



Direct
Health
Solutions

2006 National Health & Absence
Survey Report

Summary Results



This chair is much more expensive when it is empty....

Direct Health Solutions is Australia's leading outsourced absence management provider. Through our unique absence and health management process, and supporting web-enabled technology, we provide absence solutions that are at the leading edge of current absence management thinking.

Absence Management from Day 1

Despite tough talk, organisations have made little or no progress in reducing absence and improving health at work. Direct Health Solutions provide an innovative approach that is reducing absence by 25%-30% and puts organisations at the cutting edge of absence management.

How it Works...

When an employee is unable to attend work, he or she simply calls our nurses who record the absence and provide health advice and support. Our system immediately notifies the employer via email and/or SMS and provides real time reporting.

HealthAssist™

A 24x7 health advice line for employees and their families. An on-line health kiosk also provides a vast range of health information topics. Designed to integrate seamlessly with case management, injury management, employee assistance programs and other health promotion initiatives.

Absence Management Development

Recognising that line managers require support to effectively manage attendance, our Absence Management Development Program targets the knowledge, skills, behaviours and values required for high performance.

Employer Benefits

- Cost savings
- Early Intervention
- Reduced non-compliance
- Effective use of HR resources

Employee Benefits

- Accessible health advice
- Simple process to relay absence
- Support during illness
- Increased speed of recovery

Manager Benefits

- Reduced administrative burden
- Real-time manager reporting
- Improved people logistics

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Purpose

As the leading outsourced absence management service provider in Australia, Direct Health Solutions conducted a nationwide survey to gather data on some of the key issues relating to employee health and sickness absence.

Objectives

The objectives of the survey were to:

- Identify reasons for absence
- Gain insights into management capability in managing employee sickness absence
- Examine attitudes towards the usefulness of medical certificates as a tool in absence management policy
- Identify alternative views to managing sickness absence

About the Survey

Approximately 1,500 surveys were distributed via email to managers and employees across multiple industry sector groups, to gather responses to a range of absence and health questions. For those who were unable to complete the survey on-line, a 'Print Survey' option was available via the Direct Health Solutions' website.

This survey provides an explorative review of the key findings of the survey. For specific queries relating to this research, please contact Lucy Rowlands at Direct Health Solutions on (02) 9569 7693 or via email at Lucy.Rowlands@dhs.net.au

Acknowledgement

Direct Health Solutions would like to take this opportunity to express our gratitude for all those who kindly participated in this research. The support provided by the wide range of organisations that responded emphasises the importance and interest in absence management, and builds on our collective understanding of absence in Australia.

The Problem

“Based on the average full-time Australian salary (\$53,500), sickness absenteeism is costing organisations an estimated \$2,700 per employee per annum. When indirect costs are factored in, absenteeism is costing around \$5 million for every 1,000 employees.”

(Source: ABS November 2005; Direct Health Solutions, 2006).

In Australia, the average number of days absent is 8.5 days per employee per annum. Whilst there is a perception among managers of high levels of ‘non-genuine absence’, 71% of self-reported absence is due to physical or mental health reasons.

Having said this, a certain level of employee absence is unavoidable, but this does not mean that all absences should be regarded as inevitable and accepted passively. It is possible to reduce the amount of absence caused by aspects of work, and also tackle it by proactively managing absences due to sickness.

Absenteeism is a significant business cost, it reduces productivity and disrupts operations. It is evident significant cost savings can be made by improving absence management. As a specialist in absence management service provider, Direct Health Solutions has undertaken this research to enhance industry awareness of the subject, and to identify various absence management interventions and their likeliness of success in improving attendance.

Core Findings

98% of respondents admit to going to work when they feel sick

58% of respondents reported experiencing a sickness absence from work as a result of the ‘Common Cold/Flu’ in the last 12 months, followed by ‘Headache/Migraine’ (54%), and ‘Gastro’ (29%)

93% of respondents reported taking no more than ‘2 Days’ for their most recent sickness absence from work

90% of respondents stated that a medical certificate is NOT necessary at ‘Day 1’ for a sickness absence from work

43% of employees believe that their manager does NOT encourage them to take time off work when they are feeling sick

64% of employees believe their manager demands more than what they are capable of

54% of employees believe managers are NOT skilled and helpful in managing sickness absence

54% of managers do NOT believe they have the necessary skills to intervene early and effectively in cases of employee absence

61% of managers report that it would be helpful for employees to seek medical advice at the time they call in sick to work

Current Thinking

Absence Management is a broad, umbrella approach incorporating a range of strategies to support employee attendance. Effective *absence management* requires a combined effort between HR, line management, senior managers and health professionals, supported by a good information base. Line managers are now primarily responsible for managing absence in most organisations. The latest CBI research (UK, 2001) found this was the case for just under 75 per cent of respondents. Similarly, in Australia, line managers are typically responsible for short to mid term absences. However, evidence consistently points to more effective absence management arising in situations where HR and/or senior management carry the responsibility. This finding emphasises that line managers clearly need support to effectively deal with absence.

A starting point for developing a best practice absence management strategy begins by identifying the causes of absence. However, in Australia, where employees are not required to reveal the cause of sickness absence, an accurate analysis of absence causes can be difficult. Consequently, organisations are required to implement absence management strategies without prior consideration of what lies behind their absence statistics. A general intervention that is not based on analysis of the problem will be less likely to be effective in reducing absence than a specific intervention aimed at preventing the identified cause of the problem.

An absence policy requires a careful balance between support and penalties to prevent illegitimate absence whilst providing support to employees who are legitimately absent, and assisting in their return to work. When attempting to diagnose the causes of absence and determine the most appropriate interventions, the primary areas for consideration are:

1. Work characteristics and employee behaviour impacting health and wellness
2. Attitudes and behaviours relating to motivation to attend work (eg., engagement, commitment, management)
3. External factors preventing attendance (eg. personal affairs, caring responsibilities)

A recent evidence based review of absence research (Spurgeon, 2002) found that most absence guidelines were determined from consensus rather than evidence. This perhaps reflects the priority employers give to managing absence and the need for new information on current thinking about what works best. This document outlines some of the common interventions adopted to reduce absence.

Current Thinking continued...

Accurate, timely and accessible information is the cornerstone of a successful absence management policy. Managers responsible for absence need information about the causes of absence at an individual, divisional, functional and organisational level. When managers have the necessary data, they will make better decisions and are more likely to successfully achieve shifts in performance. Direct Health Solutions have found that fewer than 25% of front line managers receive regular, up-to-date absence information that can be utilised effectively to manage absence.

Furthermore, an environment where employees feel engaged and are committed has been shown to result in lower absence levels. When it comes to managing attendance and influencing employee engagement, managers require a comprehensive range of skills to ensure that 'Absence Management' does not become a point of failure in the employee-manager relationship. Behavioural absence training that appreciates the culture, work practices and workplace agreements has been shown to be highly successful in this regard.

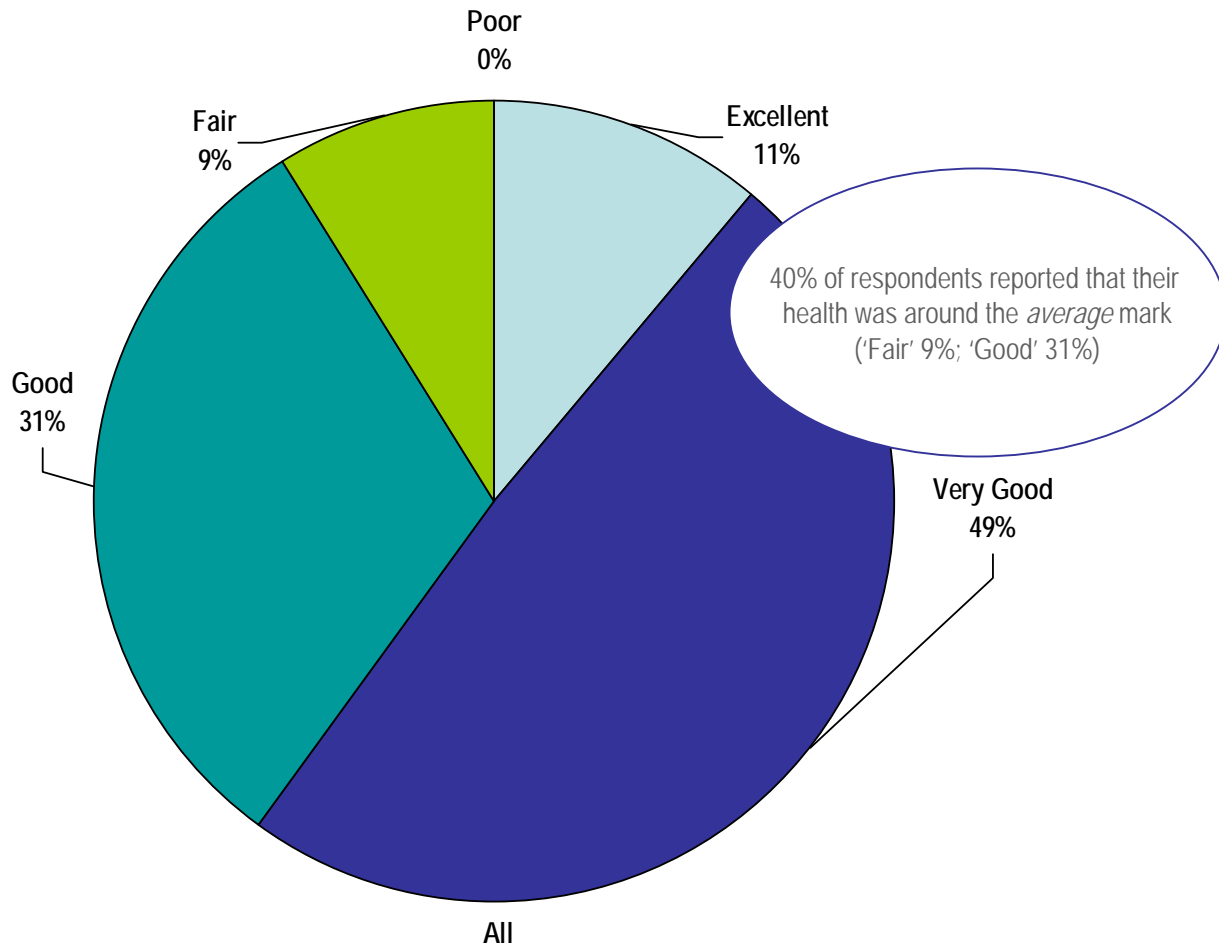
Benchmarking Performance: When benchmarking against external organisations many businesses give an average rate of absence for an organisation or industry in terms of days lost per employee per year. However variations in the way the data is collected and calculations made can lead to grossly misleading comparisons of performance.

* Please feel free to contact Direct Health Solutions for details of the various absence calculation variations or standard cost of absence measurements

3. Summary Survey Results

Overall
Manager v Employee
Gender by Role

Respondents were asked to rate their overall health now...



Every respondent admitted to having at least one of the following health issues that caused them to be absent from work in the last 12 months..

*Minor ailments such as colds and headaches cost employers more, on average, in absence costs than anything else. They can also be the most manageable conditions. Self-care with advice from a health professional for minor ailments such as colds and flu is the quickest and most effective way to relieve symptoms and ensure a speedy return to work. In most cases a visit to the GP is an unnecessary and time-consuming approach and could be costly for employees and employers alike.

Health Issues	% Yes
Common Cold/Cough/Flu	58%
Headache/Migraine	54%
Gastrointestinal Problems	29%
Ear/Nose/Throat Infections	19%
Anxiety/Stress/Depression	18%
Back Problems	18%
Asthma/Respiratory Problems	4%
Dental/Oral Problems	4%
Substance Abuse (Drug and Alcohol)	4%
Heart/Cardiac/Circulatory Problems	3%

71% of work days missed by employees in the past 3 months were due to physical or mental health issues...

...this equates to 6.92 days per employee per annum

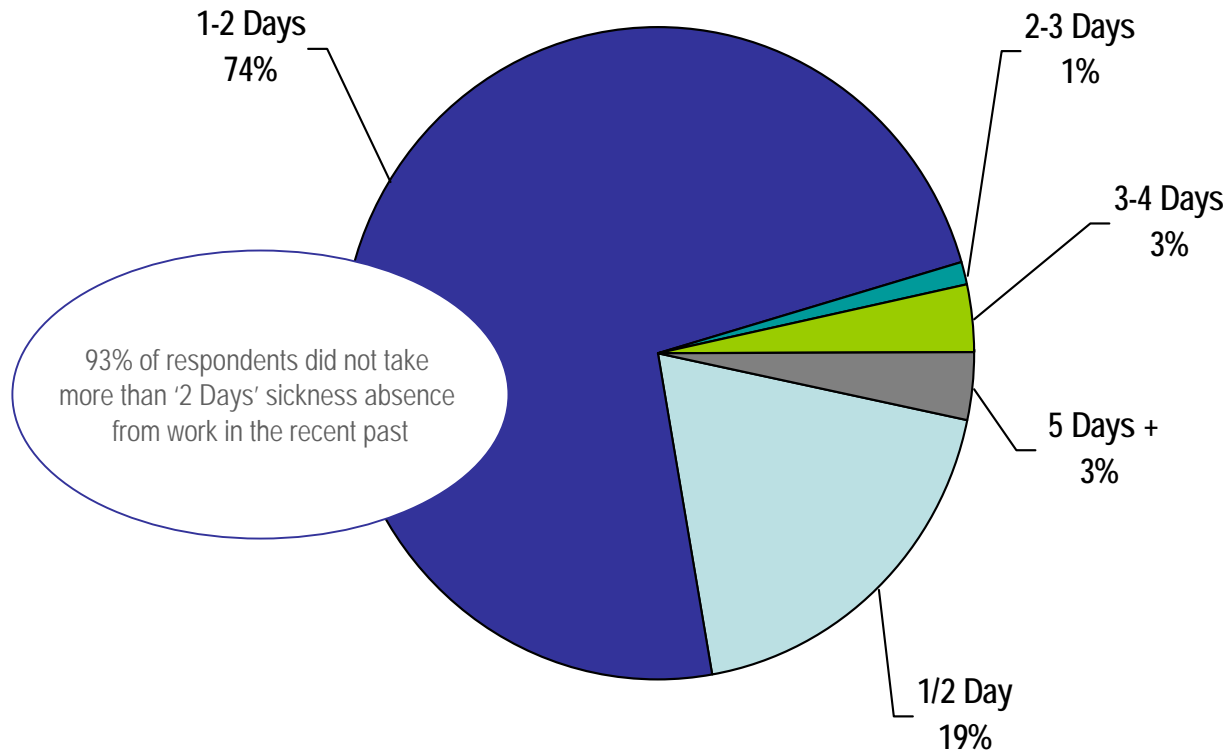
29% of work days missed by employees in the past 3 months were due to personal reasons

...this equates to 1.58 days per employee per annum

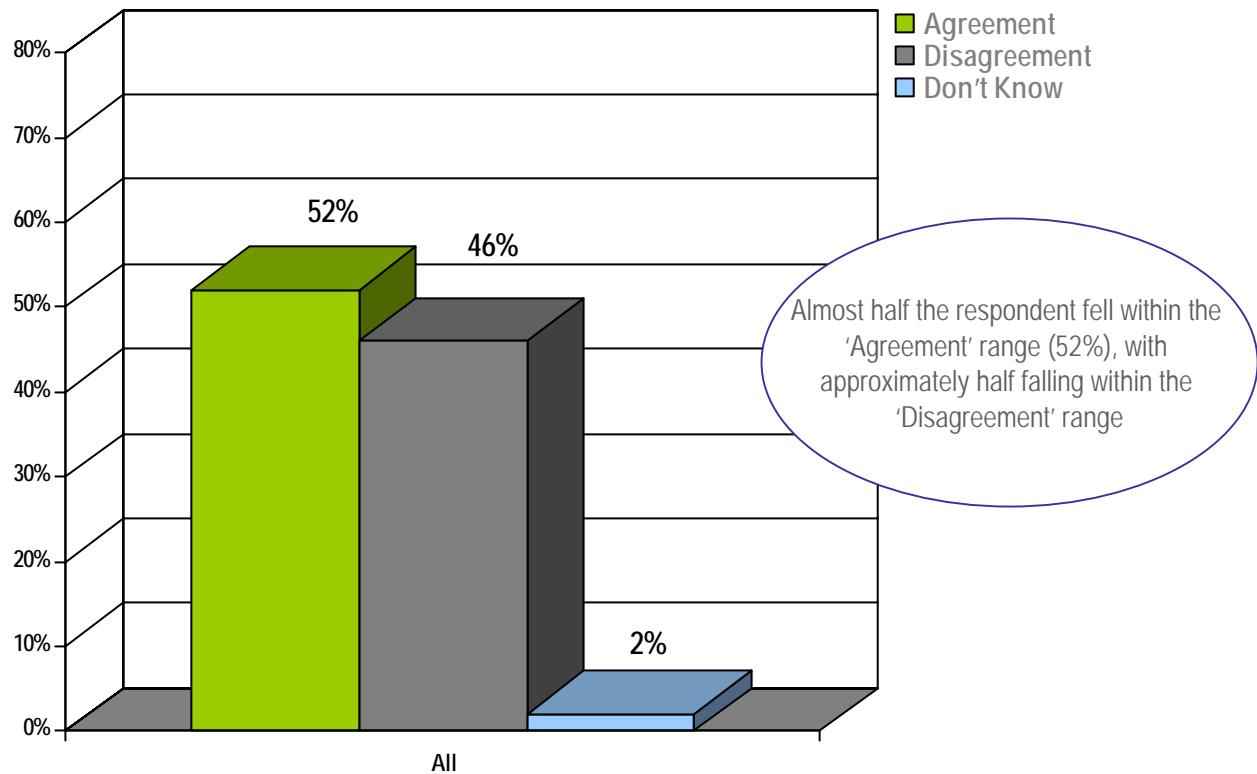
8.5 days is the average total days lost per employee per annum

98% of respondents admit to going to work when they feel sick

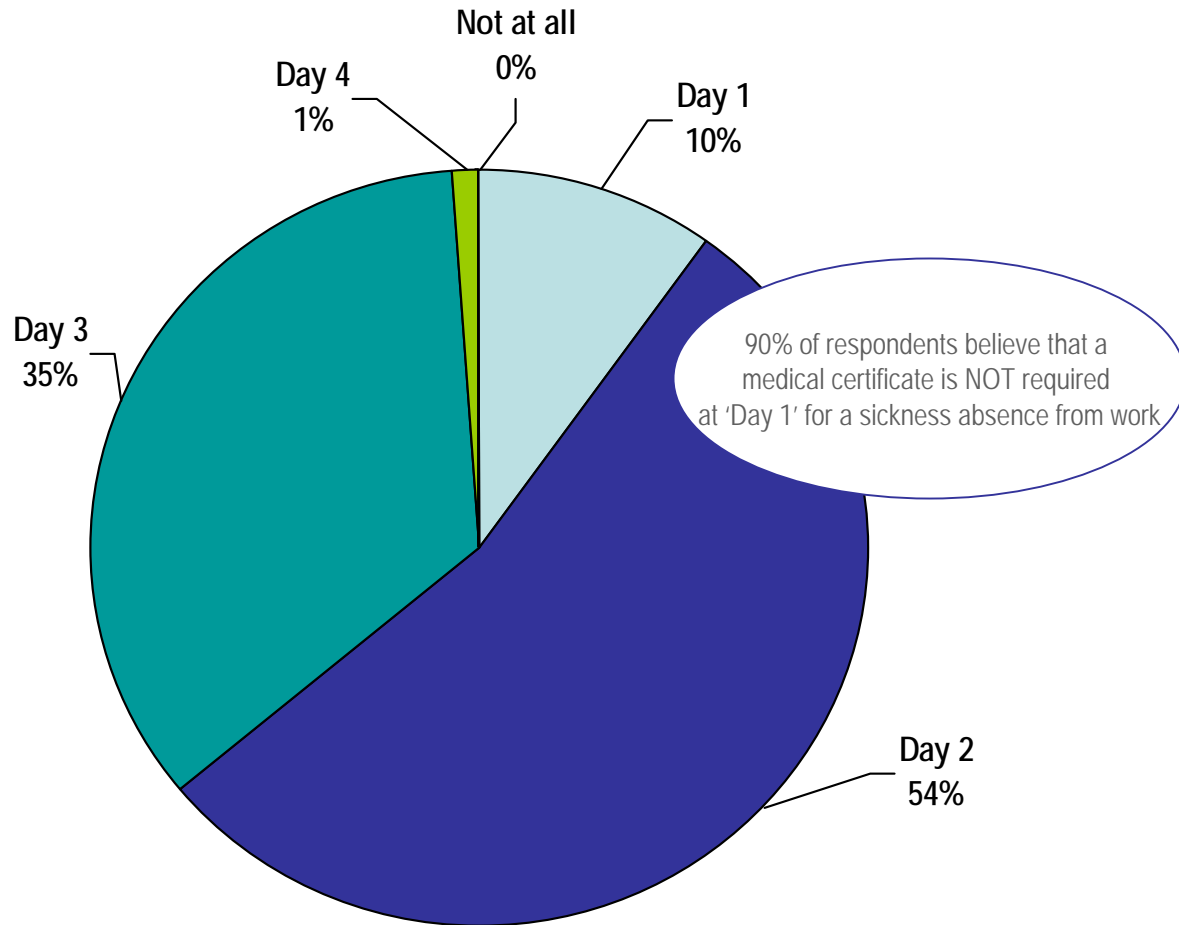
Respondents were asked to identify the duration of their most recent sickness absence from work...



Respondents were asked to form an opinion regarding the necessity of a medical certificate for an absence from work...



Respondents were requested to state at what point they believe a medical certificate is required for a sickness absence from work...



58% of respondents reported experiencing a sickness absence from work as a result of the 'Common Cold/Flu' in the last 12 months, followed by 'Headache/Migraine' (54%), and 'Gastro' (29%)

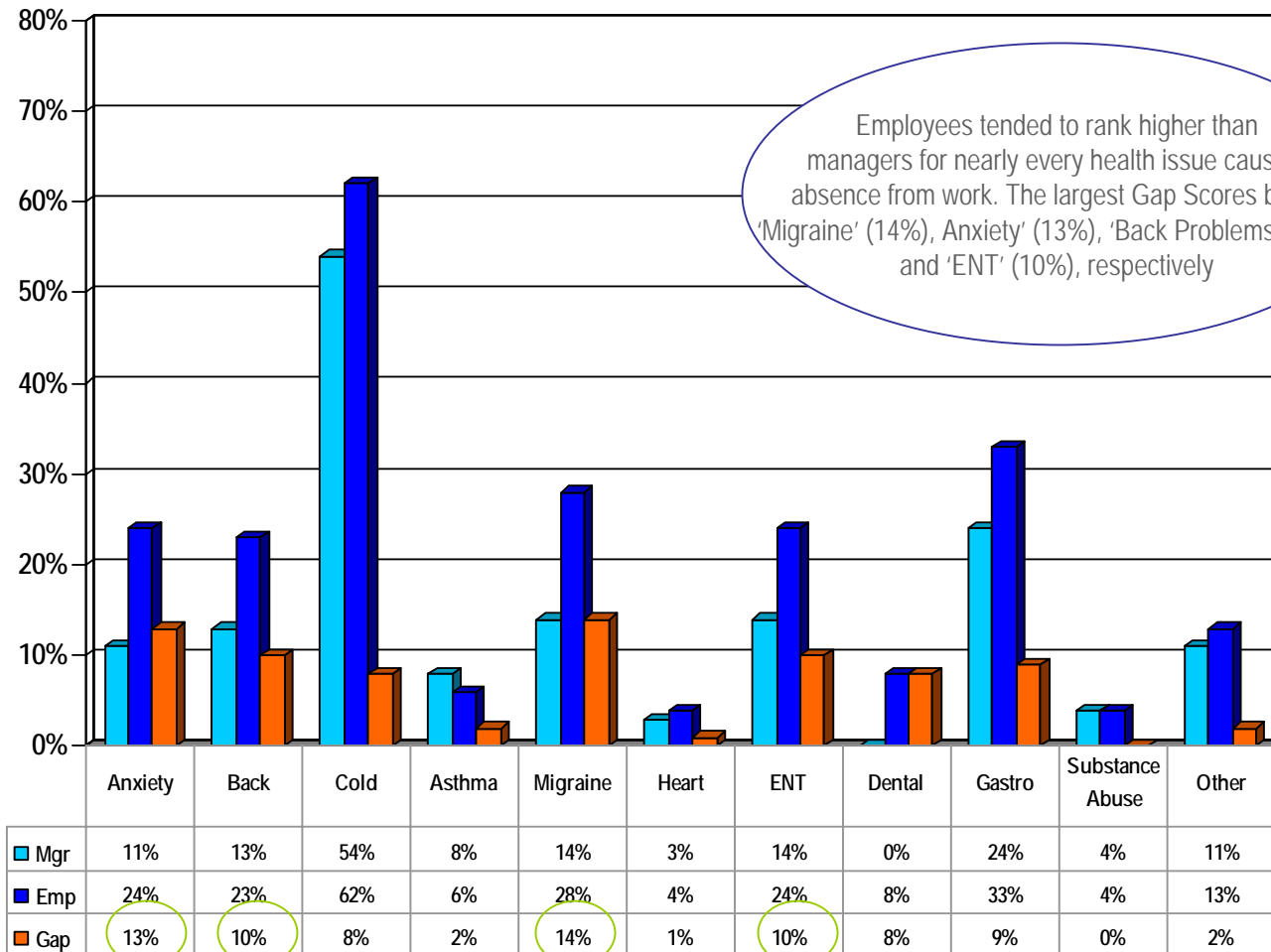
98% of respondents admit to going to work when they feel sick

93% of respondents reported taking no more than '2 Days' for their most recent sickness absence from work

90% of respondents stated that a medical certificate is NOT necessary at 'Day 1' for a sickness absence from work

How much is short term sickness absence really costing your organisation? How can you intervene to reduce the impact?

With regards to health issues causing sickness absence from work, managers and employees differed in their responses...



52% of managers believe they receive inaccurate medical certificates for work related sickness absence

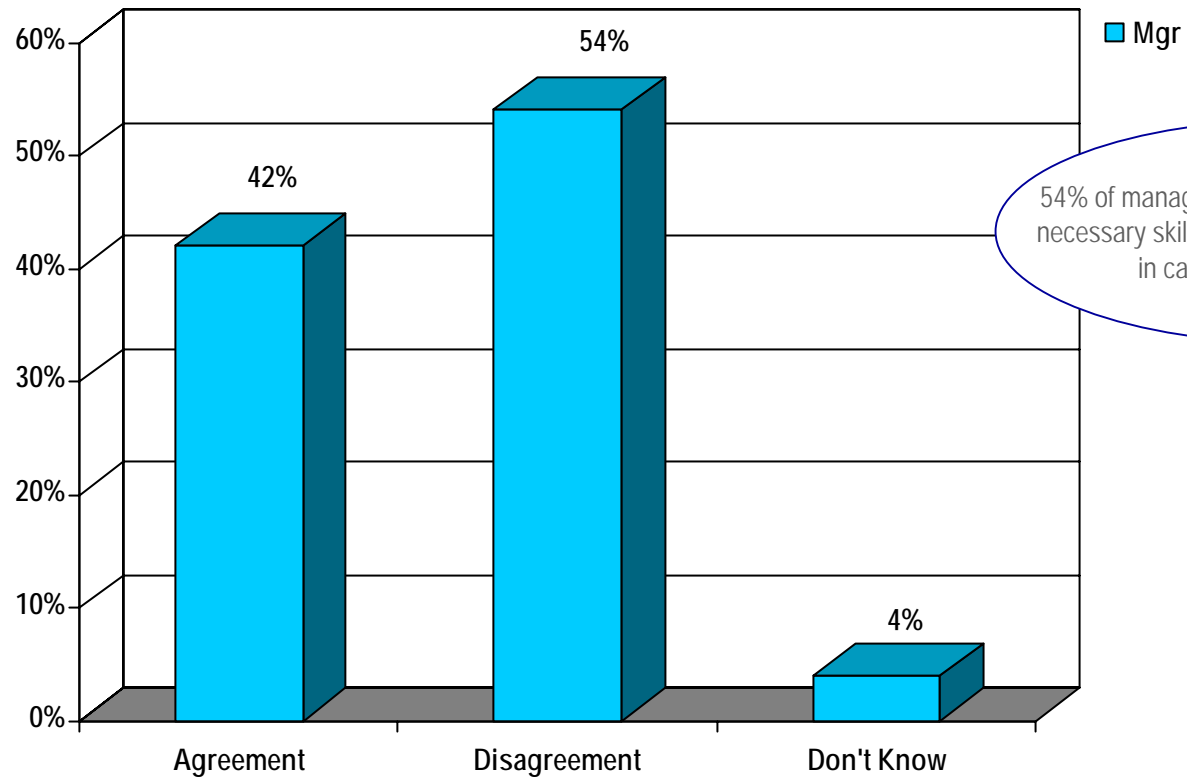
35% of employees admit to submitting inaccurate medical certificates for sickness related absence

At what point do you believe a medical certificate should be required for a sickness absence from work?

	Day 1	Day 2	Day 3	Day 4-5	Not at all
Mgr	16%	58%	26%	0%	0%
Emp	4%	49%	44%	2%	1%
Gap	12%	9%	18%	2%	1%

75% of managers believe a medical certificate is necessary for a sickness absence from work up to 'Day 2' compared to 53% of employees (Gap Score = 22%). The biggest Gap Score (22%) was regarding 'Day 3' where 44% of employees believed it to be a suitable day compared to 26% of managers

Managers were asked if they believe they have the necessary skills to intervene early and effectively in cases of employee absence...



Using a 1 to 5 rating scale ('Strongly Agree' to 'Strongly Disagree') managers and employees were asked to rate their responses to a series of statements...

Statements	Mgr	Emp	Gap
It would be helpful for employees to talk to a health professional (nurse, doctor) to receive appropriate medical advice at the time they call in sick to work	61%	45%	16%
Most people find it easy to obtain a medical certificate from their regular GP when they are NOT sick	86%	18%	68%
Most managers encourage employees to take time off work when they are feeling sick	83%	57%	26%
Most managers are skilled and helpful in managing sickness absence	84%	46%	38%
Most managers tend to demand more than what their employees are capable of	8%	64%	56%

% Agreement

As you might expect, there are large differences in manager and employee responses to these statements

64% of employees believe their manager demands more than what they are capable of

43% of employees believe that their manager does NOT encourage them to take time off work when they are feeling sick

54% of employees believe managers are NOT skilled and helpful in managing sickness absence

54% of managers do NOT believe they have the necessary skills to intervene early and effectively in cases of employee absence

61% of managers report that it would be helpful for employees to seek medical advice at the time they call in sick to work

Has the sick note lost credibility?

Are line managers the most capable in managing sickness absence?

Are you relying on disciplinary measures (eg. sick note), supportive measures, or a balanced combination of both to manage absence?

4. Open Ended Thematic Survey Responses

Managers were asked how effective they believe medical certificates are in managing sickness absence...

- Not very effective; useless; unnecessary
- Annoying enough to interfere with a day off work'
- Easy to obtain, particularly from bulk billing medical centres
- The ease of obtaining unjustified medical certificates does not deter chronic cases
- More of a matter of policy than value
- Benefit goes to the doctor who enjoys a 2 minutes consultation which is then bulk billed
- It's like a parent writing a child a school note for non-attendance
- 90% of the time medical certificates do not state the problem
- An employee who can't be bothered getting a medical certificate might end up going back to work when feeling ill

"Waiting at the doctors for an hour is a small price to pay for a half a week off work."

- Sickness is a doctor's responsibility not a manager's, it is wasteful of a manager's time to check if a medical certificate is genuine or not
- They are often received at the end of an illness which defeats the purpose of early intervention
- Common illnesses such as flu, headache and upset stomach do not require a medical certificate but more importantly time in bed
- Sends the message that management does not trust its people
- Able to identify genuine cases when an employee brings in a series of medical certificates from the same doctor; medical certificates from different doctors each time raises an eyebrow of suspicion

Employees were simply asked to provide additional comments...

- There is a role for an organisation where managers could refer staff who have excessive absenteeism to medical specialists for a health assessment
- Third party health professionals would allow the manager to raise issues concerning excessive absenteeism without prying too much into an employee's personal health issues
- A big workload means employees feel bad taking a day off work when they are sick
- Only excessive absenteeism is a problem, taking just 1 day off here and there is not a concern
- Employees with chronic diseases often struggle to go to work, and often cover up in the first instance that anything is wrong with them

"I am rarely sick, but when I am I stay at home because I don't want to infect my colleagues.... I just want some reassurance, so speaking to a health professional would help me out."

- Sick days should only be taken if an employee is genuinely ill
- When staff are sick with a viral infection there is no point them going to the doctor to get a medical certificate because there is little the doctor can do
- Some managers just don't understand about an employee's health issues, managers need to be more understanding
- Busy and demanding jobs means it's very difficult for staff to take time off work when they are feeling sick because there is no back-up mechanism in place
- Staff need an anonymous point of contact to discuss personal health issues

5. Current Approaches to Managing Attendance

*This information is based on broad international research. Any one intervention may have unintended consequences. Please feel free to contact Direct Health Solutions to discuss some caveats to implementing such strategies.

Attendance Management Tools	Short Description	Effective: High (H), Medium (M), Low (L)
Good Communication Policy	Clear launch of policy with senior management support, management training and guidance support	H
Health Promotion	Raising awareness; lifestyle interventions; promoting a healthy working environment	L-M
Occupational Health Services (OHS)	Range of professionals (eg., health practitioners, physicians and OH who evaluate reasons for absence and plan RTW)	H (for long term absence particularly)
Employee Assistance Programs (EAP)	Assistance; advice counseling and information	M
Flexible Working	Flexible start and finish times; job sharing; annualised hours; full-to-part-time working etc	H
Financially Rewarding Attendance	Employees with good attendance rewarded with bonus or prizes	L -High Risk
Duvet Days	For those that cannot face work but are not ill enough to warrant a sick day. Not sick leave but can be deducted from annual leave	L-M
Medical Services On Site	On-site nurses, counseling, health checks, flu vaccinations etc	H
Disability Case Management	Integrative long-term rehabilitation plan	H
Line Manager Responsibility for Absence Management	Responsible for managing staff on a day-to-day basis	L (less successful than HR or senior managers)

Attendance Management Tools	Short Description	Effective: High (H), Medium (M), Low (L)
Nurses to Screen Absence Notification Calls	Nurse records absence, assesses symptoms and provides health advice	H (particularly for short-term absences)
Building Absence Management Capability	Absence management training for those responsible for managing absence day-to-day (eg., RTW interview)	H (if line manager is responsible)
Role Clarity in Handling Absence	Roles clearly defined for line managers, senior managers, HR, OH&S and absence management providers	M
Technology to Record and Report Absence	Cornerstone of absence management. Involves an active and consistent monitoring of absence	H
Return to Work Interviews	Line manager holding interviews after every period of sickness to welcome back individual and ensure they have recovered	H
Use of Trigger Points	Defines level of personal absence review and/or disciplinary action	H
Attendance Criteria Used for Selection	-	M
Sick Notes for All Absence	Note required no matter how short the absence is	L

For further information on absence management, please go to www.dhs.net.au
or
please email info@dhs.net.au if you are interested in hearing from one of our absence consultants