

PERSONNEL NOTEBOOK

For Your Most Important Resource—The Human Resource

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UNSCHEDULED ABSENTEEISM All The Scary Predictions Are Coming True

Absenteeism, whether scheduled or unscheduled, has always been a major concern for employers. It not only disrupts job schedules and production, but it causes an unfair burden on other employees who must fill in, do without, or change their schedules. Ultimately companies must come to the point where they realize that if an employee is hired for their ability to support the revenue or profit interests of the company, absenteeism immediately results in low revenue or profit or overwork by other employees. You can't make any money off an employee who doesn't come to work. To the contrary, they become a cost!

Absenteeism, historically has been a fundamental cause for terminating employees, or lowering performance evaluations and negatively affecting pay.

Before we get into the current information available on unscheduled absenteeism, let's take a look at some human resource (HR) basics.

Tardiness, uncontrolled, leads to absenteeism; absenteeism, uncontrolled, leads to turnover! Historically absenteeism meant that if you had three absences in one month, you were called into your supervisor's office to explain. Eight days absence in one year meant that you could be terminated. Such problems would certainly show up on your performance evaluation. Excessive absenteeism is still recognized by the courts as a basic and acceptable cause for terminating employment.

Tardiness and absenteeism is a management problem. It is normally monitored by supervisors and managers via absentee forms. As rates tend to

increase, the manager or supervisor acts. The first step is a friendly recognition of the problem, which means that when the employee returns to work, the supervisor drops by and in a friendly manner says, "We missed you, how are you? Everything okay?" Let them know that they are missed and it's noticed. Another step is to call the individual at home and ask if they're okay. "How are you? I hope it's nothing serious." If it continues, then send a verbal reminder that you need them here. The next step is a written warning. Absenteeism has always been a major cause for termination.

Excessive absenteeism means that the employee cannot perform the job. If you don't know how to do the job, or if you are physically unable to do the job, or if you cannot be here to do the job, then you cannot do the job!

Rational reasons or emergencies can be understood and accommodated. But left unattended, the problem will expand. It's in the control of the supervisor.

In the mid to late 1980s, the age of employee understanding, employee freedom, and employment regulations blossomed. In almost every way these things brought about improvement. But during those years we began to notice a new phenomenon. Employee freedom and empowerment in some companies meant a lack of management. People who used to complain about the insanities of management were now commenting that the inmates were running the institution. Employee empowerment does not mean that managers can stop doing their jobs.

Our experience has often been that a lack of any control is worse than too much control. Employee performance evaluations were being ignored as many employees determined that they did not like being evaluated. Many came from schools where no grades were issued, no measurements or standards were applied. We, as consultants, were often told, "I'm not a trained seal, I don't *perform* for anyone. "I will not be judged." We occasionally received phone calls inquiring "I think my supervisor intends to fire me, doesn't the government have to approve all terminations?" We began to notice that supervisors were not comfortable being authority figures and allowed employees to freely set their own schedules, taking unauthorized leave, vacations, sick days and overtime. Many changed their job titles! Many were creating job functions to do what they enjoyed and not what needed to be done.

The point of all this is not to discredit employee freedom or empowerment. Many consultants privately agree that far too many supervisors have become uncomfortable as authority figures and decisions makers. A lack of management has been developing as a trend.

Managers nationwide have called us with problems such as, "My employees are taking too much vacation, what can I do?" "People have changed their titles and job functions. Can they do that?" "How can I stop people from taking too much sick leave?" When we analyze the problem, we find that too many managers are more interested in being "liked" and being a "people person," "not being an authority figure." In fact, nationwide surveys and polls are showing that fewer and fewer people want to be managers! The first and best response to absentee problems is to recognize that you are in control of the problem! You can manage the outcome! If your management concept is to include employees in decision making, then present them with the problem and work out the solutions together. But if your management style is to not manage at all, then you must accept any results you get.

With these basics in mind, let's take a look at a new survey of 234 human resources professionals, and over 1 million employees (1,371,261) on the subject of unscheduled absence.

I. What is Unscheduled Absence?

When an employee calls in and says, "I will not be in today." That's the classic unscheduled absence. It is any time off from work that is not scheduled in advance. It is not vacation time, legal holidays, bereavement days, family and medical leave, disability leave, jury duty, personal time, or any other scheduled absence. In order to measure and track it, you need to calculate it. The formula is:

Total unscheduled absence hours divided by total paid productive hours, times 100 = __%.

Take the total number of unscheduled absence hours and divide it by the total paid hours and divide by 100. You will arrive at the rate of absenteeism. The current rate of absenteeism from the survey is 2.2% for 2001.

II. What Is The Problem?

Unscheduled absence is increasing as is the cost per employee for absence. In the past, eight days per year of unpaid or unscheduled absence was cause for serious concern. When you add the traditional two weeks vacation, eight holidays and three sick days, that not only meant that the employee would be off the job one month of each year (29 days), but that they were all paid days. Today with the Family and Medical Leave Act (FMLA), personal days, etc., the average employee can be off 102 days, about 3 1/2 months, per year! Then when you add unscheduled and/or unpaid absenteeism and tardiness, plus consider that FMLA is already becoming a paid leave in many areas, you must arrive at a point where you have to look for solutions.

Reasons for Absences:

The survey showed the following reasons for unscheduled absenteeism:

1. Personal illness	32%
2. Family issues	21%
3. Stress	19%
4. Personal needs	11%
5. Entitlement mentality	9%
6. Others	8%

Among "others" were:

- "Good weather, hangover Fridays"
- "Good weather, playing hooky"
- "Storms, fire, tornadoes, weather related"
- "Schedule conflict with my other job"
- "Laziness, avoidance of tardiness (I'm more likely to get in trouble for being late than if I called in sick)"
- "Hit a deer and had to butcher it while fresh"
- "Arrested, in jail"

Costs for Absences:

- Costs per employee \$755 per year (2001)
 vs. (2000=\$610)
- Costs as a percentage
 of company budget 4.2% in 2001
 vs. (2000 = 2.6%)

Absentee Rates

Union firms	3.0%
Non-profit firms	2.6%
Non-union firms	2.1%
For profit firms	2.1%

Paid Sick Days by Industry:

	<u>Days Used</u>	<u>Days Allowed & Paid As Policy</u>
Government	9.6	11.9
Service	8.4	8.3
University/Education	7.4	9.9
Retail/wholesale	6.1	8.6
Finance/Banking	6.1	14.3
Health Care	5.9	7.0
Manufacturing	5.6	7.2
Utilities	4.1	4.1

III. Solutions

The solutions were divided into two groups.

Group 1: Creating work-life programs that take into consideration home and personal needs as well as job demands.

Group 2: Initiating controls to manage absenteeism.

Group 1: Work-Life Programs

The most effective work-life programs used (ranked in order of effectiveness 1 = not very effective to 5 = very effective).

	<u>Effectiveness Rating</u>	<u>Percentage Used</u>
Alternative work arrangement (flexible schedule)	3.36%	63%
Telecommuting (full or part week)	3.6%	42%
Compressed work week (four 10 hour days)	3.5%	42%
More leave for school functions	3.4%	58%
On-site child care	3.2%	26%
Satellite work places	3.2%	31%
On-site health services	3.1%	31%
Employee Assistance Plans	3.1%	57%
Wellness programs	3.0%	50%
Job sharing	3.0%	33%
Fitness facility	2.8%	46%
Career Counseling	2.7%	34%

Child care referrals	2.7%	30%
Sabbaticals	2.7%	31%
Holiday summer camp	2.7%	23%
Work life seminars	2.6%	34%
Elder care services	2.4%	22%
Concierge services	2.2%	23%

Group 2: Absentee Control Programs

The most effective absentee control programs were (ranked in order of effectiveness of 1 = not very effective to 5 = very effective):

	Effectiveness Rating	Percentage Used
Paid leave bank (pooling all of an employee's paid leave in one untitled pool)	3.6%	58%
Disciplinary actions	3.4%	93%
Buy back	3.3%	56%
Yearly Review (performance evaluation)	3.0%	81%
Verification of illness	3.0%	71%
No fault (reason for absence unimportant, only amount is considered and rigid controls limit amount)	2.9%	58%
Personal recognition (awards, bonuses)	2.5%	62%

IV. Some Additional Observations

- Surveys of employers over the last five years show that overall companies are not happy with the quality of candidates they are getting from today's colleges because:
 - They have few skills
 - Bad work habits and attitudes
 - Poor work ethic
 - Entitlement attitudes
- Studies show that today's employees have far more discretionary time than at any time in the American labor force. But that inefficient work and scheduling and trying to cram more activities into each day have a serious effect on employees' views (i.e., "I

am so stressed and so busy it must be because I work too hard and too much, and besides it's the only place where I can find any "give" to push against.")

- A major concern in all HR issues is the expectations of employees. Employees who expect a lot from you are not happy with what you give them. Employees with low expectations are happy when you give them that same amount. Don't raise expectations needlessly. Communicate often and speak reality.
- Too many of today's managers see themselves in a position of authority, the career image of titles, etc., but have a fear or ignorance of management. And they can't say no!
- Too lengthy to discuss here is the complex impact, on all the solutions being offered, of the FMLA and the Americans with Disabilities Act (ADA) on this issue. Too many laws are beginning to crowd and conflict with each other and a growing lack of management controls and know how continues to exacerbate HR issues.

Even with all the solutions being tried, the employers overall said they expect the problem to get much worse.

Investigate, analyze and manage your problem and you will find the best solution and it may be one of the ideas expressed in this issue of *Personnel Notebook*.

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