Employee absenteeism - a costly affair

Employee absenteeism costs the South African economy between R12-R16 billion per annum. This is according to Occupational Care South Africa (OCSA).

Anja Hartman

"Absenteeism in the workplace needs to be addressed holistically and organisations need to use the technology available to their benefit," says Anja Hartman, HR director at Sage VIP. According to Hartman, technology not only assists in processing leave applications electronically but also caters for measurement tools, which provide detailed reports on an organisation's leave history, which can be focused on a specific employee or a complete division within an organisation.

The intelligence gathered from a leave history report, for example, could indicate management trends or concerns in a specific division. Management is then in a position to intervene, determining the reasons behind the high percentage for absenteeism and identifying workable solutions to the problem.

According to OCSA, on average, 15-30% of staff could be absent on any given day. Two out of three employees who fail to show up for work are not physically ill. Sleep disorders are ranked "top cause of lost work time" and one day's absence can cost a company up to three days' worth of salary.

"Managing absenteeism effectively will contribute to a culture characterised by productivity and loyalty," says Hartman.

Tips for managing absenteeism

Hartman provides the following advice to organisations:

- Technology:
  Ensure your organisation processes leave applications electronically and not manually. A paperless process is a huge advantage as it is easier, streamlines the administration process and makes an organisation more efficient. An electronic leave system will further enable organisations to adhere to important labour and tax laws relevant to leave and to also programme their system to be compatible with the company's specific rules. For example, if an employee applies for leave, the administrator would immediately be able to see if the application is aligned with the person's allowance or credits. A computerised system means more time can now be spent on managing the trends and concerns related to leave.
- Leave history reports:
  It is important that your leave system caters for detailed reports and provides intelligence that would enable management to identify trends and find solutions.
- Training to managers:
  Part of the training program for newly appointed managers should ensure they are familiar with the rules of the Company as well as important labour laws, such as the Basic Conditions of Employment (BCOE). They should be empowered to implement and manage it. For example, sometimes managers are uncertain as to when family responsibility leave can be approved. The BCOE gives clear guidelines which are valuable tools in managing absenteeism.

- Sick leave:

  In the case of sick leave, when the employee returns, an informal discussion with the employee is recommended. This will not only be an opportunity to show concern for the employee's wellbeing, but the employee will also realise the absence was noted.

  Employees sometimes abuse sick leave and the actual problem could be another work related issue, such as the relationship with a manager or unreasonable pressure at work. It is crucial to identify the real issue in order to address and resolve it. Embrace a culture where employees are encouraged to address problems and concerns in a "safe environment". Once you have created such a work environment, employees are more willing to speak up and will spend less time away from the office due to other pressures.

  When an employee is seriously ill and it affects their work performance, the possibility of applying for disability could be considered. You could also include in your employee benefits an income continuous benefit. This allows the employee to earn an income, even though the doctor has specified that they are medically unfit to work.

- Economy:

  During difficult financial times, many employees are not focusing on their work as they are concerned about their financial position or levels of debt. In a case such as this it is recommended that you develop an employee assistance program (EAP) that is relevant and up to date. You can expand your EAP to include sessions with debt reviewers or invest time in financial planning workshops.

- Performance Management:

  Establish a structured performance management system which should include monthly one-on-one sessions with your employees. These sessions give you, as a manager, the opportunity to monitor performance against targets set and to address any possible area of concern. If you realise productivity is down due to, for example, a personal problem (i.e. divorce), recommend the employee get professional help as it should not be part of your policy to get involved in these types of situations.

"Managing absenteeism is important to the survival of any organisation and although a computerised system is a huge benefit, managers should still take responsibility, in ensuring that policies are not abused and that the overall well-being of the employee, whether financial or health-related are also taken into consideration," concludes Hartman.

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