



Absenteeism

Tony Aspinall looks at the cost to business of those Mondays off sick

Research by the Confederation of British Industry (CBI) reveals that workplace absence is on the rise for the first time in 5 years. In 2004, the average British worker was off sick for 7.2 days, up from 6.8 in 2003. This article examines the problems associated with absenteeism.

Table 1 Average working hours per week

UK	43.6
Greece	40.8
Spain	40.6
Portugal	40.6
Austria	40.2
Sweden	40.1
Germany	40.1
Ireland	40.0
Luxembourg	39.7
France	39.6
Finland	39.3
Netherlands	39.0
Denmark	38.9
Italy	38.5
Belgium	38.4

Source: Workplace Employee Relations Survey 1998

companies and workers. According to the TUC and the Industrial Society, 4 million UK employees opt out of the European Working Time Directive by working more than 48 hours a week.

Employer responses to increased illness

Social scientist Professor Carey Cooper has suggested the long-hours culture is related to job insecurity. His view is that people would put in similar hours but to greater effect, if they were able to work from home. In particular, domestic crisis may be a reason for absence. Allowing employees to organise their working week to coincide with family duties is a move which is gaining growing support from government. Flexible hours for working parents forms part of government plans to help people back into work.

Supermarket giant Tesco tackles staff absence head on. When employees return to work after sickness, they must attend an interview carried out by a designated manager rather than a line manager. If the absence was due to something other than illness, staff are given the option to trade off the missed time against their holiday entitlement, or to accumulate unpaid time off.

Financial motivation to attend — no work, no pay

TUC figures show that over half of workers last year actually came into work when they felt that they were not well enough to attend. This seemingly selfless act of 'presenteeism' may be more closely related to a fear of losing pay. Those working on hourly pay or on a piece-rate system may not get paid if time is taken off ill. If missing one day's work means a 20% reduction from your week's pay packet, absence is a luxury that few can afford.

Companies such as Pickfords and Tesco do not pay employees for short-term illness. So, those labouring under Taylorist systems of 'a fair day's work for a fair day's pay', may still attend regardless of their ability to carry out their job effectively. This may place a question mark over health and safety — it is one thing for an employee to come into work and sit sneezing at their computer, but it is another issue entirely if a sick member of staff is driving a lorry when clearly unfit to do so.

Are we making ourselves ill?

John Monks, the general secretary of the Trades Union Congress (TUC), says, "Too many workers in the UK are expected to work long hours and inflexibly for no return. Long, inflexible hours damage both

Non-financial motivation to attend

A willingness to turn up to work as the 'struggling hero' can be part of the workplace culture. Some workers may be present while ill due to a sense of responsibility to their colleagues. Those working in a team environment are more likely to be sensitive to the effect their absence has on the workload of others in their team, decreasing its overall performance. This may be of particular concern if team bonuses are part of the pay structure at work. Those regularly absent may also lose respect among their peers. Maslow recognised esteem and social belonging as key factors in improving motivation at work, and fear of losing respect may encourage people to struggle in to work.

Marketing the 'hero' image

Look at any flu or cold remedy advertisement and it will support the theory that 'sickness is for wimps'. Advertisements for Lemsip Max Strength are designed to encourage presenteeism with the notion that time off sick means falling behind in the race up the corporate ladder. The government has raised questions about the morality of such bullish advertisements, as some reports show that those who never take a day off simply die earlier.

Critical path problems

When working on a project, the critical path is determined by the activities which cannot be delayed without delaying the entire project. If workers contributing to the activities on the critical path are sick (outside the bounds of planning), the whole project can be delayed. A typical example of this situation is when music tour dates are cancelled due to a band member being ill. Mick Jagger of the Rolling Stones had already performed five shows in the Netherlands, singing to more than 180,000 fans, when he suffered a sore throat. Doctors advised him to give his voice a break by cancelling the UK leg of the tour, a move that would have cost the band millions in lost revenue.

Paying workers by the hour seems a straightforward swap: labour for money. However, if an individual is off sick and their work still needs to be completed by a critical time, how can it be done? One response is to pay other workers overtime

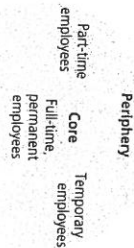


Figure 1 Flexible working model
Source: Adapted from Organisation of a flexible workforce (Ashburn, 1985)

to get the work completed on schedule. As overtime is often charged above the normal rate of pay, the company can end up paying more for the same job. An increase in the variable costs will have an impact on the contribution to the fixed costs of the firm, resulting in the break-even output shifting to the right.

Flexible solutions

One solution to absenteeism is numerical flexibility. Firms may employ a proportion of part-time or temporary workers who are paid the normal rate per hour until they have accrued as many hours as their full-time colleagues. But, in addition, part-time workers may be more willing to carry out extra hours than their full-time counterparts. In this way, a flexible working model (see Figure 1) could help to solve an increase in the variable costs per unit. By having a proportion of workers in the periphery, employers can lessen the impact of overtime and ensure deadlines are met more easily and on time and on budget.

Another solution is that of functional flexibility or 'multi-skilling'. Workers are trained to carry out more than one operation so that if work in one area builds up (perhaps on a critical path), workers can be switched to another operation. Tesco uses this method by training section staff to operate the tills. In this way, if queues build at the checkout, staff can be redeployed from other areas to relieve the pressure caused by a sick staff member leaving a till empty.

Capacity utilisation

Sick staff leave desks and computers unused, machines unmanned and orders unfulfilled. A short-term reduction in capacity utilisation occurs, resulting in the percentage of fixed costs per unit of output increasing due to productivity being lowered. The inevitable result is a reduction in profits for the firm. But would it be any better if employees struggled in to the office?

The real cost of presenteeism

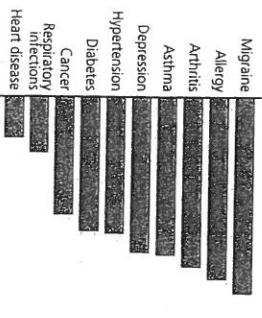
Research from Cornell University in the USA into the economic effects of presenteeism has revealed that presentees cost their employers the equivalent of £144 per employee a year.

One cost associated with ill workers being present is that they are less productive. Worse, the spreading of the presenteeism in work may cause company absence rates to be higher than if the sick employees had stayed at home.

Conclusion

Absenteeism is very costly for employers. It should, therefore, encourage them to try to have a motivated workforce who, when making the decision, 'Am I too ill to go to work?', come to work more readily than disaffected workers. Other employers have settled for more direct methods by screening calls or organising pay structures to favour good attendance. However, presenteeism can face the employer with a new set of problems: low productivity; additional staff sickness and long-term illness due to lack of rest. Therefore, although the 'sickie' is costing employers in lost time and money, overbearing checks may also affect the long-term health of the company.

Figure 2 The real cost of presenteeism
Source: Cornell Institute for Health and Productivity Studies



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