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Neville Henderson and Jane Rawlins explain how automation can help address the challenges of absence management and simplify dealing with Fit Notes.

Absence management is the HR sector's "ugly baby". Everyone knows that employee absences have to be managed better, but few organisations do it really well. For many practitioners, it remains an uncomfortable topic to broach.

The Chartered Institute of Personnel and Development (CIPD)'s Absence Management 2010 survey showed that the average level of absence per employee was just under eight days per annum, though it was nearly 10 days in the public sector. According to recent newspaper articles, the Government crackdown on benefit fraud found that around 75 per cent of those on sickness benefit could actually work in some capacity.

While there is arguably a culture of "getting away with it", the majority of absences happen for good reasons. The employees concerned would often rather return to work quickly than be off for a lengthy amount of time.

Enabling them to do so has been simplified by the introduction of Fit Notes last year. Unlike the traditional "sick note", which forbids staff from working in any capacity, the aim of the Fit Note is to enable them to go back to work earlier, if potentially in a more limited capacity.

Workforce management systems have an important role to play in this context. They can contribute to smoothing the return-to-work path for the employee by helping identify suitable duties and roles based on their skills, current capabilities and the company's business requirements.



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Dealing with absence once and for all

As the old saying goes, if you cannot measure it then you cannot manage it. While more than 80 per cent of organisations, public and private, now track their absence rate (according to CIPD findings), in reality there is often a lack of detail in the information recorded and of follow-up.

While they may be using automated systems for front-line operations, such as clocking on and off, even large organisations often rely on simple spreadsheets to report on time and attendance (T&A). The depth of information that can be recorded in this way is very limited, making it difficult to analyse data strategically and act on it for the benefit of the business.

In a typical organisation, the workforce can account for between 50 and 90 per cent of total fixed costs. There is evidence from the private sector that by implementing a comprehensive workforce management system, a company employing 1,000 staff can save more than £1 million annually. It goes without saying that for a large corporate or public sector organisation with 10,000 or more staff, the savings can be even greater. These savings result from both more stringent T&A monitoring, and improved work scheduling.

An average of 15 per cent of savings can be made in staff-related costs alone. These savings come from a range of improvements, not least the ability to monitor and track employees' working time and levels of absenteeism.

The cumulated attendance data held within these systems can be analysed to identify absence trends. Worrying absence patterns can then be flagged to managers automatically so that they can investigate further. As well as typical scenarios such as the football supporter who is regularly absent the day after

a big match, what about the person who regularly has eight single days of absence in a year or the person who is usually sick after doing large amounts of overtime?

With automated time recording and monitoring, it is possible to not only crack down on outright absenteeism, but also to combat time abuse at the root. Organisations are often keen to point out that the trusting relationships they have with their employees make "Big Brother" IT systems unnecessary. In reality, however, even the smallest aberration – such as rounding up timesheets by a few minutes every day – costs the organisation money. Therefore, the flexibility gained by having an electronic system can be a real advantage to employees and employers alike.

Workforce management systems not only actively discourage unjustified absence and time abuse, they also provide accurate information to assist with decisions on overtime payments, performance issues and disciplinary measures – benefitting both employees and managers.

Flexible working as an alternative

More than just being a deterrent, workforce management systems can help address some of the very sources of high absence levels.

With greater visibility of people's movements and workloads, it becomes easier to create effective schedules and rosters that maximise every employee's available time. The best way of achieving this may be by introducing flexible working.

For example, at a specialist medical equipment manufacturer, coping with fluctuating workloads led to unrest among factory staff and management alike. Employees were being asked to work overtime at short notice and production plans changed frequently.

Having analysed demand and working patterns, the company introduced the concept of flexible annualised hours. This transformation was supported by a workforce solution that enabled managers to stay on top of staff working time, and to optimise shifts relative to variations in demand. For employees it meant having Fridays off when demand was flat but working longer hours at peak times. The results were a happier workforce, better training and a significant impact on the bottom line.

More than half of companies surveyed by the CIPD for its 2010 absence study rated the introduction of flexible working as an effective way of managing absence. This view is borne out by a growing number of statistics and anecdotal evidence that absence levels go down when flexible working practices are introduced.

To accommodate the complexities created by Fit Notes, detailed reporting is more critical than ever

As well as supporting more flexible working practices, a workforce management system can also enable employees to have greater visibility of, and take more responsibility for, their T&A. For example, they can view their hours worked and see their current or planned shifts. They can also submit requests for holidays or other time off, for approval online by their manager or supervisor, speeding up the process and eliminating sources of discontent.

Making Fit Notes work

Along with organisations improving their own absence management procedures, the Government's introduction of Fit Notes was to reconfigure the framework for managing sickness-related absences.

The Fit Note is mainly targeted at long-term sickness, although its principles equally apply to shorter periods. Rather than simply signing a person off – which means they are not allowed to work – the Fit Note creates a graded approach to assessing a person's occupational fitness.

For example, a GP may indicate that their patient is unable to perform physical labour but can still carry out administrative work. This may mean that the employee does not have to go on company or Statutory Sick Pay but can continue to contribute to the business. For a person on long-term sick leave, an improvement in their condition may enable a phased return to work at a much earlier stage than previously possible. However, this presents a few challenges.

To accommodate the complexities created by Fit Notes, detailed reporting capabilities are more critical than ever – and hard to achieve with simple spreadsheets and paper-based processes. Automated workforce management systems can not only record the reasons for a person's absence, but they can also enable HR practitioners to set various triggers and reminders to ensure that legal processes and deadlines can be met without leaving anything to chance. In addition, the Fit Note process can be documented in detail, creating an audit trail.

Minimising the impact

A second set of challenges arises when an employee is deemed fit to return to work but unable to perform all or part of their previous role.

It is fundamental to have readily accessible information about the type of work the employee would normally be required to carry out, but traditional HR systems often only record very basic employee information. A workforce management system allows a much greater level of detail about each employee to be recorded. In the context of Fit Notes, this can aid decision-making when it comes to matching the capabilities of the recovering employee and the needs of the organisation.

The next challenge is to understand the impact of the adaptations suggested by the Fit Note and identifying other positions or departments that could use the skills and experience the employee is still able to offer. It is also critical to consider the effect that adapting this person's work will have on colleagues' workloads

and, potentially, on the ability of the business to deliver.

By offering a drill-down view of the organisation, a well-populated workforce management system can assist with analysing and redistributing workloads. For example, if an assembly line worker is signed as fit to work but with a change of duties or on reduced hours for a period of time, automated scheduling and rostering can help enable their return to suitable work and minimise the impact on the business.

While workforce management systems can provide invaluable decision support, employers are not obliged to follow the recommendations contained in a Fit Note and many will find it hard to do so. However, by making the most of these systems' capabilities, businesses can ensure a comprehensive, consistent and well-documented approach to Fit Notes. This will also be important in terms of justifying any tough decisions taken if they are challenged at a later stage.

More than just Big Brother

In spite of all the good intentions that led to the introduction of Fit Notes, their arrival has created a range of administrative and strategic challenges for corporate and public sector HR departments. In many ways, it has reinforced issues that have plagued the profession for many years.

Administrating Fit Notes is likely to become another driver for overcoming HR's reliance on manual processes and toward a proactive approach to absence control. Workforce management systems can make a significant contribution to automating these and many other aspects of the HR process.

By allowing organisations to manage their human capital more, the systems have been shown to boost productivity and enable much needed efficiencies. In this age of austerity, this may mean that significant savings can be made without having to default to redundancies.

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