

We Need to Talk About Absence

Thinking about and addressing the challenge of absence management in the workplace

Overview

A well-known retailer — let's call it Brand X — that runs high-street stores all over the UK had a problem. Higher-than-expected unforeseen employee absence meant that very often a depleted number of staff would be left to run stores; on a few occasions, stores didn't open at all because of a lack of employees.

There were a lot of unplanned absences, but even when staff had booked time off, this was not being recognised by store managers, so no action was taken to remedy matters. Brand X HR staff did not formally analyse annual absence levels.

The situation had become so critical that the company responded by modernising systems, software, and processes. Today, the issue has been fixed, and there are no cases of stores not opening or of heroic individuals having to cover for the shortfall by working harder and for more hours than they were being paid for.

It's important to understand the importance of absence control and how it's been dealt with in your business.

This mini white paper answers the following questions:

- What is absence?
- Why is absence management important, and why now?
- How can I get the most out of absence management?
- What benefits will I see as a result of improved absence management?

Absence affects all businesses. It's essential to get it under control before it's too late.

What is absence?

Employee absence is one of the most infuriating and harmful phenomena of the modern workplace. A degree of absence cannot be avoided, as people get ill or are forced by personal circumstances to not attend work as planned.

It should be added that physical absence from the workplace might not always be important. In fact, in many roles and environments, it's more important to be off-site with customers and partners. In sales, for example, high levels of mobility are expected in many organisations today, but the principle stands that knowing when employees are working and not working is critical to efficiency. And there is no excuse for compensatory measures not to be in place for when people are unable to work.

First, though, it's important to emphasise that there are two very distinct forms of absence: planned and unplanned. Planned absence such as annual leave days or other forms of leave agreed to in advance can be more easily dealt with, but both forms of absence can be managed better by using automation and best-practice processes.

Why is absence management important, and why now?

High and unpredictable levels of absence are a menace in the modern workplace, but they affect different roles in different ways. HR executives are at the heart of this challenge, and the absence phenomenon is a major barrier to employee engagement. HR also faces tough record-keeping tasks to log absences, which can be time-consuming if they involve paper-based processes, spreadsheets, or other tools that are not fit for this purpose. Old tools can also lead to version issues as files are emailed around or stored on file servers where it's easy for staff to work on old, irrelevant documents. To lower absence rates, HR has to automate processes to make it easier to log absences, implement wellbeing schemes, and pay close attention to employee satisfaction levels.

But HR is far from being the only department affected. In finance, the need to bring in costly coverage or to offer premium overtime hours for absence creates a challenge that is greater because of unpredictability. In operations, business process changes or decisions on the allocation of skills that need to be made can be complicated by lack of relevant or accurate data.

For legal counsel, unexpected absence can lead to issues regarding health and safety risks and an inability to supply regulators and watchdogs with the data they require if systems are not adequate. Product and service executives can be severely impacted if just one or two employees are absent for a short time. Employees and their managers can be frustrated by the lack of tools for easily logging absences, making them less likely to record reasons and timings of absence. Here, poor user interfaces, ancient tools, and no remote capabilities are all annoyances. And for IT, if modern tools such as cloud-based services are not sanctioned, IT can't deliver the sorts of actionable information that senior leaders require.

All in all, understanding the root causes of absence is clearly an enormously important task.

How can I get the most out of absence management?

Recent surveys by the CIPD (Chartered Institute of Personnel and Development) have indicated falling rates of employee absence. However, the validity of the absence figures is called into question by the institute when other factors may be driving issues such as presenteeism.

Firms must look at the problem through a holistic lens. This means defining roles and setting realistic goals in order to create a workplace environment where employees are motivated to go to work and be highly productive. Establishing flexible working schemes and recognising the importance of wellbeing will also help prevent non-genuine reasons for absence as well as help employees with genuine illnesses.

Leaders and line managers need to be able to see the triggers that lead to absence issues and amend their working conditions accordingly. This need has seen the emergence of trends such as 'duvet days', offers of more annual leave days, and encouraging staff to participate in setting their own goals, targets, and bonus schemes.

Some examples of how to reduce high absence rates in your organisation include:

- Monitor absence rates, and analyse for trends and patterns
- Consider your use of flexible working schemes and whether they can be extended
- Ensure you have a policy for dealing with employees who have had long absences
- Examine your technology tools and processes; are they fit to purpose?

Some firms have provided incentives for attendance, but critics of the concept note that this can lead to 'presenteeism', where staff turn up for work even when unwell. Notably, 89% of respondents to the CIPD Health and Wellbeing at Work Survey say they have observed presenteeism.*

Finally, it's important to be open and equal, with no special dispensation given to some employees over others.

Leaders and line managers need to be able to see the triggers that are leading to absence issues and amend their working conditions accordingly.

* CIPD, *Health and Wellbeing at Work: 2020 Survey Report* (March 2020) found at https://www.cipd.co.uk/knowledge/culture/well-being/health-well-being-work.

What benefits will I see as a result of improved absence management?

An efficient absence management process will be rules-based so managers and administrators can set parameters, such as the number of people who can be off at a particular time in a particular role or department. This will lead to workflows and services that are fully compliant and efficient with central management and that provide full workforce visibility as well as support for data analysis. For example, it is not uncommon for unplanned absence to take place at the end of a workweek when the weather is good or when major sporting events are taking place.

An online self-service capability puts the onus and responsibility on users to request time off and allows them to see status information from anywhere with a smartphone app. Creating rules and policies will reduce administrative chores to a minimum, while a well-designed user interface will make it easier for employees to use systems.

For too long, absence management has been the 'elephant in the room' at workplaces. Causing massive inefficiencies and often being indicative of broader problems, high levels of absence have rarely been considered a major challenge for HR leaders. But in the modern world where locating, hiring, and retaining talent are of increasing strategic importance, finding ways to have industry-leading levels of employee satisfaction, attendance, and engagement is critical.

Solving the absence puzzle can't happen overnight, but a combination of an attractive workplace culture and the best processes and tools is the only way to go.

Since starting to use UKG Ready[™] [formerly Kronos Workforce Ready[®],] we have a much better understanding of our absence history, and sickness is now running at less than 2%. Also, the holiday calendar is a great tool — for each department, we can see at a glance who is off at the same time, which helps us to plan proactively.

> John Parry, Finance Director The Assay Office Birmingham

Want to find out more?

We have more information available on everything your organisation needs to know about absence. <u>Visit our website</u> to learn how other organisations use UKG[™] (Ultimate Kronos Group) solutions to get a grip on absence or to watch a video to learn more.

About UKG

At UKG (Ultimate Kronos Group), our purpose is people[™]. Built from a merger that created one of the largest cloud companies in the world, UKG believes organizations succeed when they focus on their people. As a leading global provider of HCM, payroll, HR service delivery, and workforce management solutions, UKG delivers award-winning Pro, Dimensions, and Ready solutions to help tens of thousands of organizations across geographies and in every industry drive better business outcomes, improve HR effectiveness, streamline the payroll process, and help make work a better, more connected experience for everyone. UKG has more than 12,000 employees around the globe and is known for an inclusive workplace culture. The company has earned numerous awards for culture, products, and services, including consecutive years on Fortune's *100 Best Companies to Work For* list. To learn more, visit ukg.com.



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