.4, df=4, p<0.01, n=423; For those in senior management positions: Chi Square=10.9, df=4, p<0.05, n=414.

26 2014: 48% don't offer stress management training compared with 53% in 2013; 2014: 69% don't offer personal resilience training compared with 76% in 2013.

27 The 'don't know' responses are excluded to improve comparability across years.

28 Rho=0.28, p<0.001, n=428.

29 This was a new item this year.

30 Chi Square=19.3, df=2, p<0.001, n=503. Size is not significant once sector differences are taken into account.

31 Just 1–5% of respondents who have made the changes listed in Table 23 report that they don't assess the impact, with the exception of introducing or revising an attendance incentive scheme, where 8% (two organisations) report they don't assess impact, and introducing or revising well-being benefits, where 9% (four organisations) report they don't assess impact.

[32] Thirty-eight per cent of private services, 21% of manufacturing and production, 35% of non-profits and 16% of the public sector report managers have primary responsibility for absence but do not receive training. Seventy-seven per cent of private sector services, 63% of manufacturing and production, 59% of non-profits and 48% of the public sector report managers have primary responsibility for absence but do not provide them with tailored support.

[33] Although in the public sector the difference is smaller (short-term: 78%; long-term: 69%).

[34] Public sector – 2014: 42%; 2013: 41%; 2012: 34%; 2011: 33%; 2010: 27%; non-profit organisations – 2014: 47%; 2013: 55%; 2012: 39%; 2011: 42%; 2010: 36%.

[35] Occupational health involvement: Rho=0.41, p<0.001, n=513; Employee assistance programmes: Rho=0.26, p<0.001, n=513; Nominated absence case manager/ management team: Rho=0.25, p<0.001, n=513; Tailored support for line managers: Rho=0.25, p<0.001, n=513; Risk assessment to aid return to work after long-term absence: Rho=0.20, p<0.001, n=513; Rehabilitation programme: Rho=0.30, p<0.001, n=513; Return-to-work interviews: Rho=0.18, p<0.001, n=513; Changes to working patterns or environment to enable people to stay in or return to work: Rho=0.14, p<0.01, n=513; Managers are trained in absence-handling: Rho=0.34, p<0.001, n=513.

[36] Chi Square=56.4, df=2, p<0.001, n=513.

[37] Tailored support for line managers: Chi Square=20.7, df=3, p<0.001, n=513; Train managers in absence-handling: Chi Square=32.1, df=3, p<0.001, n=513.

[38] Occupational health involvement: Chi Square=42.9, df=3, p<0.001, n=513; Risk assessments: Chi Square=23.4, df=3, p<0.001, n=513; Changes to working patterns or environment: Chi Square=22.2, df=3, p<0.001, n=513.

[39] Chi Square=49.1, df=3, p<0.001, n=503.

[40] Rho=0.40, p<0.001, n=503.

[41] Chi Square=32.5, df=2, p<0.001, n=375.

[42] 1–49 employees: 17%; 50–249 employees: 5%; 250–999 employees: 17%; 1,000–4,999 employees: 30%; 5,000+ employees: 40%; Chi Square=37.2, df=4, p<0.001, n=375.

[43] Chi Square=24.5, df=2, p<0.001, n=483.

[44] Rho=0.34, p<0.001, n=483.

[45] Chi Square=6.3 with continuity correction, df=1, p<0.001, n=479.

[46] Target to reduce absence: Chi Square=36.3 with continuity correction, df=1, p<0.001, n=460; Absence level is a key performance indicator: Chi Square=42.7 with continuity correction, df=1, p<0.001, n=482.

[47] Fifteen per cent of those who had a well-being strategy and used absence as a KPI had introduced or revised monitoring of usage of offerings compared with 3% of those who had a well-being strategy but did not use absence as a KPI: Chi Square=4.6 with continuity correction, df=1, p<0.05, n=235.

[48] Rho=0.14, p<.05, n=235.

[49] Kendal's tau-b=0.49, p<.001, n=321 ('don't know' responses excluded from the analysis).

[50] Chi Square=18.6, df=9, p<0.05, n=518.

[51] Rho=0.27, p<.001, n=391 ('don't know' responses excluded).

[52] Forty six per cent of those with a target for reducing absence evaluated their well-being spend compared with 15% of those who didn't: Chi Square=44.4 with continuity correction, df=1, p<0.001, n=378; 36% of those who used absence as a KPI compared with 15% of those who didn't: Chi Square=21.5 with continuity correction, df=1, p<0.001, n=390.

[53] Chi square = 24.4, df=2, p<0.001, n=303, don't knows were excluded to enhance comparability.

[54] Chi square = 10.8, df=2, p<0.01, n=327.

[55] Chi Square=61.4, df=6, p<0.001, n=510.

[56] Rho=0.16, p0<.01, n=471.

[57] Chi Square=13.5, df=3, p<0.01, n=505.

[58] Rho=0.34, p0<.001, n=505.

[59] Chi Square=49.0, df=9, p<0.001, n=514.

[60] Chi Square=57.0, df=12, p<0.001, n=514.

[61] Forty two per cent of those who had made redundancies in the last six months were

planning to make redundancies in the next six months and a further 36% reported they would possibly be making redundancies, while just 7% of those who hadn't made redundancies in the past six months were planning to make redundancies in the next six months and a further 18% reported they would possibly be making redundancies.

62 Chi Square=33, df=3, p<0.001, n=439.

63 Each year 11–-15% report they don't know whether there has been an increase in people coming to work ill in the last 12 months. These are excluded here for better comparison across years.

64 Chi Square=20.9, df=3, p<0.001, n=443.

65 Chi Square=20.1, df=2, p<0.001, n=371.

66 Chi Square=19.3 with continuity correction, df=1, p<0.001, n=386.

67 'Don't know' responses were removed for comparability across years.

68 Chi Square=11.1 with continuity correction, df=1, p<0.01, n=467.

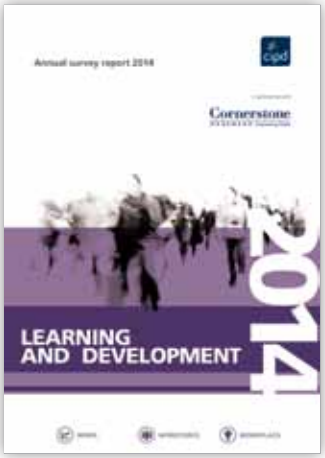
69 Chi Square=16.4, df=2, p<0.001, n=471.

NOTES

OTHER TITLES IN THIS SERIES

LEARNING AND DEVELOPMENT

The annual *Learning and Development* survey provides valuable commentary on current and future issues and trends. It explores employer support for learning, talent management, employee skills, managing and evaluating coaching and training spend. The latest report is brought to you in partnership with Cornerstone OnDemand.



REWARD MANAGEMENT

The annual *Reward Management* survey provides practical insights into current trends, practices and issues affecting reward management in the UK. It examines strategic reward, base and variable pay, bonuses, incentives, pensions, reward measurement and total reward issues.

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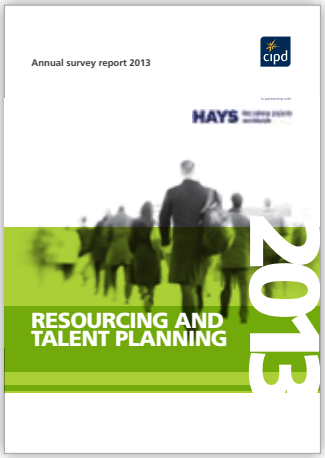
The *Resourcing and Talent Planning* survey contains valuable information on current and emerging trends in people resourcing practice. The report provides benchmarking information to support employers on resourcing strategies, attracting and selecting candidates, labour turnover and employee retention. This report is brought to you in partnership with Hays.



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