

Getting In 2 HR - save £666 per employee, per year

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Hi

In this issue we are looking at another way companies can reduce their costs as well as making themselves more efficient in a world where cost reduction is becoming even more important. We are talking about employee absence, which can be a significant cost to companies; estimated at an average cost of £666 per employee, per year. Our first article gives an outline of ways to reduce this cost.

In Viewpoint, we consider the 'thorny' question of what to do if you receive an unsatisfactory reference for new recruit.

For those of you unable to make the interviewing skills breakfast seminar we ran last week, we will be organising another date in the Bracknell area and one in Slough. If you are interested in attending then just let me know?

By the time the next issue comes out, it will be September and the lovely summer we are currently enjoying will be over, so enjoy it whilst it is here.

Regards

Nicki

Tackling employee absence

The average number of days of absence per employee, per annum is 8 working days representing 3.5% of working time. So if you can get staff to be 'at work' rather than 'off sick' the company will be saving on average £666 per employee each year. If you want a more specific calculation of absence costs for your industry BUPA have compiled some statistics which can be found [here](#)

There are basically three types of absence that need to be managed:-

1. short-term - the one or two days off, here and there, which are unrelated .
2. unauthorised or persistent lateness - people not turning up and not reporting in sick, or always being late.
3. long-term - there are various definitions of this but a good guideline would be a single absence lasting more than a month.

In this article we are only going to look at the first two types since the management of long term absence is not really regarded as a 'quick fix' way of reducing costs within a

business. If however, you have someone who has been off for more than a month then we would be pleased to give you some advice so just give us a call.

The first step to managing short term absences effectively is to accurately measure absence so that you know if you have a problem, its extent and the impact on the bottom line. The second is to ensure that you have a clear absence policy detailing what you will do.

To accurately measure the impact of absence on a business there are a number of formal measurements that can be used including:-

- Lost time rates which express the percentage of time that has been lost due to absence
- Frequency rates which show the average number of absences per employee, as a percentage
- Bradford Factor which identifies persistent short- term absences by measuring the number of occurrences

To be effective the absence policy should contain the following:-

- details of the payments that will be made.
- when self-certification and medical certificates are needed.
- that the company may request a report from the employees Doctor.
- any formal mechanism you will use to review attendance figures.
- the timings and processes that will be used to reduce absences, for example return to work interviews, disciplinary measures, etc.

Return to work interviews can be a very effective method of reducing short term absences as they give the manager an opportunity to talk to staff about the absence and discuss any underlying problems that may be causing repeated absences.

Not tackling repeat offenders sends the wrong message to staff that it is considered acceptable behaviour to take the odd 'sickie' as no action will be taken. A formal performance review process should be used with those staff continuing to have a higher than average number of days of sick and disciplinary warnings issued, as appropriate, with dismissal a possible final outcome.

In2HR Viewpoint



Question: references

A question that was discussed at our seminar last week was around employment references and what you should do if you receive an unsatisfactory reference.

Answer:

As the potential employer you are entitled to determine whether or not a reference is satisfactory. If you come to the conclusion that a reference is unsatisfactory then consider contacting the referee again if you

feel that you need more facts, although you need to bear in mind that they may not be prepared to give you much time. The other option is to have a discussion with the employee about the references received.

If you do identify a potential problem then you need to consider whether it is short term, whether it can be eliminated by training and whether it is so important - after all, none of us is perfect! Be wary of basing any decision on health issues as you may be crossing in to

disability discrimination legislation.

If you conclude that the candidate is unsuitable, you are entitled to withdraw the offer of employment as long as the offer was made subject to receipt of satisfactory references.



I hope you have found this edition of **Getting In 2 HR** useful.

If you have a particular topic you would like to see included in a forthcoming issue then please send your topic and/or any questions to be answered to info@In2HR.co.uk

Disclaimer The information given in this newsletter is provided as a guide and overview only and not as specific legal facts. If you are unsure about any of the information provided you are advised to contact us directly.

Regards,

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