17 November 2003

A review of management of employee absence
London Borough of Harrow
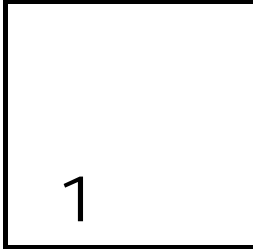
Summary Report

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Summary

Employee absence in Harrow is high. Absence levels exceed the national and the sector average, and fail to achieve the Best Value Performance Indicator. High absence handicaps the Council's ability to deliver its strategic goals, and to meet the demanding standards of the New Harrow Project.

The Council's policies and procedures for managing absence are good. However, understanding and implementation of the procedures is patchy and is restricted by an absence of good management information on the levels and causes of absence.

Marsh believes that a substantial reduction in absence levels is achievable, and that a vigorous absence management programme will deliver very significant benefits to the organisation.

Our recommendations centre on more active management of absent employees and a campaigning approach to employee health and well being. In summary our recommendations are:

1.1   introduce an IT system capable of generating monthly absence reports for all Council managers

1.2   introduce consistent coding of the causes of absence in management absence submissions

1.3   introduce electronic submission of absence reports wherever feasible

1.4   produce a management summary briefing on the key absence procedures and trigger points

1.5   introduce a new pro-forma for making referrals to Occupational Health in which the information required by the referring manager is clearly specified

1.6   formalise the structure and documentation of the 'case management' of individuals who have exceeded the absence trigger points

2.1   produce a summary of the key absence reporting requirements for employees

2.2   produce health information summary cards to support the chosen health campaign for the month

2.3   utilise internal communication vehicles such as staff newsletters and notice boards to re-enforce the current health message

3.1   undertake a launch event for the new absence programme, chaired by the Chief Executive

3.2   produce a launch publicity document for the programme, signed by the Chief Executive

3.3   introduce a quarterly standing item on Chief Executive Group meetings to review absence performance, and agree appropriate actions for continuous improvement

4.1   provide training for managers in dealing with absentees, and returning employees

4.2   provide training for all employees in managing personal stress

5.1   undertake annual stress risk assessments in association with the general health and safety risk assessments

5.2   ensure that the findings of stress risk assessments are reviewed by a Council health and safety group to agree and monitor recommendations for improvement

6.1   the Occupational Health service should become more conspicuous and proactive

6.2   review the possibility of introducing an Employee Assistance Programme (EAP)

7.1   maintain continuous publicity for preventive healthcare measures

8.1   consult with employee representatives on new procedures for early and sustained contact with absent employees

8.2   revise appropriate procedures and, if necessary, employment contracts to support proactive contact with absentees

8.3   brief managers so that early contact with absentees is rapidly and consistently implemented

9.1   undertake and document a return to work interview after all sickness absence

9.2   ensure that Personnel follow up absences for which a return to work interview record is not provided, or is inadequate

9.3   ensure that return to work interviews are always undertaken in a spirit of inquiry and support, not suspicion and discipline

10.1   change the policy statement 'you may wish to confirm the outcome of this meeting in writing', to 'the outcome of the meeting should be confirmed in writing, and a copy provided to Personnel'

10.2   ensure that Personnel provide more direct support to progress unacceptable absence through to disciplinary action.

11.1   advise all managers of the absence level to which they should be working

11.2   ensure that absence performance is a routine element of a manager's appraisal, with expectation of achievement of target, and continuous improvement

Note: numbering refers to the breakdown of items in the Recommendations section of the report.

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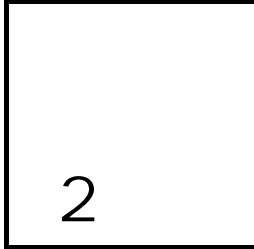
The Scope of the Project

Marsh Risk Consulting undertook to work with the Council to achieve the following objectives:

- □ Assess the suitability and effectiveness of the current absence management framework.
- □ Establish operational managers' awareness of the issues and the need for their involvement in the process.
- □ Identify key areas for improvement of current absence performance.
- □ Develop an action plan for further work.

Information gathering was accomplished through:

- □ Reviews of available literature, procedures, policies and performance data.
- □ Meetings with senior managers, co-ordinated by Jon Turner.
- □ One to one meetings with representative managers of particular operations.
- □ Focus group sessions with employees from the main operational areas, using anonymous computer voting on key issues.

In undertaking the review, Marsh was aware of the context provided by the **New Harrow Project**. We believe our recommendations are strongly compatible with the New Harrow Project and will enhance the Council's ability to '*make a real and noticeable improvement to the services we offer the people we serve*', while recognising that '*we do not have a bottomless pocket and we have limited resources*'. Our recommendations are designed to deliver a real return on investment, to maximise the resource available to provide Council services, and to assist employees to undertake their responsibilities with good health, motivation and personal commitment.

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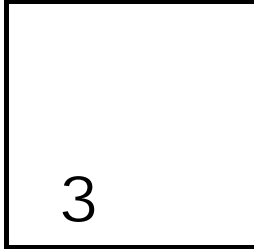
Key findings

Our key observations from reviewing **literature, policies and procedures** were as follows:

- ☐ A number of procedures and guidance documents are relevant to the management of employee health and absence, including:
    - The Health and Safety Policy
    - Smoking, drugs and alcohol policies
    - Harassment Policy
    - Handling Sickness Absence Guidelines
    - Stress and Mental Health at Work.
- ☐ In general, documentation was clear and consistent and in-line with good corporate practice.
- ☐ The main areas of weakness appear to be:
    1. Lack of clarity regarding the referral of absentees to Occupational Health. In particular, the information to be provided to Occupational Health, and the nature of the report to be provided by Occupational Health to the absentee's line manager.
    2. Absence of guidance on the continuing contact between an absentee and their manager.
    3. Lack of clear itemisation of the information to be provided by managers in reporting an employee's absence.
    4. Inconsistent reports to managers on their operation's absence performance.
    5. Limited guidance on the 'case management' process by which actions are agreed for dealing with a long-term or repeated short-term absentee.
    6. No process for undertaking regular stress risk assessments and responding to the findings.
    7. A tendency for healthcare processes to be reactive rather than primary, preventive and proactive.

Key observations from **meetings with managers** were:

☐ Managers were divided in their knowledge, support and enthusiasm for the current absence management system. Some felt it worked reasonably well, but many were not entirely familiar with the procedures and others felt that the procedures did not effectively reduce absence levels.

☐ There was consistent frustration about the lack of management information on employee absence. Many managers complained that they regularly provided information on their absentees, but received little back in the way of useful management reports.

☐ Work related stress was acknowledged to be a key driver behind sickness absence levels. Stress was felt to be increasing as a result of growing pressure to meet targets, and stretched employee resources.

☐ Most managers did not know the absence level in their operations, were not working to a clearly-defined target, and were not aware of the main causes of absence of their employees.

☐ Managers generally felt that there was little incentive for individual employees to minimise their absence time. Some would like to see a financial reward for employees with low absence levels, but most believed this would be very difficult in practice. The consensus was for more consistent application of absence procedures, more progression to disciplinary action for persistent absentees, and for managers themselves to be seen to be subject to the procedures.

☐ There was general support for the quality and responsiveness of the Occupational Health service. However, several managers wanted clearer advice on the actions they should pursue to deal with particular absentees. It was commonly noted that the Occupational Health advice has recently become rather more abrasive and less sensitive to employees, this has been refreshing for some managers, but seems be an issue of concern to some employee groups.

☐ There is inconsistent application of the return to work procedures. Some managers do not undertake return to work interviews if they know and trust the absentee. As a result, the interviews that are undertaken are viewed as disciplinary and not seen to be based on a desire to help employees.

☐ Most managers believed that they would benefit from more training on the management of absence, and that they and their employees would benefit from training on the management of stress.

☐ Some managers felt that absence and stress would be reduced if the Council utilised an Employee Assistance Programme to enable employees to address issues of personal concern at the earliest possible stage.

☐ Managers were divided on the way in which they would keep in touch with an absent employee. Some would happily maintain regular telephone contact and viewed this as a positive demonstration of concern and support. Others felt this would be resented by employees and might be construed as a form of harassment.

☐ A number of managers would like more robust support from Personnel to deal with persistent absentees. In some cases there was a suggestion that a dedicated Personnel

resource would be of real value. A particular request was that Personnel should act as the bridge between a manager and Occupational Health, to ensure that the most useful clinical information was obtained to facilitate a return to work, or progression to discipline or retirement.

Key observations from **employee focus groups** were:

□ Employees were consistently familiar with the absence reporting procedures and felt that they were well implemented in practice.

□ Many employees acknowledged that not all sickness absence was genuine. They were often frustrated that they had to 'carry' employees who were absent but not really ill.

□ Employees were not aware of the levels of absence in Harrow, and were generally not aware of absence management as an operational priority.

□ Employees reported very inconsistent and casual application of the return to work interview. The majority of employees reported that they did not always have an interview after absence. When undertaken it was often felt to be disciplinary in nature rather than helpful.

□ There was a widespread feeling that stress levels were increasing and that support and training in managing stress would be extremely helpful.

□ Some employees believed that effective stress management would require significant cultural change. There was an interest in better, more communicative management of change, more 'bottom-up' consultation about future developments, more conspicuous communication from senior managers, and evidence that members were committed to the well being of employees.

□ The Council was not generally seen as a promoter of positive, preventive healthcare practices. Where healthcare initiatives had been introduced, such as massage, yoga, blood pressure monitoring, and diabetes assessment, these were strongly appreciated. There would be powerful support for more interventions of this sort, although a request that they should not be confined to the Civic Centre.

□ The Occupational Health service was less strongly endorsed by employees that by managers. Many employees did not know that they could self-refer and did not think of it as a positive personal benefit.

□ Employees were divided on the subject of regular contact between an absentee and their manager. Some saw this as valuable and helpful, while others would regard it as an infringement of their human rights to privacy during a period of illness. When asked to vote on this issue, most employees said that they would be happy to be contacted by their manager when absent through sickness.

□ No employees or managers viewed absence management as an important aspect of their appraisals or performance reviews.

□ Employees reported inconsistent application of absence management procedures across the Council.

Marsh Risk Consulting would like to thank the many people in the London Borough of Harrow who contributed to this exercise, and freely provided their time, advice and expertise.

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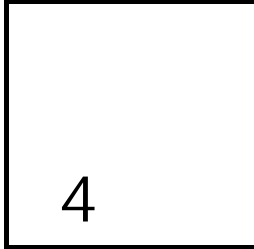
Recommendations

Improved management of employee absence in Harrow can deliver major cost savings and many organisational benefits. However, significant reduction of the current absence levels is unlikely to be achieved by any single intervention. Absence is influenced by many factors in the Council and we recommend simultaneous action on a number of fronts in order to achieve maximum impact.

Our central advice is therefore to take a campaigning approach to managing absence, and to raise the priority of employee health and attendance at all levels in the Council. We propose an integrated programme with branded identity, a launch date and a steering group.

The elements of the proposed campaign are:

1. **Information for managers**
2. **Information for employees**
3. **Demonstrable commitment at executive level**
4. **Training of individuals in appropriate skills**
5. **Introduction of routine stress risk assessments**
6. **Access to support services**
7. **Commitment to well being and preventive healthcare**
8. **Sustained, supportive contact with absent employees**
9. **Effective return to work procedures**
10. **Low tolerance for unacceptable absence**
11. **Incorporation of absence management in individual performance indicators**

The following breakdown details the specific actions.

1. **Information for managers**

One of the most consistent findings of our review was that managers do not have adequate information on which to build their absence management programmes. The reason is essentially that the current personnel IT infrastructure, primarily the payroll system, does not have the capability to analyse and present absence data in the form of useful management reports. However, a new reporting and analysis payroll system is currently under review, and should enable much greater analysis of employee data.

Whether or not the new payroll system is introduced, our strong recommendation is:

1.1   introduce an IT system capable of generating monthly absence reports for all Council managers

We believe the reports should be brief but informative, giving causes of absence, trends, and performance against target. A draft report layout will be provided separately.

To facilitate recommendation 1.1, it will be necessary to:

1.2   introduce consistent coding of the causes of absence in management absence submissions, and

1.3   introduce electronic submission of absence reports wherever feasible

We understand that a disease coding scheme, adopted from the Oracle payroll system absence module, is available for use, but would be happy to provide a coding system if required.

In response to a number of management observations about patchy understanding and implementation of absence procedures we also recommend:

1.4   produce a management summary briefing on the key absence procedures and trigger points

The design of the summary should be consistent with the overall branding and identity of the new absence management campaign.

A further aspect of management information that was often raised in discussion concerned the guidance provided by Occupational Health on the management of specific absent individuals. Sometimes this was felt to be vague or unhelpful, and not to address the challenge of rehabilitating the individual. We therefore recommend two adjustments to the current system:

1.5   introduce a new pro-forma for making referrals to Occupational Health in which the information required by the referring manager is clearly specified

1.6 formalise the structure and documentation of the 'case management' of individuals who have exceeded the absence trigger points

We recommend that the case management reviews should be led by Personnel, and should always include Occupational Health, and the absentee's line manager.

2. Information for employees

While the majority of employees are familiar with the absence reporting procedures, it would be consistent with the absence management campaign to make these available in accessible, summary form:

2.1 produce a summary of the key absence reporting requirements for employees

However, the most important employee information requirement is to promote a preventive, proactive approach to employee healthcare. We therefore advise that the well being programme proposed in recommendation 7 is also the subject of appropriate, branded employee information:

2.2 produce health information summary cards to support the chosen health campaign for the month, and

2.3 utilise internal communication vehicles such as staff newsletters and notice boards to re-enforce the current health message

3. Demonstrable commitment at executive level

Recent absence studies have indicated that one of the most influential factors in effectively impacting on performance is evidence of commitment from the top of the organisation. We therefore recommend:

3.1 undertake a launch event for the new absence programme, chaired by the Chief Executive

3.2 produce a launch publicity document for the programme, signed by the Chief Executive

3.3 introduce a quarterly standing item on Chief Executive Group meetings to review absence performance, and agree appropriate actions for continuous improvement

4. Training of individuals in appropriate skills

Throughout our review, there was support for additional training in key aspects of absence management. In general, computer voting indicated a low level of management confidence in dealing with absence and stress issues.

We recognise that there will be a continuing need for induction and refresher training in all aspects of Council policies and procedures. However, we recommend that the following two training events are regarded as priority components of the absence programme:

4.1   provide training for managers in dealing with absentees, and returning employees

This training should be a refresher in the absence procedures, but should give experience and confidence in contacting absent employees, and in undertaking return to work interviews (see recommendation 9).

4.2   provide training for all employees in managing personal stress

Stress was identified as one of the major drivers behind workplace absence, and is now generally regarded as the leading cause of sickness absence in the UK public sector. The majority of Harrow personnel involved in our discussions said they would welcome support and training in this area. Further work needs to be done to establish whether stress is a major factor in Harrow and, subject to there being supporting data, we recommend that future training is focused on personal coping skills and the development of resilient behaviours. Marsh would be happy to provide further information and draft course outlines.

5. Introduction of routine stress risk assessments

In addition to the stress training recommended in 4.2, we advise that routine systems are introduced to ensure that the key causes of stress are identified. In addition to directly addressing the leading cause of sickness absence, this will aid compliance with the Management of Safety and Health Regulations, and Health and Safety Executive Guidance on stress risk assessment. The related recommendations are:

5.1   undertake annual stress risk assessments in association with the general health and safety risk assessments

5.2   ensure that the findings of stress risk assessments are reviewed by a Council health and safety group to agree and monitor recommendations for improvement

The risk assessment protocol should be based on the risk assessment areas identified by the Health and Safety Executive (organisational culture, demands, control, relationships, change, role, support and training). Marsh can provide paper and web-based audit tools covering these areas if required.

6   Access to support services

An important aspect of absence management is employee confidence that they will be supported during times of illness and difficulty. While Harrow managers were generally supportive of the Council Occupational Health service, employees in general were often unimpressed or unaware of the availability of healthcare support. We recommend:

6.1   the Occupational Health service should become more conspicuous and proactive

In addition to the publicity for preventive healthcare, the Occupational Health service should increasingly promote its presence through literature, presentations and displays. This would draw attention to employees' ability to self-refer to the service, and the opportunity for access to counselling and physiotherapy facilities. This publicity is particularly desirable at locations other than the Civic Centre.

6.2   review the possibility of introducing an Employee Assistance Programme (EAP)

There is a general desire for increased support for employees during periods of stress and there is certainly a financial case for investment in managing the primary cause of employee absence. An EAP is a relatively expensive employee support option, probably involving expenditure of the order of £6 -16 per employee per annum. Given the finite resources available for employee healthcare, the option should be carefully reviewed before making a final commitment, along with alternative approaches such as extending the current part-time usage of counselling resource accessed through Occupational Health.

When final details of employee support services are resolved (even if there is no significant change), they should be strongly publicised as an important element of the new absence management campaign.

7. Commitment to well being and preventive healthcare

Marsh's view is that sickness absence levels are likely to plateau relatively quickly if the new absence programme focuses exclusively on returning absentees to work. We therefore advocate a cultural shift to promote health and well being, to value attendance, and to concentrate on primary (preventive) health interventions rather than tertiary (treatment) measures. Our key recommendation is:

7.1   maintain continuous publicity for preventive healthcare measures

The preventive healthcare programme would be an extension of initiatives already run from time to time in Harrow. It should be devised by the Council health and safety team in association with Occupational Health. We would suggest a revised theme every month, with associated promotional material, displays and demonstrations. Themes could include healthy eating, smoking and drinking, health while travelling, exercise, blood pressure, relaxation and work/life balance. Additional themes would be identified once detailed analysis of absence causes is available, and when results of the stress risk assessments are produced.

8.   Sustained, supportive contact with absent employees

Focus group voting highlighted inconsistency of approach in dealing with absentees. The most significant area of inconsistency was the contact with absent employees, with some managers in rapid, regular and sustained contact, and others making no contact with absent employees other than that resulting from the required absence notification by the employee.

We strongly recommend early and sustained contact with all absentees. This is the most effective way to demonstrate care and concern for ill employees, to explore rapid options for rehabilitation, and to draw attention to the importance placed by the Council on the management of absence.

Nevertheless, we recognise that this is a sensitive area of employment practice. Some employees and some managers regard early contact with absentees as intrusive; possibly even an infringement of human rights. It is therefore vital that revised guidelines on this issue are drawn up with full involvement of employee representatives. It is equally important that the emphasis should consistently be on support for employees and not on discipline. Managers should then be given knowledge and confidence in implementing the guidelines through the training programme proposed in recommendation 4.1.

The key recommendations are:

8.1   consult with employee representatives on new procedures for early and sustained contact with absent employees

8.2   revise appropriate procedures and, if necessary, employment contracts to support proactive contact with absentees

8.3   brief managers so that early contact with absentees is rapidly and consistently implemented

9.   Effective return to work procedures

The return to work interview is another procedure with highly inconsistent application in Harrow. This is unfortunate since competent return to work interviews have been consistently shown to be a core element of effective absence programmes. However, many Council managers said that they felt it would be insulting to a trusted employee to undertake a return to work interview after a short period of obviously legitimate absence. Employees reported extremely inconsistent experience of return to work interviews, with many stating that they had never been interviewed following absence.

The problem with undertaking the return to work interview only when it seems appropriate is that it becomes associated with discipline rather than support and concern. We therefore recommend:

9.1   undertake and document a return to work interview after all sickness absence

9.2   ensure that Personnel follow up absences for which a return to work interview record is not provided, or is inadequate

9.3   ensure that return to work interviews are always undertaken in a spirit of inquiry and support, not suspicion and discipline

Development of effective and consistent return to work interviews would be a significant feature of the management training proposed in recommendation 4.1.

10.   Low tolerance for unacceptable absence

Throughout our discussions with Council employees, there was frustration from both managers and employees that persistent absentees seem to be 'getting away with it'. There seems no doubt that an absence level of nearly ten days per employee cannot be accounted for entirely by legitimate illness since this would represent a much higher level of disease than in the UK working population overall. Therefore, while the central thrust of the Harrow absence programme is to enhance health and to support absent employees, there is also a need to demonstrate that casual absence is not acceptable behaviour.

The absence management campaign should itself do a great deal to address this. The campaign will draw attention to the fact that absence is an important issue for the Council, that it impairs the Council's ability to deliver services to its community, and that it is now to be more closely monitored.

The Council procedures for addressing this issue seem generally adequate. However, we would recommend one change relating to the manager/employee counselling interview following repeated short-term absence:

10.1   **change the policy statement 'you may wish to confirm the outcome of this meeting in writing', to 'the outcome of the meeting should be confirmed in writing, and a copy provided to Personnel'**

The trigger points for absence review are appropriate (long term absence, three absences in three months, or five absences or twelve days in twelve months). However, we recommend:

10.2   **ensure that Personnel demonstrate more willingness and urgency to progress unacceptable absence through to disciplinary action.**

We understand that this recommendation may have been inhibited by lack of clarity about the legal responsibility to provide sick pay prior to termination, but that a forthcoming tribunal decision should finally resolve this point.

11.   **Incorporation of absence management in individual performance indicators**

Most managers were not actively working towards a known target for their staff absence level, and did not feel that their operation's absence performance was an important aspect of their personal performance review. Our recommendation is therefore to:

11.1   **advise all managers of the absence level to which they should be working**

After some discussion, our belief is that the absence target should be the same throughout the Council, rather than set for each individual operation. This will be the simplest approach to implement and will clearly show which parts of the organisation are handicapping the Council's delivery of the absence Best Value Performance Indicator.

Effective implementation of this recommendation will require the implementation of recommendation 1.1 (monthly management absence reports) so that managers can monitor their progress to target, and can identify the issues in need of attention. When this is running smoothly, we recommend:

11.2   **ensure that absence performance is a routine element of a manager's appraisal, with expectation of achievement of target, and continuous improvement**

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