

# Absence Management

## OVERVIEW

Organizations are constantly struggling with the issue of how to manage their employees' unscheduled absence via a variety of methods including policies, disciplinary procedures, and work/life programs. This study seeks to explore how organizations manage absence, with data on the tools used and respondents' views of their effectiveness. The study showed that home and family obligations were the most common reason for absence, yet employers reported using disciplinary procedures instead of family leave or flexible scheduling to deal with such absence.

- Sixty-nine percent of respondents record absence rates.
- Employers report that the most common reason for absence is home/family obligations, second to minor illness.
- Employers reported that non-exempt employees had a higher average number of days absent than exempt employees
- The most effective absence management tools reported by organizations are disciplinary procedures and using absence as performance criterion.
- Sick pay is the most common measure of cost of absence.

## EMPLOYEE ABSENCE

The vast majority of organizations record employee absence rates. Recording absence rates is also among the most commonly used method of managing employee absence.

Exhibit 1: Recording of Absence Rates

Recording of Absence Rates	
	Percent
Record absence rates	69.2%
Do not record absence rates	30.8%

There are several causes of unscheduled absence. The most common causes of unscheduled absence are home/family obligations, minor illness, and other non-genuine reasons. Organizations claim that other non-genuine reasons are the third highest cause of unscheduled absence, surpassing other genuine reasons. Stress, back pain, mental health, and strains were among the least common causes of unscheduled absence.

Exhibit 2: Causes of Unscheduled Absence

Causes of Unscheduled Absence	
	Percent
Home/family obligations	92.1%
Minor illness	84.2%
Other non-genuine reasons	34.2%
Recurring conditions	15.8%
Other genuine reasons	15.8%
Injuries/accidents	13.2%
Stress	13.2%
Back pain	5.3%
Mental health	5.3%
Strains	2.6%

The average number of days lost per year due to unscheduled absence is 5.2 days. Non-exempt employees had a significantly higher average number of days lost in comparison to exempt employees, averaging 2.5 more days lost per year.

Exhibit 3: Average Number of Days Lost

Average Number of Days Lost	
	Percent
Non-exempt employees	6.3 days
Exempt employees	3.8 days
All employees	5.2 days

## ABSENCE MANAGEMENT TOOLS

The most common absence management tool is recording absences, performed by approximately 87% of organizations. Organizations also enforce disciplinary procedures and use absence rate as performance criterion. In addition organizations also provide family leave, flexible work arrangements, and attendance incentives as absence management tools.

Exhibit 4: Absence Management Actions or Tools

Absence Management Actions or Tools	
	Percent
Recording absences	86.8%
Disciplinary procedures	81.6%
Using absence rate as performance criterion	60.5%
Providing family leave	52.6%
Flexible work arrangements	44.7%
Attendance incentives	39.5%
Referring employees to an EAP	28.9%
Restricting sick pay	18.4%
Using absence rate as promotional criterion	18.4%
Creating stricter attendance policies	10.5%
Providing sickness information	10.5%
Changing workload or the environment	5.3%
Occupational health involvement	5.3%
Return to work interviews	5.3%
Conducting risk assessments	2.6%
Managerial training on managing absences	2.6%

Organizations say that the most effective absence management tools are disciplinary procedures, using absence rate as performance criterion, and providing attendance incentives

Exhibit 5: Most Effective Absence Management Tool

Most Effective Absence Management Tool	
	Percent
Disciplinary procedures	31.6%
Attendance incentives	21.1%
Flexible work arrangements	15.8%
Recording absences	13.2%
Providing family leave	5.3%
Restricting sick pay	5.3%
Using absence rate as performance criterion	5.3%

Second Most Effective Absence Management Tool	
	Percent
Disciplinary procedures	22.2%
Using absence rate as performance criterion	19.4%
Flexible work arrangements	16.7%
Restricting sick pay	8.3%
Attendance incentives	8.3%
Recording absences	5.6%
Referring employees to an EAP	5.6%
Managerial training on managing absences	2.8%
Creating stricter attendance policies	2.8%
Conducting risk assessments	2.8%

Most organizations use number of days taken off as their primary measure of monitoring employee absence. About 18% of organizations use absence as a percentage of working days. Only three percent of organizations do not measure employee absence.

Exhibit 6: Measures Used to Monitor Employee Absence

Measures Used to Monitor Employee Absence	
	Percent
Absence as percentage of working days	17.9%
Number of days taken off	89.7%
Do not measure	2.6%

The majority of organizations determine cost of absence by looking at sick pay and staff coverage for the absences, including any need for temporary staff or overtime pay.

Exhibit 7: How Cost of Absence is Measured

How Cost of Absence is Measured	
	Percent
Sick pay	53.8%
Temporary staff to cover absence	30.8%
Overtime pay for coverage	30.8%
Outsourcing costs	7.7%

## ABSENCE POLICIES

The following are sample absence policies provided by participating organizations:

- Punctual and regular attendance is an essential function of each employee's job at the organization. Any tardiness or absence causes problems for fellow employees and supervision. When an employee is absent, his or her work must be performed by others. Employees are expected to report to work as scheduled, on time and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for break periods or when required to leave on authorized Company business. Late arrival, early departure, or other absences from scheduled hours are disruptive and must be avoided. Call-in Policy: In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Documentation of the reason is required on a "Time-off" form. Employees also must inform their supervisor of the expected duration of any absence. Absent extenuating circumstances, an employee must call and speak with their supervisor within the first 30 minutes following his or her regular starting time on any day on which the employee is scheduled to work and will not report to work. If an employee's supervisor is unavailable, the employee should speak with another member of the management team. If an employee's supervisor and a member of the Management Team are not available, the employee should notify the receptionist and leave a message on their supervisor's voice mail. Excessive absenteeism (excused or not) may be grounds for discipline up to and including termination of employment. Each situation of excessive absenteeism or tardiness will be evaluated on a case by case basis. However, even one

unexcused absence may be considered excessive, depending on the circumstances. Any employee who fails to report to work without notification to his or her supervisor for a period of three days or more will be considered to have voluntarily terminated the employment relationship.

- Absence program wherein employees are assessed "occurrence" for each absence. Exemptions are defined. After (4) occurrences, the disciplinary process begins.
- Known absences are to be submitted in writing and approved in advance. Unplanned absences must be called in as soon as possible. We allow 7 paid "sick" days per year.
- We expect you to keep regular attendance and to be on time and ready to work at the beginning of each scheduled workday. Late arrival, early departure, or other absences from scheduled hours are disruptive and must be avoided. Of course, things will sometimes happen that will prevent you from showing up to work on time. For example, you may be delayed by weather, a sick child, or car trouble. If you are going to be more than 15 minutes late, please call your direct supervisor. If you cannot reach this person, you must speak with another supervisor and by no means are you to leave a message during business hours. You must speak to someone. Please give this notice as far in advance as possible. If you must miss a full day of work for reasons other than vacation, PTO, or other approved leave (such as leave to serve on a jury or for a death in a family), you must notify your supervisor as far in advance as possible. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. All absences of any kind must be completely noted on the wall calendar located near the lunchroom. Employees must inform their supervisor of the expected duration of any absence. Absent extenuating circumstances, an employee must call in advance of his/her regular starting time on any day on which the employee is scheduled to work and will not report to work. Excessive tardiness or absenteeism (excused or not) may be grounds for discipline up to and including termination of employment. Each situation of excessive tardiness or absenteeism will be evaluated on a case by case basis. However, even one unexcused absence may be considered excessive, depending on the circumstances. Any employee who fails to report to work without notification to his or her supervisor for a period of three days or more will be considered to have voluntarily terminated the employment relationship.
- Five unexcused absences warrants a verbal warning, six unexcused absences warrants a written warning, seven unexcused absences warrants a three day suspension, and eight unexcused absences warrants termination.

- Each employee receives a certain number of personal hours annually for call-offs up to a maximum of 40 hours. If an employee does not call in to the supervisor before the start of scheduled working hours, it's recorded as an unexcused and unpaid absence and a disciplinary notice is given, unless there are extenuating circumstances. If an employee's personal hours are exhausted, vacation hours are used. However, if there are no extenuating circumstances, a disciplinary notice is given.
- We have a point system in place for attendance. The points are calculated on tardiness, leaving early and absenteeism.
- Attendance points are given for non-FMLA unscheduled absences (2pts), being tardy and leaving before the end of shift (1pt) if employee has used all allotted sick time. Progressive discipline occurs at varying point levels. Employees receiving eighteen points in rolling 12 months triggers termination.
- We state in our handbook that future pay increases and bonus money is tied to attendance.
- Employees who take three days a year are rated "average" at review time. Employees with less days off receive a higher rating on reviews and those with more than three days are graded negatively.
- Disciplines for excessive absenteeism or tardiness are based on points accumulated in a 12 month period. No (0) points will be given for: Absences due to a work-related injury with medical verification that the employee is unable to work; Absences or time missed because of a personal health or medical reason (e.g. diagnostic tests; oral surgery) for which you are able to give advance notice to your supervisor (24 hours prior to shift starting time) your supervisor has granted approval. Employees must submit supporting documentation. Absences which are expressly authorized by policy or the law (e.g. FMLA, Jury Duty, bereavement); One (1) point will be given for: Calling-off: a single day or consecutive days of not reporting to work when you are scheduled to work, for any reason except those noted above; Tardiness: the failure to report to work at the starting time of your shift, or reporting to work late from a meal or break period; Late-in or early-out: working less than your scheduled shift without 24 hour advance prior notice to your supervisor AND your supervisor's approval. Three (3) points will be given for: No Call/No Show: absence from work without proper notification to your supervisor. EACH day of No Call/No Show will result in 3 points, regardless of whether the days are consecutive. Discipline Triggers: A verbal warning is issued on the accumulation of 3 points for absenteeism and/or 6 points for tardiness, late-ins or early-outs or after 1 incident of No-Call/No-Show in a twelve-month period. A written warning is issued on the accumulation of 5 points for absenteeism and/or

10 points of tardiness, late-ins or early-outs in a 12 month period; A suspension is issued on the accumulation of 7 points for absenteeism and/or 14 points for tardiness, late-ins, early-outs in a 12-month period. A termination will result on the accumulation of 9 points for absenteeism and/or 18 points of tardiness, late-ins or early-outs in a 12-month period.

- To maintain a safe and productive work environment, our organization expects all coworkers to be reliable and to be punctual in reporting for scheduled work. The purpose of this policy is to establish standards for attendance; prevent hardships to fellow coworkers caused by excessive absenteeism; and institute fair guidelines to encourage consistent attendance. All coworkers are expected to be at work and on time every scheduled working day. Each time a coworker is absent or late, the efficiency of the Company decreases and service to our customers is jeopardized. The Attendance policy defines the expectations and responsibilities of each coworker. Each coworker is an important and valuable asset to the company, and each is needed to ensure the smooth operation of the production floor. Therefore, this Company has adopted a “no fault” attendance policy. Absence is defined as “not present or in attendance”. If a coworker is not on the job as scheduled, he or she is absent regardless of cause. Absences will not be viewed as “excusable” or “inexcusable”. An absence is an absence, regardless of reason. While perfect attendance is the target, the company recognizes that illness or other factors outside the control of the company may necessitate lost time from work. The Company will rely on each coworker to manage their time outside of work to avoid absences and instances of lateness. Non Exempt Employee Absence: For the scope of this policy, unreliable attendance shall be defined as 4 instances of lateness within a calendar month, accruing 3 absences in a calendar month, or accruing 7 absences in a calendar year. Excessive absenteeism shall be defined as more than 4 instances of lateness within a calendar month, accumulating more than 3 absences in a calendar month, or accumulating more than 7 absences in a calendar year. An instance of lateness is considered an absence if a coworker reports to work more than four hours after the scheduled start time of their shift. Unreliable attendance will result in: Counseling with a coworker’s immediate supervisor. This meeting will constitute a verbal warning that may result in the implementation of an individual corrective action plan. Improvement in the coworker’s attendance must be seen as a result of this meeting. Excessive absenteeism will result in: A second counseling session with a coworker’s immediate supervisor with a written warning and corrective action plan being issued. The coworker will not be in “good” standing with the Company until the corrective action plan is completed. Failure to follow the corrective action plan will result in termination. Holidays: To receive holiday pay, a

coworker must work all scheduled hours on the last day worked before and the first day worked after the holiday. An instance of lateness will still receive holiday pay if the coworker is in "good" standing and at their workstation no later than 20 minutes after the scheduled start time. Notification of Absence/Tardy: Absences and late starts directly effect the efficient operation of the Company. Absences and/or an instance of lateness must be reported as soon as possible to minimize disruptions in production. Failure to follow the call-in procedure will result in disciplinary action. Calls must be made to the Absence Call-In line. Leave a voice-mail message that includes your name, reason for absence and the day or time you will return to work. The call must be clear and understandable. Failure to leave a clear message will be considered the same as a no call. If you need to speak directly with your immediate supervisor, a call may be placed to his or her direct extension, but a call and message must be placed to the call-in line also. If you are absent for more than two consecutive days without notifying your supervisor or leaving a message on the call-in line, it will be considered automatic resignation effective the last day worked. Exclusions: For the purpose of this policy, exclusions to the attendance policy will not affect a coworker's attendance record and include: approved vacation time, Company holidays, approved personal days, jury duty, funeral leave, work related accident, military duty, approved FMLA, plant shutdown, and subpoena by a court official. Extended Illness: A coworker must provide documentation from a qualified health care provider for an absence due to personal illness or the illness of an immediate family member that extends for a time period greater than four consecutive working days. Failure to provide suitable documentation for an extended illness of one's self or an immediate family member may result in disciplinary action. The original document must be presented to a coworker's immediate supervisor; copies will not be accepted. Family Medical Leave Act Under the Family and Medical Leave Act of 1993 (FMLA), eligible coworkers are entitled to a total of up to 12 workweeks of unpaid leave during any 12-month period for the following purposes: the birth of a son or daughter of the coworker and the care of such son or daughter the placement of a son or daughter with the coworker for adoption or foster care the care of spouse, son, daughter, or parent of the coworker who has a serious health condition a serious health condition of the coworker that makes the coworker unable to perform the essential functions of his or her positions. Coworkers are required to substitute their accrued paid vacation and personal days for any part of an approved FMLA period. Under certain conditions, a coworker may use the 12 weeks of FMLA leave intermittently. The Human Resources Department will cover all FMLA claims. Mandatory Overtime: Coworkers are required to work all mandatory

overtime as assigned by their immediate supervisor. Failure to work scheduled hours may result in disciplinary action. All scheduled overtime is subject to the same attendance guidelines as regular time. Personal Days: Three paid personal days (8 hr.) will be issued to each full time coworker per calendar year, January through December. Personal days must be taken in half or whole day increments (4 hrs. or 8 hrs.) with the prior consent of a coworker's immediate supervisor. The Company has the right to deny the use of personal days due to business conditions. Unused personal days will be paid in January of the following calendar year.

- A full-time, non-exempt employee earns 6.25 hours of personal leave per month. Eligible part-time employees personal leave is prorated based on the number of hours they work per week.
- We have one policy for our office personnel and a separate policy for our plant personnel (union employees). Most office staff receive five paid sick and/or personal days to use each calendar year. Anything beyond that would require the employee to utilize vacation time. For our shop (union) employees, we have an attendance policy which assesses points for being absent, late and leaving early. Once an employee accumulates 10.5 points within a rolling 12 month time frame, they can be terminated. If a union employee has a doctor's note requiring them to be off of work, no points are assessed. Points are as follows: absent = 1 pt., leave early or tardy greater than 4 hours = 1 point, leave early or tardy less than 4 hours 1/2 point.
- Employees may not exceed five casual absences (sick, personal, car, etc) in a rolling 12 month period.
- Employees must call their supervisor at least one hour prior to scheduled time to report illness.
- An employee must inform direct supervisor of unscheduled absence by 9 am. If his/her direct supervisor is unavailable, they may inform other employee. Scheduled absences must be requested using a vacation form and be approved in advance by direct supervisor. No scheduled absences are allowed during peak times.
- We allow three sick/personal days per calendar year. For non-exempt employees if they take more than three days it is unpaid and they may be written up. Excessive absence results in termination. Salaried employees that take more than the allowed three days in their benefit year affect their raise and vacation.
- We have no written policy. We consider each employee's situation on its merits before we administer any for of discipline.

- Employees must use paid time off for all call-ins. Employees must call within 90 minutes of starting time. More than six absences must be accompanied with documentation (medical or legal). One unexcused absence receives written warning, two unexcused absences receives second written warning, and three unexcused absence leads to termination.
- Punctual and regular attendances are essential functions of each associate's job. Any associate who fails to report to work without notification to his or her supervisor/manager for a period of three days or more will be considered to have voluntarily terminated the employment relationship.
- Anyone going to be late or have an unscheduled absence needs to telephone their supervisor personally within one half hour of their scheduled starting time. If they leave a voice mail message they must call back during the day to speak personally with their supervisor. If they are out sick for more than one consecutive day they must either call in and speak to their supervisor every day or provide a doctor's excuse that estimates the number of days that they will be out. Absences of three or more days related to the same illness require a doctor's statement indicating that they are unable to work. In this situation, upon returning to work they are required to produce a return-to-work release statement from the doctor. Poor attendance and excessive tardiness are disruptive and may lead to disciplinary action up to and including termination of employment.
- Excessive absenteeism, particularly frequent, short-term absences, cannot be tolerated. If you develop a record of repeated absences, you will be counseled by your supervisor and asked to jointly establish a plan for improving your attendance. Subsequent failure to meet agreed upon improvement targets will result in loss of sick pay benefits and/or disciplinary action.
- If you are late for work, you are required to report to your supervisor immediately after punching in. If you are sick or unable to attend work, you are required to report by phone prior to your scheduled starting time. If you have not reported to work for three consecutive days without calling, you will be assumed to have resigned without notice.
- After 32 hours of any missed time, the disciplinary process begins. This includes being sick, late, leaving early, or leaving during the day. There is no "grace" period provided to employees.
- Five unexcused absences in 12 month period results in dismissal from the company.

## CONCLUSION

In conclusion, there appears to be a mismatch between the causes of employee absence and the tools used to alleviate absenteeism. While over 90% of employers reported that employees' most common reason for being absent was due to home and family obligations, only 44% of organizations reported using flexible work schedules to handle this absence and slightly over half of organizations reported. Similarly, these organizations' absence policies and procedures reflect this. It is prudent that organizations look at the causes behind employee absence and implement policies that enable them to deal with such causes most effectively.

For more information, please contact ERC at 440/684-9700.

<u>Participation</u>	
43 organizations	
<u>Size</u>	
1-200 employees	83%
201-500 employees	15%
500+ employees	2%
<u>Industry</u>	
Manufacturing	71%
Services	7%
Other	22%

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