

At work and working well?

CBI/AXA absence and labour turnover survey 2008

Report sponsored by



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CBI/AXA absence and labour turnover 2008

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ABOUT THE SPONSOR

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Foreword

BY SUSAN ANDERSON | CBI DIRECTOR OF HUMAN RESOURCES POLICY



The CBI/AXA Absence and Labour Turnover survey has come of age: this year it reaches its 21st birthday. It provides the definitive source of long-term trend data on the extent, costs, causes and solutions to workplace absence – we are grateful to those who have contributed to its success.

While overall absence rates remain stable we can't afford to rest on our laurels. Absence stands at 6.7 days per employee and, with the gap between the best and worst performing organisations standing at around 9 ½ days, there's plenty of scope to reduce absence. And plenty of incentives for improvement: if the worst performing organisations could achieve even average absence rates, collectively they'd share £4.2bn. The best and worst performers remain the smallest organisations and the public sector respectively – renewed efforts are needed, particularly to reduce time lost to long-term absence.

Absence rates vary widely and organisations that take action reap the rewards. Our survey shows that medical treatment and waiting days deliver the greatest reductions in absence rates. Staff well-being is also key – the majority of employers now offer a range of benefits which encourage staff to lead healthy lives. Both employee and employer seem to benefit from these initiatives – higher morale, reduced absence and improved performance were commonly identified as benefits.

A healthy workforce is generally a happy workforce. Two-thirds of organisations report staff morale is either satisfactory or good within their organisations. High morale is not rocket science – employers know that simple things like praise for a job well done and regular feedback from senior management go a long way to creating a positive work environment. But employers recognise they can't be

complacent and are working to address areas of weakness by prioritising improvements to managerial feedback and staff development opportunities.

Readers of this report will, I know, be working hard to improve attendance and employee well-being and employers want to work in partnership with Government, medical professionals and trade unions to help those employees return to work as soon as they are able. Capability-focused medical certificates, more flexible and accessible GP services and unions willing to who work with employers would all help to improve well-being and crack down on abuse.

I hope that you find this survey valuable.

Overview

Absence averaged 6.7 days in 2007

Absence now stands at an average of 6.7 days per employee – 3.3% of working time and some 172 million lost days across the UK economy. There was more than nine days difference between the best and the worst performing organisations. If employers in the worst performing quartile could achieve the absence rates of those in the best quartile the UK economy would save £5.9bn each year.

Although manual staff continue to be absent more than non-manual staff (7.6 days compared with 6.1 days), the gap is narrowing due to falling rates of absence among manual staff. The smallest firms record less than half the rate of absence of the largest – and the gap in absence rates by organisation size is increasing. As in previous years, the public sector reported a much higher rate of absence than the private sector (nine days compared with 5.8 days). This was true regardless of organisational size. This gap has grown dramatically from 30% in 2003 to 55% in 2007. If the public sector could reduce its absence level to the private sector average, £1.4bn of taxpayers' money could be saved. Where trade unions were recognised absence was higher too – 5.1 days in non-unionised workplaces compared with 8.1 days where they were recognised.

Absence rates are now around two days per employee lower than their peak in 1990. Employers believe that this is largely due to improved management policies – most identified closer monitoring of absence (85%) and improved attendance management policies (83%) as being responsible. Over half (57%) cited changing workforce culture. Very few (8%) believed improvements in the NHS explained the declining rate.

Absence costs remain in excess of £13bn

The direct cost of absence fell slightly to £517 per year – 3.1% of the pay roll. Extrapolating this across the UK economy, more than £13.2bn was lost last year. The average indirect cost of absence was £263 per employee per year. Combined with the direct cost, the overall cost was close to £20bn. Absence costs were higher in the public sector (£692) than in the private sector (£459).

Long-term absence and absenteeism remain significant drains

Absence is overwhelmingly caused by illness. But many employees also take time off for family commitments or emergencies – and a quarter of employers believe paid sickness is seen as an entitlement. One third of employers believe time taken off to attend or wait for medical appointments was also a main cause of absence.

Manual staff were perceived to be more likely to take time off due to back pain or other musculoskeletal complaints than non-manual staff. Across employees in all sectors and sizes of organisation, non-work related stress, anxiety and depression was also a key cause of long-term absence.

Overall, around 5% of absences became long-term (generally defined as 20 days or more), but they accounted for half (50%) of the time lost in the public sector, and a third (31%) of overall absence in the private sector. In the largest organisations long-term absence accounted for 58% of all working time lost, compared with 20% in the smallest.

On average employers believe that just over one tenth (12%) of all absence is non-genuine. Two thirds believe that some absence is an unauthorised extension of weekends (65%) and holidays (60%) and just over a third (34%) suspect it is linked to special events like birthdays and football matches. Over half (54%) had to discipline an employee for persistent poor attendance in 2007 and just over one third (38%) had to dismiss someone.

Absence is best reduced through a mixture of 'carrot and stick' policies

Absence management policies are typically triggered after three spells or ten days of absence, but the smallest employers wait just five days. The most commonly used policies are discipline procedures, return to work interviews and giving absence statistics to supervisors. Employers perceive that these are the most effective policies too. However, in practice private medical insurance and imposing waiting days before occupational sick pay is paid actually produce the best results.

Over three quarters (81%) of employers operate rehabilitation policies; nearly a threefold increase on 2001. Over three quarters (79%) have a policy in place for reducing stress – a 13 percentage point rise since 2005. The policies offered most widely by employers were occupational health support, counselling and flexible working.

Asked what government can do to help them manage absence, more than two-thirds (69%) of employers want the introduction of capability-focused medical certificates – or 'fit notes' – prioritised. Over half (56%) also want more flexible GP opening hours and 60% would like to see improved partnerships with GPs and other occupational health professionals.

Employers are increasingly concerned with the health and well-being of their workforce

More than two thirds of employers (69%) have a policy to promote well-being – counselling was the most popular, offered by 56% of employers to staff and a further 13% to employees' families too. Employers believe that the greatest benefits of well-being policies are increased staff morale (28%) and reduced absence levels (27%). Only 3% believed they produced no benefit at all.

Praise for a job well done is felt to be an important factor affecting staff morale by more than two thirds of employers (70%). Also rated highly are offering development opportunities (53%) and providing regular information from senior management (50%). Overall, employers felt the areas most needing improvement were giving honest feedback from supervisors (59%) and regular information from senior management (48%).

Nearly two thirds (64%) of UK employers reported healthy morale in their organisations – 23% felt it was good and a further 41% that it was satisfactory. Smaller organisations were more likely to perceive themselves as happy – 80% of the smallest employers believe that their workforce morale is good compared to half (51%) of the largest organisations. Despite greater provision of well-being policies in the public sector, morale is thought to be lower among public sector employees. It is also rated lower where trade unions are recognised than where they are not.

Turnover remains steady at 14.9%

Recruitment costs, which can include factors such as advertising vacancies and staff time for interviews, varied widely – estimates range from £2,900 to £15,000; some

professional services firms report that losing a trained employee costs over £100,000 once training costs are included.

Labour turnover was up slightly to 14.9% in 2007. There was wide variation between sectors, ranging from 31% in retail to 13% in the public sector. The gap of 18 percentage points between the highest and lowest turnover rates is the largest it has been in the past three years. Medium-sized organisations continued to have the highest turnover rate (19%). The proportion of organisations considering their turnover rate to be about right rose from 68% last year to 83% this year. Four in five employers (80%) believe job security had either stayed the same or increased in the past year.

1 Survey respondents

Summary

- The survey provides a representative sample...
- ...covering all industry sectors...
- ...all regions...
- ...and all sizes of organisations.

This survey provides a representative sample...

The CBI/AXA absence and labour turnover survey is now in its 21st year. It continues to be the definitive source of absence and labour turnover data for the UK.

This survey was conducted in January and February of 2008. The survey questionnaire was completed by senior managers and HR practitioners in 503 private sector companies and public sector organisations who together employ over one million workers – equivalent to 3.6% of the UK workforce.¹

...covering all industry sectors...

Respondents came from all sectors of the economy, with just over 70% from the private sector and the rest from the public sector (Exhibit 1). The largest private sector category was manufacturing, representing almost a quarter (22%) of the sample. All industry sectors were well represented with the exception of agriculture, which is excluded from any sectoral analysis in this report due to its low response rate.

...all regions...

Exhibit 2 shows that all UK regions were well represented in this survey. Just over a quarter of respondents (26%) operate in more than one region with no more than 8% concentrated in any one particular region.

EXHIBIT 1

Respondents by economic sector

| Sector | % | N |
|-------------------------------|------------|------------|
| Private sector | 71 | 357 |
| Public sector | 29 | 146 |
| Manufacturing | 22 | 109 |
| Other services | 17 | 87 |
| Professional services | 7 | 37 |
| Transport & distribution | 5 | 23 |
| Banking, finance & insurance | 5 | 25 |
| Construction | 4 | 22 |
| Retailing | 4 | 18 |
| IT/hi-tech services | 3 | 13 |
| Utilities | 2 | 12 |
| Hotels, restaurants & tourism | 2 | 8 |
| Agriculture | 1 | 3 |
| Total | 100 | 503 |

EXHIBIT 2

Respondents by region

| Region | % |
|------------------------|----|
| More than one region | 26 |
| Greater London | 8 |
| West Midlands | 8 |
| South East | 8 |
| Yorkshire & Humberside | 6 |
| Scotland | 6 |
| Northern Ireland | 6 |
| North West | 6 |
| South West | 5 |
| Eastern | 5 |
| Wales | 5 |
| Northern | 5 |
| East Midlands | 4 |
| Southern | 3 |

...and all sizes of organisation

Responses were received from employers of every size (Exhibit 3). The largest employers (those with 5,000 or more employees) comprised 10% of respondents. Small and medium-sized organisations were also well represented: 56% of the survey comprised employers with a workforce of fewer than 500 employees.²

| EXHIBIT 3 Respondents by employer size | |
|---|----------|
| Number of employees | % |
| 1-49 | 14 |
| 50-199 | 21 |
| 200-499 | 21 |
| 500-4,999 | 35 |
| 5,000+ | 10 |

2 Extent of absence

Summary

- Absence averaged 6.7 days per employee
- There was 9.3 days difference between the best and worst performing organisations
- Absence remained higher among manual than non-manual employees
- The smallest organisations had less than half the rate of absence of the largest
- Absence rates were significantly higher in the public than in the private sector
- Absence was higher where trade unions were recognised
- There were regional variations in absence rates
- Employers believe absence has declined because of better management.

Absence averaged 6.7 days per employee

Employers were asked to report the average number of days lost to absence from 1 January to 31 December 2007.³

Our survey shows that absence now stands at an average of 6.7 days per employee – the equivalent of 3.3% of working time (Exhibit 4). This is down from the seven days reported last year, but still higher than the record low of 6.6 days we reported in 2006.

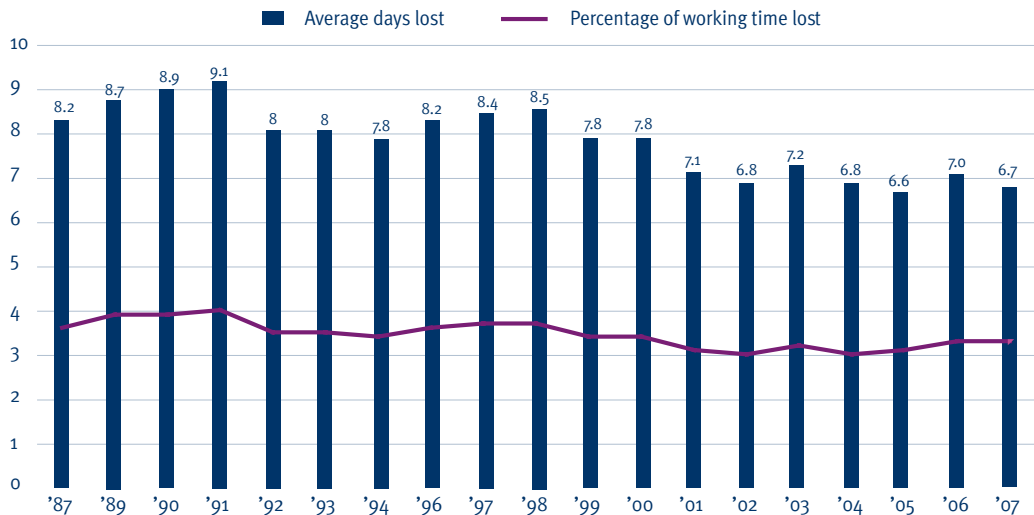
Projecting these figures across the whole UK workforce suggests that 172 million days were lost to due to workplace absence in 2007.⁴

As Exhibit 5 shows, absence rates have fallen by about two days compared with its peak of 9.1 days, and remained relatively stable at around the seven days mark for the past seven years. This has led some to suggest that absence rates have reached a plateau and will not fall significantly further. But, while it is true that few companies can hope to achieve zero absence, the persistently large gap between the best and worst performing organisations is evidence of the scope to reduce absence further.

Tackling non-genuine absence (estimated as 12% of absence) and measures to tackle long-term absence (40% of overall working time lost) could deliver real reductions.

EXHIBIT 4 Absence in 2007

| Employees | Average days lost per employee | % of working time | Private sector (average days lost) | Public sector (average days lost) |
|------------|--------------------------------|-------------------|------------------------------------|-----------------------------------|
| Manual | 7.6 | 3.7 | 6.8 | 9.9 |
| Non-manual | 6.1 | 3.0 | 4.9 | 8.9 |
| All | 6.7 | 3.3 | 5.8 | 9.0 |

EXHIBIT 5 Trends in absence levels 1987-2007**EXHIBIT 6** Variation in absence levels 2006 and 2007

| | All respondents | | Best performing quartile | | Worst performing quartile | |
|------|-------------------|-------------------|--------------------------|-------------------|---------------------------|-------------------|
| | Average days lost | % of working time | Average days lost | % of working time | Average days lost | % of working time |
| 2006 | 7.0 | 3.3% | 2.7 | 2.0% | 12 | 4.9% |
| 2007 | 6.7 | 3.3% | 2.3 | 1.1% | 11.5 | 6.0% |

There was 9.3 days difference between the best and worst performing organisations

Wide variations occurred in the rates of absence reported – and the difference between the best and the worst performing quartiles stayed unchanged at 9.3 days (Exhibit 6). The best employer in our survey reported zero days absence – a small manufacturing firm with just four employees. The worst performing had an average of 34 days absence per person – a medium-sized IT service provider with around 300 employees.

Absence among the worst performing quartile was 11.5 days (equivalent to 4.9% of working time), whereas the best performing quartile recorded absence rates of 2.3 days (1.1% of working time). If employers in the worst performing quartile could achieve the absence rates of those in the best quartile, they would save more than nine

days absence. Such a reduction would save them £8.5bn a year – a 80% cut in the overall cost of absence.⁵

Absence remained higher among manual than non-manual employees

As Exhibit 7 (page 12) shows, manual staff were absent for more days than non-manual staff (7.6 days compared with 6.1 days) but this gap is closing as the decline in absence rates among manual staff steadily continues. By contrast, the absence rates of non-manual staff have now been relatively static at around six days for the last five years – the sort of levels experienced in the early 1990s. If absence had fallen by the same rate for non-manual staff as it has for manual staff since 1992, it would now stand at around four days.

The smallest organisations had less than half the rate of absence of the largest

Absence levels varied according to sector, region and whether staff were manual or non-manual. But the most important factor in determining absence rates remained organisational size. The smallest organisations consistently recorded lower absence than larger organisations – 3.6 days in organisations with fewer than 50 employees, compared with 8.5 days for organisations with 5,000 or more employees (Exhibit 8).

The absence gap between the smallest and the largest organisations is increasing: it has risen from nearly four days (3.8) in 2005 to nearly five (4.9) this year. Lower levels of absence in smaller organisations might be explained by higher levels of staff commitment and engagement in small firms, as well as greater awareness of the adverse impact of absence on the organisation and on their fellow employees. But it is also likely to be due to direct contact between employees and senior management who, as a result, are more likely to take personal interest in – and responsibility for – absence management.

Absence rates were significantly higher in the public sector than in the private sector

As in previous years, the public sector had higher levels of absence than the private sector. On average nine days per employee were lost in the public sector in 2007 (Exhibit 9). Nearly 52 million working days were lost in the public sector last year, at a cost of £4bn to the taxpayer.⁶

Despite efforts to reduce absence levels, the gap between the private and public sector continues to grow (Exhibit 10). Absence was 30% higher in the public sector than in the private in 2003, compared to 55% in 2007, suggesting the public sector has not kept pace with performance improvements in the private sector. If it could reduce its absence level to the average of the private sector, the public sector could save £1.4bn. If it cut absence to the level of the best performing quartile of respondents, more than £3bn of taxpayers' money could be saved.

Other sectors which reported high absence rates were utilities (7.6), other services (6.6) and construction, while IT/high-tech services & communications, professional services and hotels, restaurants & tourism, recorded the lowest absence rates (4.5, 4.2 and 4 days respectively).

EXHIBIT 7 Absence levels for manual and non-manual employees 1992-2007

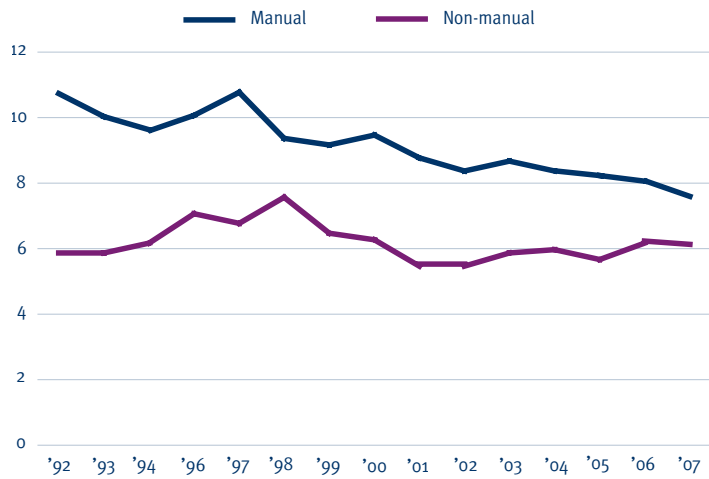
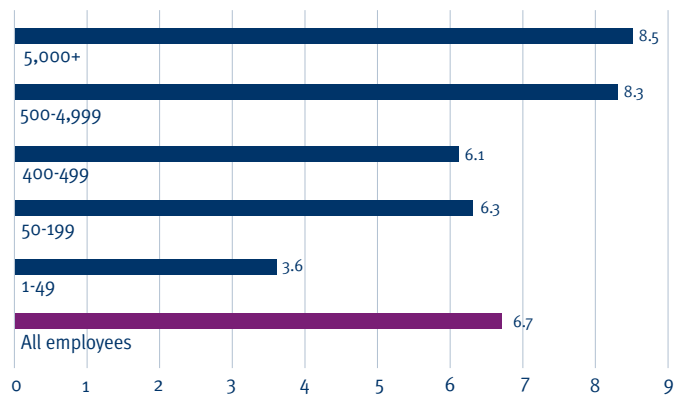


EXHIBIT 8 Total absence levels and employer size



Our survey has consistently shown that higher levels of absence in the public sector cannot be explained by the larger size of public sector organisations – this continues to be the case: absence was considerably higher in the public sector than the private, regardless of organisation size (Exhibit 11). On average absence rates were 3.5 days higher. At its largest the gap was 4.2 days in organisations with 50-199 employees. But the very smallest organisations in the public sector had fewer days lost than the private sector, by half a day.

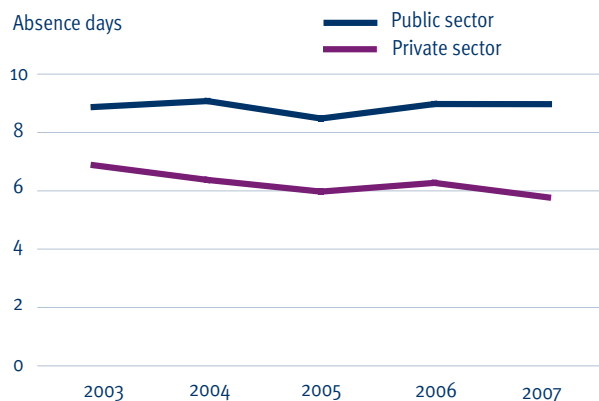
EXHIBIT 9 Absence levels by sector

| Sector | |
|--|-----|
| Public sector | 9.0 |
| Utilities | 7.6 |
| Other services | 6.6 |
| Construction | 6.2 |
| Retailing | 6.2 |
| Manufacturing | 6.0 |
| Transport & distribution | 5.9 |
| Private sector average | 5.8 |
| Banking, finance & insurance | 4.9 |
| IT/hi-tech services & communications | 4.5 |
| Professional services (legal, consultancy) | 4.2 |
| Hotels, restaurants & tourism | 4.0 |

Further analysis reveals significant differences within the public sector (Exhibit 12, page 14). The highest absence levels were found in health/social care services (12.6 days), other (10.2 days) and police & probation services (9.9 days), while education experienced lower overall levels (7.4 days).

While public sector organisations recorded average levels of absence well above those of the private sector, there were examples of excellent performance. The fact that a college (3.2 days), a local government body (3.2 days) and a health trust (2.6 days) were among the public sector organisations with the lowest absence suggests that, with effective absence management policies, those in public service roles need not necessarily take more time off work sick.

We spoke to a small public sector education body with a below average rate of 5.2 days absence per year to ask why it was performing comparatively well. The organisation told us it provided occupational healthcare schemes and operates a flexible working policy. But it put most of its success down to developing a positive workplace culture through praise for good work, development opportunities and strong communication between management and staff. Another public sector organisation with 17 days of absence per non-manual worker per year told us that although it has formal absence policies (including return to work interviews) these are not enforced and line managers tend to take it on good faith that absence is genuine.

EXHIBIT 10 Public and private sector levels of absence**EXHIBIT 11 Absence in public and private sectors by employer size**

| Size | Public sector | Private sector | Gap |
|-----------|---------------|----------------|------|
| 1-49 | 3.2 | 3.7 | -0.5 |
| 50-199 | 10.3 | 6.1 | 4.2 |
| 200-499 | 7.1 | 5.9 | 1.2 |
| 500-4,999 | 9.7 | 6.8 | 2.9 |
| 5,000+ | 9.7 | 6.8 | 2.9 |
| All | 9.1 | 5.6 | 3.5 |

Absence was higher where trade unions were recognised

Over half (55%) of respondents recognise one or more trade unions. This is higher than in the workplace nationally, where just under a third (32%) of private sector workplaces and 87% of public sector workplaces recognise a union.⁷ As expected, trade union recognition is more common in larger organisations and in certain sectors – particularly the public sector, transport & distribution and utilities.

Year on year, our findings show that organisations recognising trade unions have higher absence levels than those that do not (Exhibit 13).

It has been suggested that these higher absence rates simply reflect the fact that union recognition tends to be concentrated in larger organisations, among manual employees and in the public sector. But, as in previous years, the 2008 survey shows that, in all but the smallest of organisations, trade union recognition correlated with higher absence rates. The difference between the absence rates for unionised and non-unionised workforces was almost identical whether employees were manual and non-manual – in both cases, trade union recognition was associated with more than three extra days of absence per employee.

The correlation between higher absence levels and union recognition should be a cause for concern. Clearly, trade unions need not constitute a barrier to reducing absence, and unions are often prepared to work with employers to reduce high absence levels. But our findings indicate

that union presence as a general rule is associated with increased absence and that unions must work with employers to help reduce unnecessarily high absence. Where unions and employers have collaborated to reduce absence – through, for example, the rehabilitation process, or introducing policies such as waiting days before occupational sick pay is payable – the number of days lost has declined.

There were regional variations in absence rates

Exhibit 14 shows that, as in other years, absence rates vary considerably from region to region. This year absence rates were lowest in the South, Northern Ireland and Greater London. They were highest in the North West, Yorkshire & Humberside and the South East.

EXHIBIT 12 Absence levels in public sector

| | |
|--------------------|------------|
| Health/social care | 12.6 |
| Other | 10.2 |
| Police/probation | 9.9 |
| Local government | 9.2 |
| Central government | 8.4 |
| Education | 7.5 |
| Housing | 5.0 |
| Average | 9.1 |

EXHIBIT 13 Relationship between trade union recognition and absence levels

| Size | Average days lost | | Difference |
|-----------|-------------------------|-----------------------------|------------|
| | Trade unions recognised | Trade unions not recognised | |
| 1-49 | 2.8 | 3.8 | -1.0 |
| 50-199 | 7.7 | 5.8 | 1.9 |
| 200-499 | 6.9 | 5.4 | 1.5 |
| 500-4,999 | 8.9 | 5.9 | 3.0 |
| 5,000+ | 8.6 | 7.0 | 3.4 |
| All | 8.1 | 5.1 | 3.0 |

EXHIBIT 14 Absence level by region for all employees

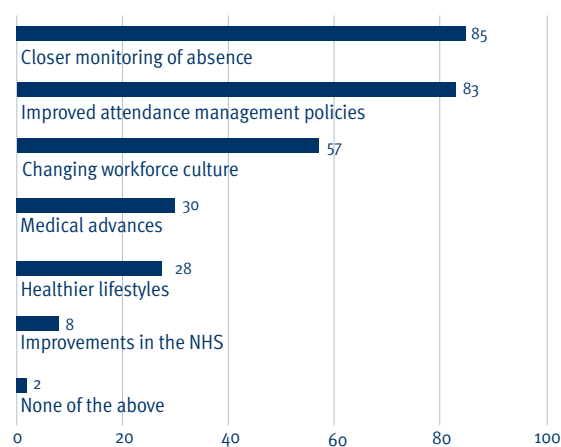
| Region | Average days lost |
|------------------------|-------------------|
| Yorkshire & Humberside | 8.9 |
| North West | 8.9 |
| Wales | 7.6 |
| West Midlands | 7.5 |
| South East | 7.4 |
| South West | 7.2 |
| Scotland | 6.8 |
| Eastern | 6.7 |
| East Midlands | 6.6 |
| Northern | 6.5 |
| Greater London | 5.9 |
| Northern Ireland | 5.7 |
| Southern | 5.6 |
| More than one region | 2.8 |

Employers believe absence has declined because of better management

Compared with its peak in 1990, absence rates are now around two days per employee lower. Respondents were asked what they believed the main reasons for this were (Exhibit 15).

By far the most common explanations were good management policies. Most think that closer monitoring of absence (85%) and improved attendance management policies (83%) are responsible for the decline. These factors were cited by the vast majority of organisations, regardless of sector and size.

Over half (57%) of respondents cited changes in workforce culture as a major factor contributing to reduced absence rates over the last 20 years. Workplace culture can be described as the way that an organisation does things and its ability to get the best out of employees. A positive workplace culture is essential for successful business and continuous improvement and contributes to employees being more motivated and productive.

EXHIBIT 15 Perceived reasons for the declining rate of absence (%)

Many employers also identified factors external to the working environment. On average nearly a third (30%) cited medical advances and over a quarter (28%) healthier lifestyles.

Very few respondents believe improvements in the NHS were responsible for the declining rate of absence – just 8% identified them as a key factor. This is surprising considering the significant investment in the NHS over the last ten years. Potentially this is because the NHS struggles to provide a range of well-being and occupational health services necessary to tackle the most potent causes of long-term absence – namely non-work related stress, anxiety and depression and musculoskeletal conditions. But these results might also reflect the nature of the survey respondents: HR professionals and senior managers may be more likely to notice the impact of ‘in-house’ policies and interventions than government-provided services.

3 Costs of absence

Summary

- The direct cost of absence was £517 per employee – 3.1% of payroll
- Employers estimate indirect costs add a further £263 per employee
- Larger employers reported higher absence costs
- Absence costs varied considerably by sector.

The direct cost of absence was £517 per employee – 3.1% of payroll

Respondents were asked to quantify the direct cost of absence to their organisation. This was based on the salary costs of absent individuals, replacement costs such as temporary staff or overtime, and lost service or production time. On average, respondents calculated that absence represented a payroll cost of 3.1%.

In 2007 the average direct cost of absence was £517. The total cost to the UK economy was £13.2bn. Where absence in the worst performing organisations reduced to that of the average, they could each save an average of £860,000.⁸

Employers estimate indirect costs add a further £263 per employee

Employers typically incur additional indirect costs from employee absence, such as reduced customer satisfaction. Respondents were asked, if they were able, to provide an estimate of the indirect annual cost of absence to their organisation – those 113 respondents who could put the cost at an average of £263 per employee per year.

While only a quarter of employers were able to provide an estimate, the figure given compares closely with the £270 we reported last year, suggesting reliability in this data. Projected across the whole economy, this would amount to an additional absence-related cost of £6.7bn. Combined with the direct cost, the UK lost £19.9bn to absence in 2007.

Larger employers reported higher absence costs

As in other years, this year's survey showed that the cost of absence was higher in larger organisations. The cost of absence per worker in organisations with fewer than 50 employees was £343, compared with £706 in those with 500-4,999 employees (Exhibit 16). These higher levels of cost might be partly explained by higher rates of absence in larger organisations, but also because larger organisations tend to have higher rates of remuneration and more generous occupational sick pay.

EXHIBIT 16

Direct cost of absence by organisation size (£)

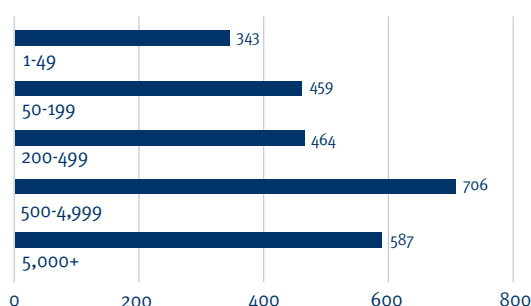
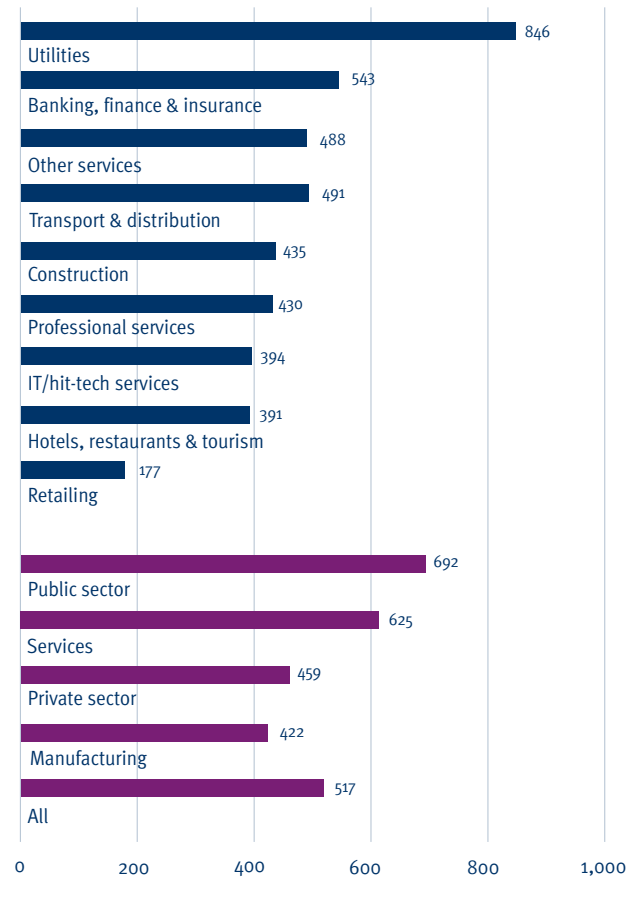


EXHIBIT 17 Direct cost of absence by sector (£)

Absence costs varied considerably by sector

Some sectors reported much higher costs of absence than others, much as in previous years (Exhibit 17). The highest cost of absence was in the utilities sector, while the banking, finance & insurance sector also had a relatively high cost of absence per employee, at £543. The lowest cost was in retailing.

Overall, the cost of absence was higher in the public sector than it was in the private sector. It cost £692 per employee per year in the public sector, compared with £459 in the private sector. This can be explained partly by a higher rate of absence in the public sector, but also by more generous occupational sick pay schemes than in the private sector.

4 Causes of absence

Summary

- Absence was mainly caused by illness, but also by home and family responsibilities and medical appointments
- Long-term absence accounted for 40% of working time lost
- Minor illness caused the vast majority of short-term absence
- Non-work related stress, anxiety and depression was the most common cause of long-term absence
- Employers estimate that 12% of sickness absence is not genuine...
- ...two thirds believe some absence is an unauthorised extension of weekends (65%) and holidays (60%)...
- ...and half (54%) had to discipline or dismiss (38%) someone for persistent poor attendance.

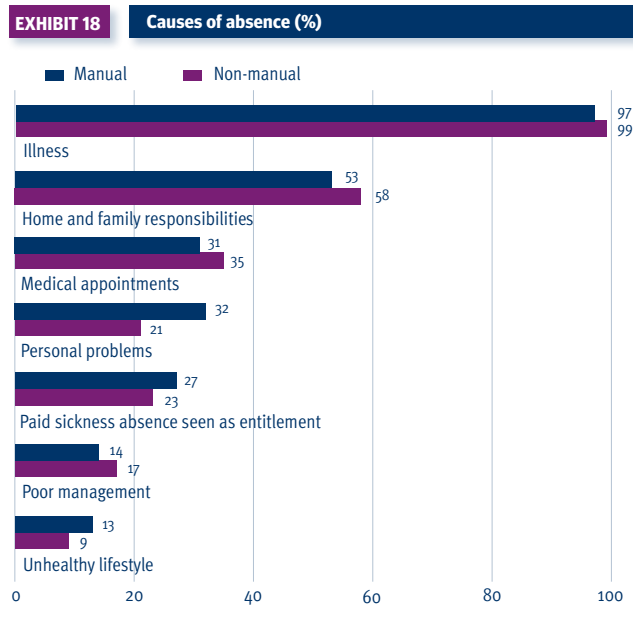
Absence was mainly caused by illness, but also by home and family responsibilities and medical appointments

Illness was by far the most common cause of absence among manual and non-manual employees. Nearly all (97%) reported this as a key cause (Exhibit 18). But home and family responsibilities were also prevalent as a main cause, showing that while employees have a right to emergency time off, many prefer to take sick leave instead.

One third of employers also thought employees took time off to wait for medical appointments, making the case for flexible, extended GP opening hours all the

stronger. The CBI estimates that business loses some 38 million working hours and £1bn a year because employees have to visit their GP during working hours.⁹ If there were better tailored provision, employees could get the routine treatment they need without having to miss work.

Paid sickness absence being seen as an entitlement also remains a significant cause of absence – around a quarter of employers believe it gives rise to unnecessary absence. This problem was seen as greater in the public sector (30%) than in the private sector (19%). Clearly, employees who are genuinely ill must be able to take time off work – but a culture of using sickness leave to extend holidays or take unofficial breaks from work must be tackled.



Long-term absence accounted for 40% of working time lost

The majority of organisations defined long-term absence as being away from the workplace for 20 days or more. For smaller businesses it was 17 days or more. Most absence spells (95%) were short-term in duration, but long-term absence had a disproportionate impact on working time lost – just 5% of absence spells accounted for 40% of all time lost.

Long-term absence is still a much bigger problem in the public sector than it is in the private sector. Seven percent of absence spells in the public sector became long-term, but they accounted for half (50%) of all working time lost. In the private sector 4% of absences became long-term and accounted for 31% of working time lost (Exhibit 19).

Larger organisations lost more working time to long-term absence. In organisations with 5,000 or more employees long-term absence accounted for 58% of all working time lost, whereas in organisations with fewer than 50

employees just 20% of lost working time was due to long-term absence (Exhibit 20).

With such a small proportion of employees accounting for a large share of working time lost, reducing long-term absence should be a priority for employers. Early intervention can help employees to return to work much more quickly, as can rehabilitation. More active management of long-term absence could significantly reduce its cost – both to employers but also to employees who risk becoming long-term incapacitated and leaving the workforce altogether.

Minor illnesses caused the vast majority of short-term absence

Respondents were asked to identify the four main types of illness responsible for short-term absences. Exhibit 21 (page 20) shows that the most significant cause by far was minor illnesses, such as colds and flu. Unsurprisingly, some differences emerged between manual and non-manual employees – reflecting the different conditions of their work. For manual employees the second and third greatest causes of short-term absence were back pain and other musculoskeletal problems. These complaints were particularly prevalent in the utilities sector. Manual employees were also more likely than their non-manual counterparts to suffer workplace injuries.

For both manual and non-manual employees, non-work related stress, anxiety and depression was considered a more significant cause of short-term absence than work related stress, anxiety and depression. But both work related and non-work related stress, anxiety and depression were most prevalent in non-manual occupations. Public sector employers were far more likely than private employers to identify work related stress as a cause of short-term or long-term absence.

EXHIBIT 19 Working time lost due to short-term and long-term absence (%)

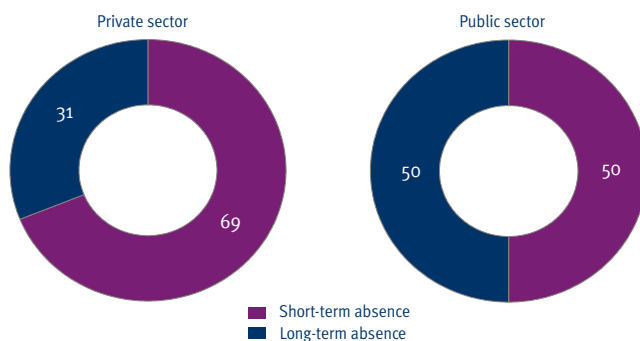


EXHIBIT 20 Percentage of working time lost accounted for by long-term absence

| Size | % of total time lost | Average days lost |
|-----------|----------------------|-------------------|
| 1-49 | 20 | 5.2 |
| 50-199 | 30 | 5.7 |
| 200-499 | 31 | 6.0 |
| 500-4,999 | 47 | 9.5 |
| 5,000+ | 58 | 10.8 |

Non-work related stress, anxiety and depression was the most common cause of long-term absence

Employers were asked to identify the four main causes of long-term absence. As Exhibit 22 (page 20) shows, the causes of long-term absence differed according to whether employees worked in the manual or non-manual sectors.

EXHIBIT 21 Types of illness as a cause of short-term absence (%)

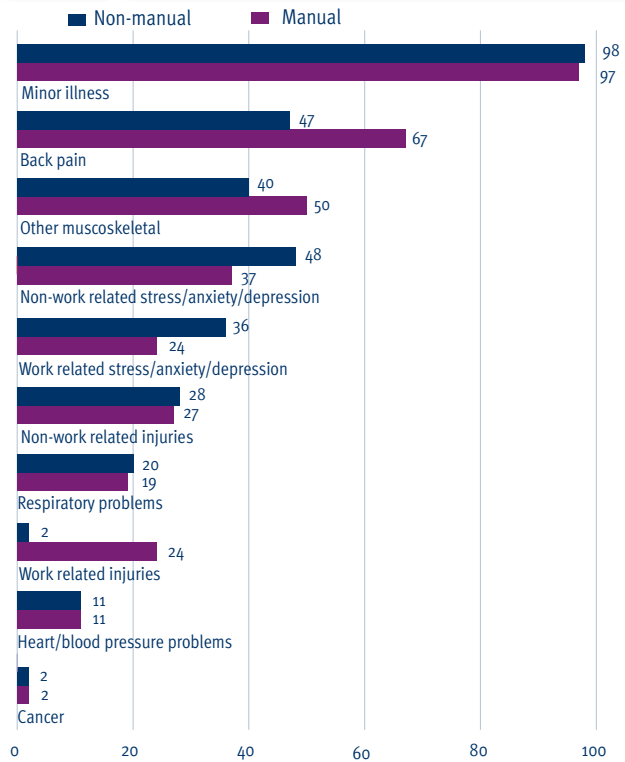
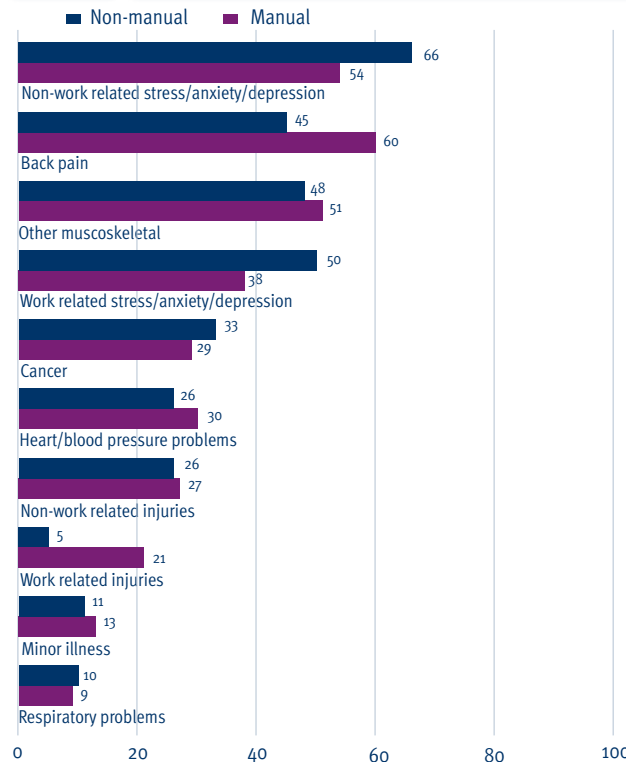


EXHIBIT 22 Types of illness as a cause of long-term absence (%)



Back pain was the most common cause among manual employees and muscoskeletal problems ranked third. This is perhaps unsurprising, given the physical nature of much of manual labour. However, non-work related stress, anxiety and depression, ranked second. Work related stress, anxiety and depression, came in at a much lower fourth.

Among non-manual workers, non-work related stress, anxiety and depression topped the causes for long-term absence: two thirds (66%) of respondents rated it a main cause. Clearly, tackling such problems, through well-being or other employee support policies for example, could substantially reduce lost working time.

Inevitably, heart problems and cancer ranked fairly highly as causes of long-term absence as they are severe in nature, can take significant lengths of time to overcome and often require careful rehabilitation. As individual cases they are some of the most complex and time consuming but they are not as prevalent as mental health and acute physical pain (Exhibit 22).

Employers estimate that 12% of sickness absence is not genuine...

Respondents were asked what percentage of the sickness absence in their organisation they think is not due to genuine illness. On average, employers believe that just over one tenth (12%) of all absence is non-genuine. Across the economy, this equates to 21 million working days lost unnecessarily, at a cost of £1.6bn.

The very smallest and the very largest organisations feel they have the least absenteeism – 10% and 7% respectively. Smaller firms perceive a lower level of absenteeism and have the lowest level of absence (3.6 days) but the largest firms were the most relaxed about perceived abuse but have the highest levels of absence (8.5 days). Such a mismatch between perceived absenteeism levels and actual absence may indicate under-recognition of the problem.

...two thirds believe some absence is an unauthorised extension of weekends (65%) and holidays (60%)...

Employers monitor absence patterns and can detect when someone may not be absent due to genuine illness when their sick leave falls disproportionately regularly on Mondays or Fridays, at the beginning or end of annual leave, or around other significant events.

Most employers believe absenteeism can be linked to weekends or holidays – two thirds (65%) feel that absence is linked to weekends and 60% that it is linked to holidays (Exhibit 23). Just over a third (34%) suspect that it is also linked to ‘events’ such as birthdays, football matches or weddings.

In some circumstances organisations may be able to make minor adjustments to avoid such absences. Some employers for example make arrangements to allow employees to watch important football matches onsite. By making a television temporarily available, or running shift-swapping schemes, the temptation to take unauthorised leave is reduced. However, there also needs to be

a clear understanding from employees that they cannot unofficially extend their holidays or take a sick day off work because they have run out of leave or feel that they deserve it.

...and half (54%) had to discipline or dismiss (38%) someone for persistent poor attendance

Respondents were asked whether they had to discipline or dismiss someone for persistent poor attendance during 2007. Exhibit 24 shows the results. More than half (54%) reported having to discipline a member of staff and 38% that they were forced to dismiss one altogether. Only a third (33%) had to take no action at all.

Disciplinary actions in response to absence were lowest in the very smallest organisations – only a third (33%) had to take action. They were highest in the very largest organisations, where 93% were forced to either discipline or dismiss a worker.

EXHIBIT 23 Respondents believing there may be a link between patterns of absence and ... (%)

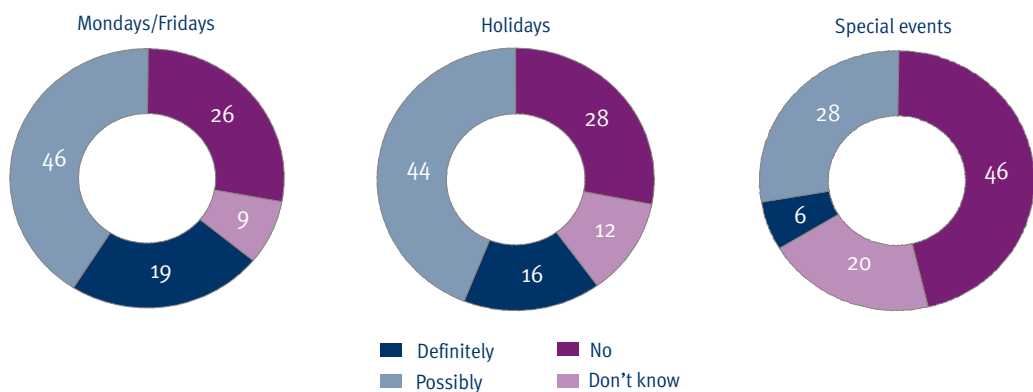


EXHIBIT 24 Organisations that found it necessary to discipline or dismiss someone for poor attendance, by company size (%)

| | 1-49 | 50-199 | 200-499 | 500-4,999 | 5,000+ | All |
|--------------|------|--------|---------|-----------|--------|-----|
| No action | 77 | 36 | 29 | 22 | 7 | 33 |
| Disciplinary | 17 | 55 | 62 | 60 | 72 | 54 |
| Dismissal | 8 | 27 | 32 | 49 | 81 | 38 |

5 Attendance management policies

Summary

- Three spells or ten days of absence typically trigger management action
- Most employers operate rehabilitation policies
- Employers take stress seriously
- Government could do more to help employers address sickness absence.

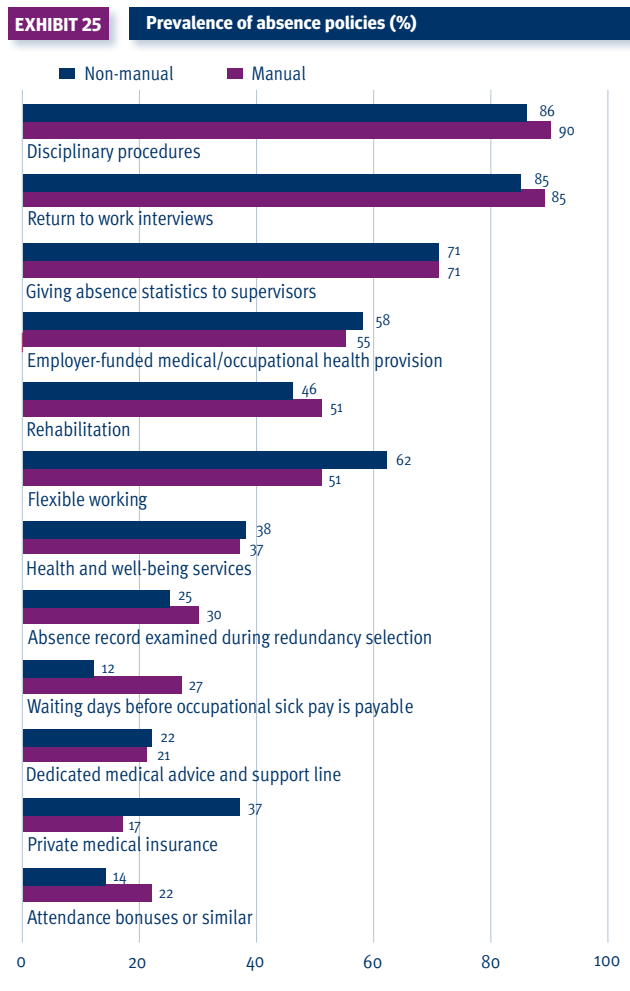
Three spells or ten days of absence typically trigger management action

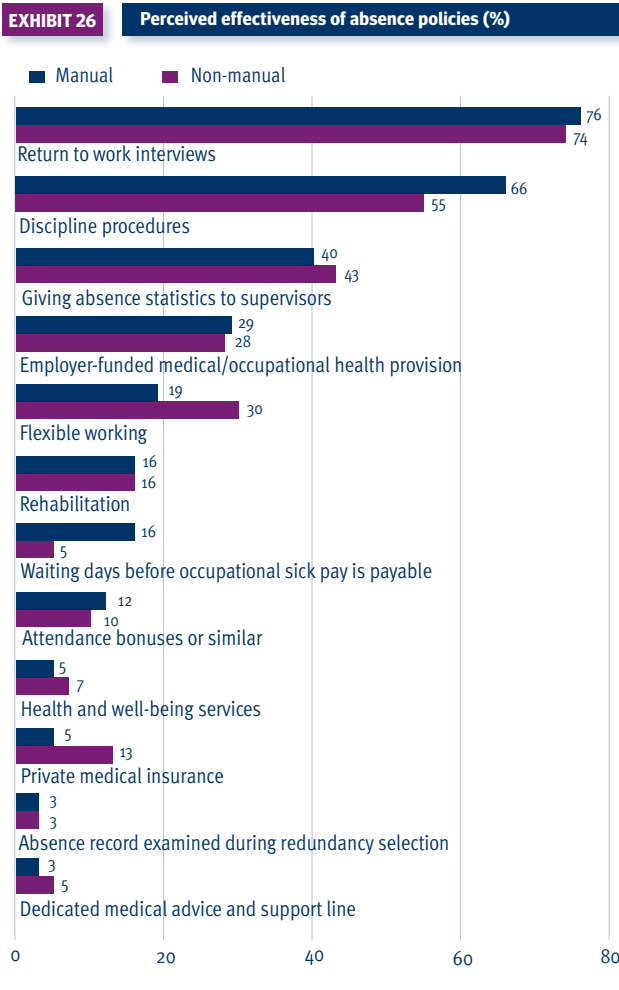
Eighty-two percent of employers utilise triggers that lead to management action on absence; these were either a number of days of absence or a number of spells (ie incidents) of absence over a given period, or both.

An organisation's absence policy is designed to minimize the business cost of absence by identifying and addressing the causes of absence, whether these are health-related or caused by other factors. They should discourage absenteeism (non-genuine absence), for instance by giving absence statistics to supervisors or invoking discipline procedures, and/or address causes of sickness absence, for example by offering help with treatment or adjusting the workload temporarily.

Absence policies are triggered on average after ten days, or three spells, of absence. Smaller organisations took half the time to take action – just five days. This may well contribute to their success in maintaining low absence levels. Policies geared to early action and intervention have a positive impact on rates of employee absence, but senior managers in SMEs are also likely to be more aware of the well-being issues of individual employees.

Employers in the public sector typically wait longer than their private sector counterparts, triggering their attendance management policies after ten days compared with eight. In both sectors intervention is typically also triggered after three spells of absence.





Respondents were asked which absence management policies they operate (Exhibit 25) and which three they perceive to be the most effective. The most common policies are not necessarily those perceived to be the most effective. So while nearly all organisations operate discipline procedures and return to work interviews and many give absence statistics to supervisors, the perceived effectiveness of these measures is varied (Exhibit 26).

Return to work interviews are seen as most effective – 74% of organisations feel they are among the most effective policies for manual staff, and 76% for non-manual staff. Return to work interviews can benefit both employer and employee – particularly where rehabilitation or job-adjustment is required. They will help to identify any underlying issues, as well as updating an employee on any changes and letting them know they were missed. Larger employers felt funded medical/occupational health provision was also effective – 42% among manual staff and 40% among non-manual staff.

Policies that employers perceive are most effective may not actually be those which deliver the best results. By comparing the absence levels of employers who use a particular policy with those who do not, it is possible to see what actually works best.

Across all organisations a combination of ‘carrot and stick’ policies is most effective in reducing absence. Exhibit 27 shows the number of days absence saved by various policies. Since smaller organisations tend to report lower absence rates but also have fewer formal policies, the

EXHIBIT 27 Effect of policies on absence levels by organisation size (number of saved days)

| | 1-49 | | 50-199 | | 200-499 | | 500-4,999 | | 5,000+ | | Overall | |
|--|--------|------------|--------|------------|---------|------------|-----------|------------|--------|------------|---------|------------|
| | Manual | Non-manual | Manual | Non-manual | Manual | Non-manual | Manual | Non-manual | Manual | Non-manual | Manual | Non-manual |
| Waiting days before occupational sick pay is payable | - | 1.0 | 1.1 | 0.5 | 0.7 | 0.2 | 0.1 | 2.5 | - | - | 0.8 | 1.3 |
| Absence record examined during redundancy selection | 2.9 | 1.7 | - | 0.2 | - | 0.8 | 0.2 | 0.1 | 2.2 | 0.9 | - | - |
| Attendance bonuses or similar | - | 0.2 | - | - | 0.8 | - | - | - | 0.5 | 3.5 | - | 0.4 |
| Private medical insurance | - | - | - | 0.1 | 1.2 | 0.5 | 2.3 | 2.4 | 2.6 | 3.5 | 0.8 | 1.7 |
| Flexible working | 0.7 | 0.3 | - | - | - | - | - | - | - | - | - | - |

NB: Negative or neutral balances are presented as dashes in this table. Paradoxically, for many policies no discernable improvement will be seen among a particular sub-group because policies are most likely to have been implemented in the organisations which have the most severe absence problems.

positive effect of some policies may be masked. However, the most effective policies deliver clear reductions regardless of this effect. Providing private medical insurance and applying waiting days before sick pay is payable have the most impact. Among manual staff they both reduced absence by 11%, whilst among non-manual staff the reductions were 26% and 21% respectively. Looking at an absence record when considering redundancies also seems highly effective among manual employees in the smallest organisations.

Those who offered attendance bonuses and flexible working also cut time lost through absence among their non-manual staff.

Most employers operate rehabilitation policies

Over three quarters (81%) of employers operate some form of rehabilitation policy to help people to get back into work. This is a nearly threefold increase on 2001, when just over a quarter (28%) did so (Exhibit 28).

Almost all (94%) of the largest employers have a rehabilitation policy, compared with just a third (36%) of the smallest. The largest firms are also the most likely to have a formal procedure – 68% did, compared with only 3% of the smallest organisations. Public sector organisations are far more likely to have a formal rehabilitation policy than their private counterparts but, despite this, long-term absence is higher in the public sector. Clearly rehabilitation programmes must be used in combination with other policies.

Rehabilitation need not be expensive. The most popular policy is flexible working, offered by more than three-quarters (79%) of employers. As Exhibit 29 shows, it was also among the most successful policies for reducing absence. Employers providing some element of job reorganisation/redesign to help rehabilitation also had lower absence. However, organisations using some form of external guidance, for example from the Health and Safety Executive,¹⁰ recorded the lowest levels of absence.

EXHIBIT 28 Organisations offering rehabilitation policies (%)

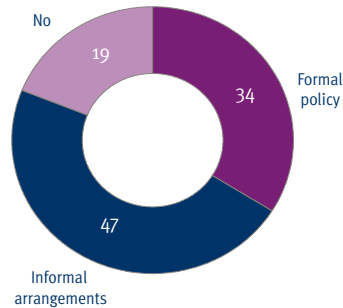


EXHIBIT 29 Policies offered by organisations for rehabilitation

| Policy | % of firms offering policy | Average days lost |
|------------------------------|----------------------------|-------------------|
| Flexible working | 79 | 7.2 |
| Occupational health support | 71 | 7.6 |
| Job reorganisation/redesign | 66 | 7.1 |
| Counselling | 55 | 7.5 |
| Training programmes | 29 | 8.0 |
| Guidance from another source | 21 | 6.7 |
| Case management services | 19 | 8.4 |

EXHIBIT 30 Organisations offering stress management policies (%)

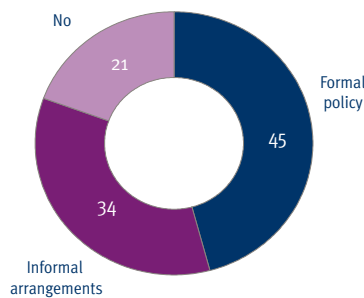


EXHIBIT 31 Policies offered by organisations for stress management

| Policy | % | Average days lost |
|-------------------------------------|----|-------------------|
| Occupational health support | 75 | 7.6 |
| Counselling | 74 | 7.5 |
| Flexible working | 73 | 7.2 |
| Job reorganisation/redesign | 63 | 6.9 |
| Training programmes | 42 | 7.7 |
| HSE management standards for stress | 36 | 7.9 |
| Guidance from another source | 26 | 6.6 |
| Case management services | 20 | 8.5 |

EXHIBIT 32 Flexible arrangements used by employers

| Policy | % | Average days lost |
|-------------------------------|----|-------------------|
| Part-time work | 90 | 6.9 |
| Job-sharing | 56 | 7.6 |
| Flexitime | 52 | 7.6 |
| Teleworking/working from home | 47 | 6.8 |
| Career breaks/sabbaticals | 44 | 7.6 |
| Term-time working | 34 | 8.3 |
| Compressed hours | 31 | 8.3 |
| Annualised hours | 27 | 8.4 |

Employers take stress seriously

Given the significance of stress, anxiety and depression as causes of long-term absence, it is encouraging that most employers have a stress management policy (Exhibit 30). Over three quarters (79%) of all employers have a policy in place for managing stress – this is a 13 percentage point rise from 2005 when two thirds (66%) had a policy. We have also seen increasing formalisation of policies, which helps to ensure consistent application across larger organisations – 45% now have formal policies, compared with 31% in 2005. Perhaps unsurprisingly, larger organisations are more likely to have stress management policies and for them to be formal: 85% of firms with 5,000 or more employees have a formal stress management policy, compared with just 3% of organisations employing fewer than 50 staff. However, SMEs balance a low incidence of

formal stress policies with a fairly high rate of informal ones – one third (33%) of the smallest firms operate an informal policy.

Stress management policies are most common in the public sector, where 76% operate formal policies and 20% informal policies. The figures are 32% and 40% respectively in the private sector. As we noted in the last chapter however, work related stress, anxiety and depression remain more significant problems in the public sector than in the private sector.

Organisations offer a wide range of policies to help their workforce reduce stress. The most commonly used are occupational health support, counselling and flexible working, with around three quarters of employers operating these policies (Exhibit 31).

Flexible working can help reduce absence by assisting employees to better balance work and home life and thereby to reduce stress. A range of flexible working arrangements are offered. Most employers offer part-time working (90%) and the least frequently used is annualised hours, but there are some sectoral variations. Teleworking and part-time work correlated with the lowest rates of absence (Exhibit 32).

Government could do more to help employers address sickness absence

Respondents were asked what three measures from government, if any, they believed would most help their organisation to improve attendance. The introduction of capability-focused medical certificates was most strongly endorsed by respondents, regardless of sector or size – more than two thirds of employers (69%) want government to prioritise this initiative (Exhibit 33, page 26).

Employers have long complained that the current sickness certification system places little or no emphasis on what an employee is capable of doing and results in patients being signed off work sick for arbitrary and often excessively lengthy periods of time. As a result, it is difficult for employers to make adjustments which could allow an ill employee to return to work sooner, for the benefit of all.

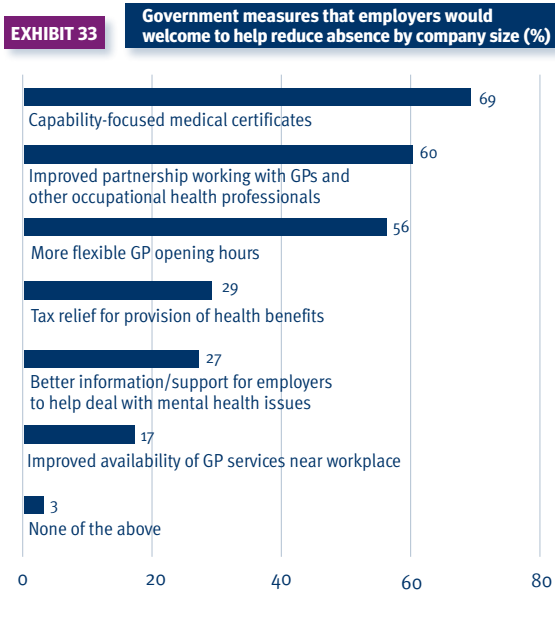
Work is good for health: employers and academics increasingly recognise this.¹¹ In her review of the health of Britain's working age population, government health tsar

Dame Carol Black highlighted the clear need for reform of medical certification.¹² As part of her recommendations to government, she called for the introduction of ‘capability-focused medical certificates’ – and the CBI welcomes the fact that both government and the British Medical Association have acknowledged the need for some overhaul of the sick note system.

The CBI supports the introduction of “fitness notes”, which would indicate to an employer precisely what tasks an employee is capable of doing, enabling a dialogue between employer, employee and health professional to assist the earliest feasible return to work. Such reform should form a key aspect of rehabilitation and help prevent further inflows onto incapacity benefit.

Another key issue for employers is the provision of tailored GP services that allow employees access to medical care with a minimum of inconvenience to working hours. Over half (56%) of respondents want more flexible GP opening hours, and 60% want an improved partnership with GPs and other occupational health professionals to help them manage absence more effectively.

The CBI has therefore welcomed the government’s recent announcement that it wants to see an extension of GP hours into the evenings and weekends. But more flexible working hours is not the end of the debate on GP services. The system of GP provision that exists – one largely unchanged since 1948 – does not offer patients adequate choice or power. The CBI has recommended that new surgeries should be opened, for instance at walk-in centres and in supermarkets in commuter-rich areas, and that patients should be allowed to register at more than one



surgery. Doctors who offer poor services and are unable to improve should make room for providers who can do better. This means replacing the presumption of contract-for-life GPs and making continued tenure conditional on raising patient satisfaction levels and improving health outcomes. Patients should also be able to switch GP if they are dissatisfied with the service they receive. The CBI’s report *Just what the patient ordered*, makes detailed recommendations that are the subject of discussions in the government and BMA.¹³

6 Employee health and well-being

Summary

- More than two thirds of employers have a well-being policy
- Employers believe well-being policies can raise staff morale and cut absence
- Praise for a job well done is felt to be the most important contributor to staff morale
- Most organisations are satisfied with levels of morale.

More than two thirds of employers have a well-being policy

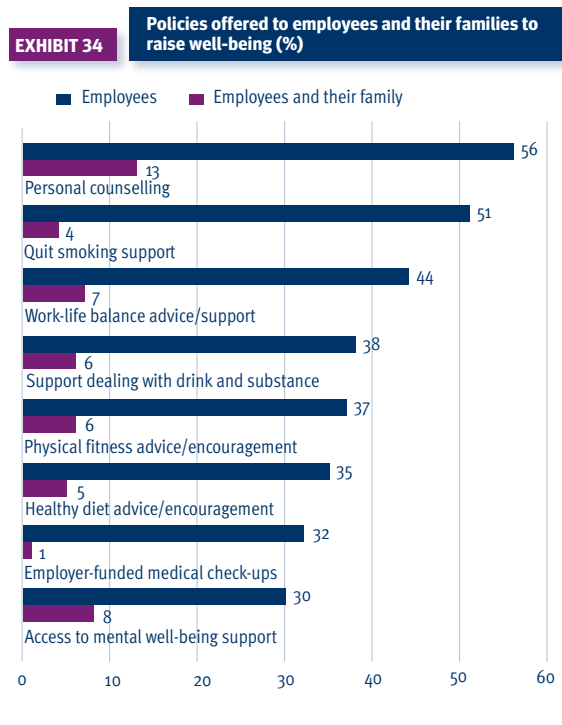
Successful promotion of employee health and well-being can reduce absence, improve staff morale and retention and ultimately increase productivity, delivering benefits to the bottom line.

Respondents were asked if they offered any policies to promote well-being among employees and their families. The most popular policy remains the provision of access to personal counselling – Exhibit 34 shows that over two thirds (69%) of employers offer this; 56% to employees and 13% to employees and their families.

While the extent of personal counselling provision is comparable to last year's finding, the prevalence of other well-being policies has risen. Support to stop smoking is now provided by 55% of employers (up from 42% last year), work/life balance advice and support is provided by more than half of employers (51% compared with 46% last year), physical fitness advice and encouragement rose from 34% in 2007 to 43% this year, and healthy diet advice and encouragement was up from 34% to 40%.

Given the significance of stress, anxiety and depression as causes of absence – especially long-term absence – it is also encouraging that an increasing number of employers provide access to mental well-being support. This year 38% of employers made provision (8% to employees and their families), compared with 34% in 2007. This rose to nearly two thirds (64%) in the largest organisations.

The utilisation and form of well-being policies varies according to sector and size. Public sector employers are more likely to offer well-being policies to staff than their private sector counterparts: 89% offer personal counselling



compared with 43% in the private sector and 73% offer smoking cessation support, compared with 42% in the private sector. Perhaps unsurprisingly, larger organisations most often provide support – 90% of employers with 5,000 or more employees offer personal counselling compared with 9% of employers with fewer than 50 employees.

Employers believe well-being policies can raise staff morale and cut absence

We asked respondents what they believe are the main benefits of well-being policies (Exhibit 35). Improved staff morale (28%) and reduced absence levels (27%) were the most frequently observed benefits. Greater productivity (20%) and a healthier workforce (20%) are also rated as important. Only 3% of all employers believe well-being policies bring no benefit.

Larger employers are more likely to view reduced absence levels as the main benefit (32% of organisations with 5,000 or more employees), whereas the smallest organisations are most likely to view the main benefit in terms of improved staff morale (42%).

Praise for a job well done is felt to be the most important contributor to staff morale

Absence and labour turnover are both drivers and indicators of organisational performance – our interest in them lies not only in improving organisational efficiency but also in what they tell us about the morale of the workforce. A substantial body of academic research on this subject now exists, with the concepts of effective job design, some degree of task control or discretion, procedural justice (fairness) and fair reward commonly highlighted as key drivers of high performance workplaces.¹⁴

This year we asked employers which they believe are the three most important contributors to good employee morale in their organisations. Exhibit 36 shows the results.

A clear majority of employers cite praise for a job well done as the most significant factor (70%). Respondents' faith in this simple yet effective management tool demonstrates that, regardless of sector or company size, recognition through encouragement exerts a powerful impact on employee morale.

Also rated highly by all organisations are offering development opportunities (53%) and providing regular information from senior management (50%), followed by providing employees with the ability to influence the way work is done (43%), effective performance management (40%) and receiving honest feedback from supervisors (34%).

How important different factors are felt to be varies according to size and sector. The smallest companies most value less formal strategies like praising good work (80%) and giving regular updates from senior management (58%), whereas the largest organisations feel allowing individuals to influence the way they work (65%) and offering opportunities for development (46%) are the most important contributors to good morale after praise for a job well done.

Personal development tends to be regarded as most important in white collar sectors such as professional services (68%), retailing (67%) and banking, finance

EXHIBIT 35 The perceived benefits of well-being policies designed to raise morale (%)

| | All |
|---------------------------|-----|
| Improved staff morale | 28 |
| Reduced absence levels | 27 |
| More productive workforce | 20 |
| A healthier workforce | 20 |
| Reduced labour turnover | 3 |
| None of the above | 3 |

EXHIBIT 36 Factors believed to be the most important in raising staff morale (%)

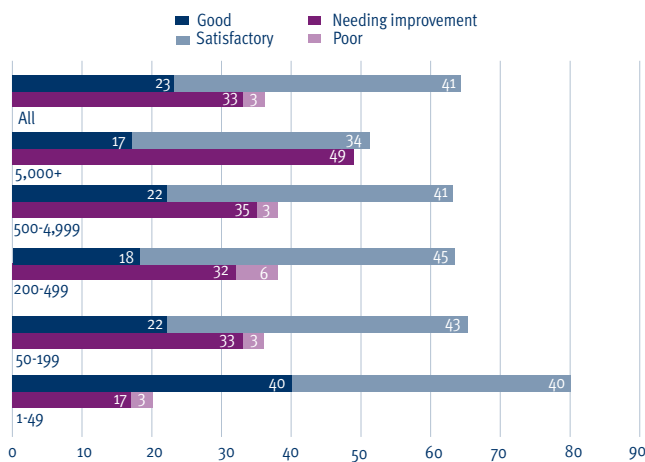
| | All |
|---|-----|
| Praise for job well done | 70 |
| Development opportunities | 53 |
| Regular information from senior management | 50 |
| Ability to influence way work is done | 43 |
| Effective performance management | 40 |
| Honest feedback from supervisors | 34 |
| Opportunity to have views represented via third party | 6 |

EXHIBIT 37 Areas in the need of greatest improvement for raising staff morale (%)

| | All |
|---|-----|
| Honest feedback from supervisors | 59 |
| Regular information from senior management | 48 |
| Development opportunities | 41 |
| Praise for job well done | 41 |
| Effective performance management | 40 |
| Ability to influence way work is done | 30 |
| Opportunity to have views represented via third party | 6 |

for improvement. They are also concerned with provision of development opportunities (41%) and effective performance management (40%). Most organisations are less worried about the extent to which they give their employees an opportunity to influence the way work is done (30%).

Very few (6%) organisations feel giving employees the chance to have their views represented to employers via a third party is an area they need to improve on in order to raise staff morale. This indicates the extent to which companies already engage with their staff, either directly or through employee representatives, but also that third party representation is not seen as a key issue for employees.

EXHIBIT 38 Morale within organisations by organisation size (%)

Clearly, simple things like positive relationships and honest leadership remain vitally important in the modern workplace. Good morale is built on employee engagement, and creating an organisation where staff feel involved and appreciated is likely to reap significant rewards.

Most organisations are satisfied with morale

Overall, most employers see employee morale as healthy in their organisation (Exhibit 38). Nearly two thirds (64%) of all respondents report that morale is good (23%) or satisfactory (41%). Around a third (36%) of all employers believe that it is poor (3%) or in need of improvement (33%).

The smallest employers are most likely to report a happy workforce, with more than three quarters (80%) of companies with fewer than 50 employees rating morale as good or satisfactory. By contrast, only half (51%) of the largest firms report high levels of morale, while 49% believe it is in need of improvement (though none felt it poor).

Sectors with the highest indices of satisfactory-to-good morale are professional services (89%) and hotels, restaurants & tourism (75%). Morale is felt to be lowest in transport & distribution, manufacturing and construction, where 44%, 37% and 36% respectively feel that it is either poor or in need of improvement.

Despite greater provision of well-being policies in the public sector, morale is lower here than in the private sector. More than two thirds (68%) of private employers believe morale is good or satisfactory, compared with just around half (54%) of public employers.

& insurance (61%), but is rated less important relative to other factors in utilities (42%) and manufacturing (41%). There is little difference between the management priorities of the private and public sectors. However, the ability to influence the way work is done is seen as more important in the public sector than it is in the private sector (55% compared to 38%), whereas regular information from senior management is relatively more valued by the private sector than the public (53% compared to 46%).

We also asked respondents which three aspects of staff morale need greatest improvement in their organisations (Exhibit 37). Overall, employers believe they need to improve most on giving honest feedback from supervisors (59%), although providing more regular information from senior management (48%) was also seen as a big area

Trade union recognition correlates negatively with morale – where trade unions are recognised, morale is lower. In unionised workplaces, 41% of respondents believe morale is poor or needing improvement, compared with just under a third (31%) where they are not recognised. Good morale is more likely in non-unionised workplaces – 31% report good morale, compared with 16% of unionised workplaces.

Trade unions might argue that this can be explained by their prevalence in the public, transport & distribution, manufacturing and construction sectors, or because trade union recognition is a consequence of low morale. But, with so few unionised organisations reporting good levels of morale, there is also a strong indication that more often than not, trade union presence does not assist in the creation of an environment conducive to good staff morale. Clearly they need to do more to work with employers to improve employee relations.

7 Labour turnover

Summary

- Labour turnover increased slightly to 14.9%...
- ...but satisfaction with the turnover rate also rose – to 83%
- Turnover varied significantly by region and organisational size
- Over two thirds (70%) of employers believe job security has stayed the same.

Labour turnover increased slightly to 14.9%...

Labour turnover can be an important indicator of the health of a firm. A certain degree of turnover is important to refresh and reinvigorate with new talent and new ideas, but too high a degree of turnover can indicate poor morale and lead to loss of experience and continuity.

A high turnover rate is costly to a firm in terms of recruitment costs and staff training – so it is important for firms to measure the cost of recruitment and look at it alongside turnover and staff retention rates. Recruitment costs can include factors from advertising in newspapers or on websites to staff time for interviews and expenditure on assessment exercises.

We asked some of the largest firms (5,000+ employees) what their estimated total turnover costs are per employee. Costs vary widely. One newspaper publisher told us it had carried out a particularly detailed analysis which factored in the cost of lost advertising sales – for example accounts not being handled well once an employee leaves. When combined with the investment required to train a new recruit to the same standard, the organisation incurred a total estimated cost of £15,000 per employee. In contrast a chain of high street stores told

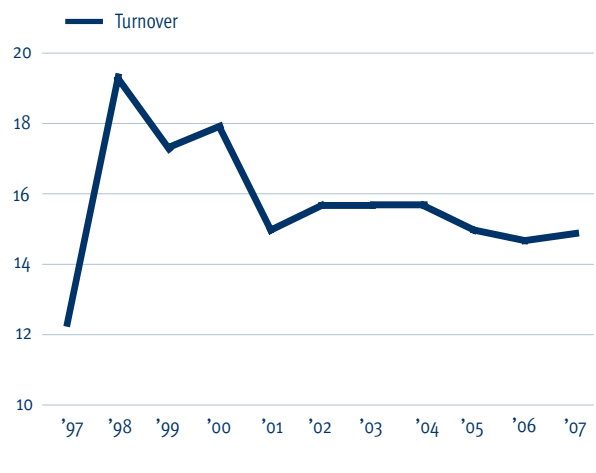
us that it cost a relatively lower average price of £3,000 to recruit a new member of staff. This included direct costs such as advertising, refunding travel and interviewing – but also ‘hidden’ costs such as the loss of productivity incurred while the position was vacant.

Average labour turnover increased slightly to 14.9% in 2007, compared with last year’s nine year low of 14.7% (Exhibit 39).

The labour turnover rate is based on the number of employees who left the respondent’s organisation – for whatever reason – between 1 January and 31 December 2007. The formula used to calculate turnover is:

$$\text{Labour turnover} = \frac{\text{number of leavers}}{\text{average number employed}} \times 100$$

EXHIBIT 39 Labour turnover 1997-2007 (%)



This figure masks some wide variation between and within sectors, ranging from 31% in retail to 13% in the public sector (Exhibit 40). The highest labour turnover rates were almost 2.5 times greater than the lowest turnover rates – the largest gap for three years. There did not appear to be any correlation between labour turnover and the rates of absence or morale.

... but satisfaction with the turnover rate also rose – to 83%

The survey asked participants whether they consider their turnover rates to be too high, about right, or too low (Exhibit 41). While turnover rates have not changed markedly since last year, the number of firms who feel turnover is ‘about right’ increased from 67% last year to 83%. The smallest companies continue to be most likely to think staff turnover is ‘about right’ (83%), whereas medium-sized companies of 200-499 employees reported a satisfactory rate of only 63%.

Turnover varied by region and organisational size

Staff turnover varies significantly by region (Exhibit 42). The highest level of staff turnover was found in the Southern region (22%). The lowest turnover rates were found in the West Midlands, Northern Ireland and Scotland (all 11%).

Medium-sized companies continued to have the highest turnover rate with 19%. The lowest turnover rates were found in the smallest and largest organisations (12% and 14% respectively).

Over two thirds (70%) of employers believe job security has stayed the same

Respondents were asked how they perceive job security in their organisation (Exhibit 43). Perceptions of job security have remained relatively stable since 2006. Over two thirds (70%) believe it has stayed the same and 10% that it has increased. Job security is felt to have risen most among the IT/hi-tech services (31% felt it had increased), and fallen most markedly in the public sector (where 28% felt it decreased) and hotels, restaurants & tourism sectors (where 42% reported a decrease).

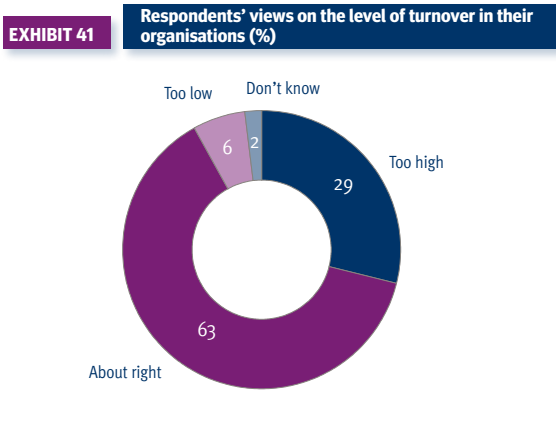
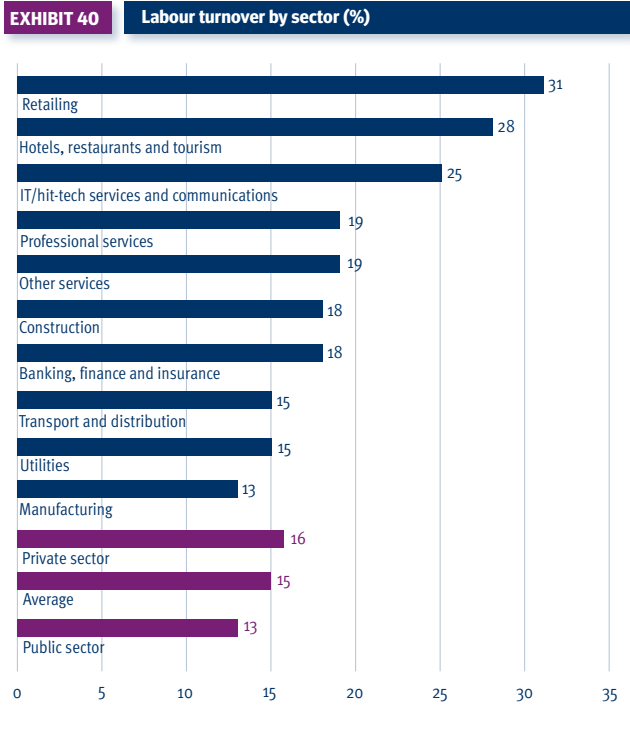


EXHIBIT 42 Staff turnover by region (%)

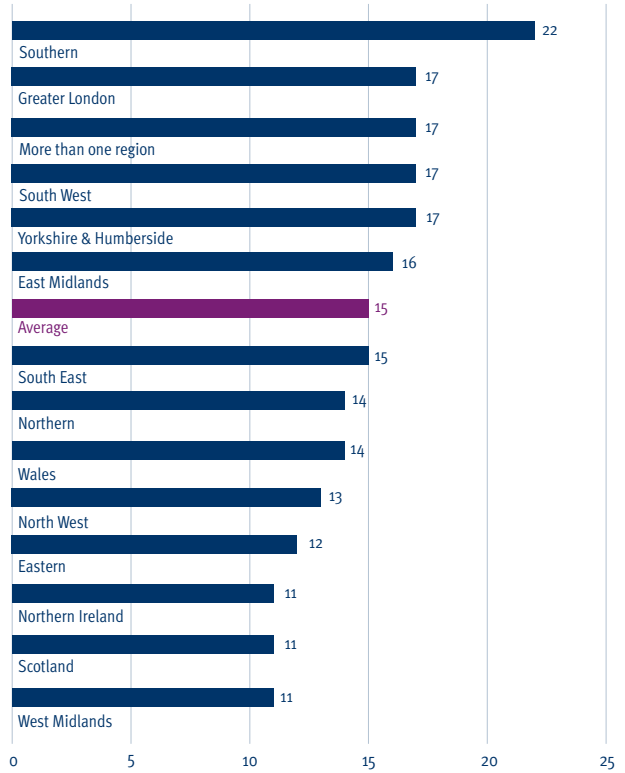
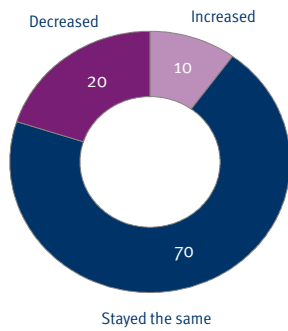


EXHIBIT 43 Overall perceptions of job security (%)



References and notes

- 1 Based on ONS labour market statistics first release, February 2008, which reported that 21.89 million were in full-time employment, and 7.51 million in part-time employment, in the three months to December 2007. Taking full-time equivalents, this means 25.65 million were employed
- 2 According to the *UK Business Activity, Size and Location report 2007* (ONS)
- 3 Absence is defined as any absence from work excluding public holidays, annual leave or statutory leave (such as maternity or paternity leave)
- 4 Based on ONS labour market statistics February 2008, which reported that 25.65 million were employed
- 5 The average cost of absence was £851 per employee in the quartile, so absence cost £74 a day. The worst quartile represents 49% of the total number of employees in the respondent base
- 6 Based on the figures from 19 March 2008 public sector employment press release (ONS), which reported 5.78 million people were employed by the public sector
- 7 DTI Trade union membership 2006
- 8 The average cost of absence was £851 per employee and there were 325,000 employees in the quartile; equivalent to 49% of all employees in the respondent base. The figure quoted is extrapolated across the 12.5 million employees therefore represented in this quartile across the UK economy
- 9 *Just What the Patient Ordered: Better GP Services*, CBI, September 2007, available from www.cbi.org.uk/pdf/gpservices0907.pdf
- 10 Copies of the HSE Guidance *Managing Sickness Absence and Returning to Work* are available from the HSE bookshop, www.hsebooks.com, tel: 01787 881165. A desk aid for small businesses is available free of charge from www.hse.gov.uk/pubsns/indg399.pdf
- 11 G Waddell and A K Burton, *Is Work Good For Your Health and Well-being?* London, The Stationery Office, 2006
- 12 Dame Carol Black's review can be viewed at <http://www.workingforhealth.gov.uk/Carol-Blacks-Review/Default.aspx>
- 13 *Just What the Patient Ordered: Better GP Services*, CBI, September 2007, available from www.cbi.org.uk/pdf/gpservices0907.pdf
- 14 See for example David Coats and Catherine Max, *Healthy Work, Productive Workplaces: Why the UK Needs More Good Jobs* (The Work Foundation, London Health Commission, 2005)

Questionnaire sponsored by



CBI QUESTIONNAIRE

Absence and labour turnover survey 2008

CONFIDENTIAL

Please complete and return to Robert Don by: Friday 1 February 2008

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T: +44(0)20 7395 8065 F: +44(0)20 7240 8287

Email: robert.don@cbi.org.uk

YOUR COMPANY DETAILS

(Please complete as fully as possible before moving on to the survey)

Your name

Your position

Company name

Site

Address

Postcode

Telephone

Fax

Email

The CBI absence and labour turnover survey, sponsored by AXA, is the only authoritative long-term survey on absence and labour turnover – trends data is available from 1987. The survey presents a unique analysis of absence in the – its costs, its causes and the ways that organisations manage it. Your participation is vital to ensure the survey remains accurate and that it continues to provide a valuable benchmark for employers, the CBI and government.

All data will be processed on a strictly confidential and anonymous basis. Copies of the report detailing the main results of the survey will be available free of charge to all participants. Participants will also be invited to attend the CBI/AXA absence management conference on Wednesday 14 May 2008 at a substantially discounted rate.

If you require a copy of the report please complete the name and address details on this cover. If you wish to receive the results but return your questionnaire anonymously, please contact Norma Simpson, tel 020 7395 8155. If you have any queries on the questionnaire itself please contact Robert Don, tel 020 7395 8065.

For office use only:

Your organisation

1 Please indicate the sector in which your organisation **primarily** operates (please tick **one** box only).

- | | | |
|---|--|---|
| 1 <input type="checkbox"/> Agriculture | 2 <input type="checkbox"/> Utilities | 3 <input type="checkbox"/> Manufacturing |
| 4 <input type="checkbox"/> Construction | 5 <input type="checkbox"/> Hotels, restaurants and tourism | 6 <input type="checkbox"/> Professional services (legal, consultancy) |
| 7 <input type="checkbox"/> Retail | 8 <input type="checkbox"/> Transport and distribution | 9 <input type="checkbox"/> Banking, finance and insurance |
| 10 <input type="checkbox"/> IT/hi-tech services and communication | 11 <input type="checkbox"/> Other services | 12 <input type="checkbox"/> Public sector |

2 Please indicate where your organisation **primarily** operates (please tick **one** box only).

- | | | |
|--|---|--|
| 1 <input type="checkbox"/> Operating in more than one region | 2 <input type="checkbox"/> Greater London | 3 <input type="checkbox"/> East Midlands |
| 4 <input type="checkbox"/> West Midlands | 5 <input type="checkbox"/> South Eastern | 6 <input type="checkbox"/> South West |
| 7 <input type="checkbox"/> Yorkshire and Humberside | 8 <input type="checkbox"/> Eastern | 9 <input type="checkbox"/> Wales |
| 10 <input type="checkbox"/> Scotland | 11 <input type="checkbox"/> Southern | 12 <input type="checkbox"/> Northern Ireland |
| 13 <input type="checkbox"/> Northern | 14 <input type="checkbox"/> North West | |

3 Please indicate the number of employees in your organisation.

| | |
|------------|----------------------|
| Manual | <input type="text"/> |
| Non-manual | <input type="text"/> |

Absence in 2007

4 Please indicate the average number of days of absence **per employee** and the average percentage of working time lost between 1 January and 31 December 2007.

| | | |
|---|--|--|
| Average number of days absence per employee | Manual <input type="text"/> days | Non-manual <input type="text"/> days |
| Average percentage of lost working time | <input type="text"/> % | <input type="text"/> % |

Causes of absence

5 In your organisation, which were the **three** main causes of absence in 2007? (Please tick **three** boxes for manual and **three** boxes for non-manual.)

| CAUSES OF ABSENCE | Manual | Non-manual |
|---|--------------------------|--------------------------|
| Illness | <input type="checkbox"/> | <input type="checkbox"/> |
| Illness related to unhealthy lifestyle (eg obesity) | <input type="checkbox"/> | <input type="checkbox"/> |
| Paid sickness absence seen as entitlement | <input type="checkbox"/> | <input type="checkbox"/> |
| Home and family responsibilities | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal problems (eg drink/drug/relationship problems) | <input type="checkbox"/> | <input type="checkbox"/> |
| Attending/waiting for NHS medical appointments | <input type="checkbox"/> | <input type="checkbox"/> |
| Poor management | <input type="checkbox"/> | <input type="checkbox"/> |

6 In your organisation, which of the following are the **four** main **types of illness** that cause short-term absence and long-term absence? (Please tick **four** boxes in each column.)

| TYPES OF ILLNESS | SHORT-TERM | | LONG-TERM | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Manual | Non-manual | Manual | Non-manual |
| Minor illness (colds, flu etc) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Back pain | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other musculoskeletal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Work related stress/anxiety/depression | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-work related stress/anxiety/depression | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Heart/blood pressure problems | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Respiratory problems | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Cancer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Work related injuries | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-work related injuries | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) _____ | | | | |

7 How does your organisation define long-term absence? (Please indicate the **minimum** number of days which qualify as long-term absence, indicating whether this represents calendar days or working days by deleting as appropriate.)

Long-term absence definition: calendar/working days or more

8 Please tell us what proportion of absence spells (ie incidents of absence) in 2007 became long-term absences? %

9 Please tell us what proportion of total working time lost in 2007 was due to long term absences? %

Absenteeism

10 Do you believe non-genuine sickness absences occur on a regular basis in your organisation?

- No
- Yes, across the organisation
- Yes, in certain locations or among certain groups of employees

11 What percentage of the total sickness absence in your organisation do you believe is not due to genuine sickness? %

12 In your organisation, do you consider that there may be a link between patterns of absence and the following factors?

| | Yes, definitely | Yes, possibly | No | Don't know |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Mondays/Fridays | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Summer/Christmas/school holidays | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Special events – eg cricket/football internationals | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) _____ | | | | |

Lost time at work

13 Do you believe employees with internet access regularly waste working time on non-work related internet activities (such as social networking or shopping websites)?

- No
- Yes, across the organisation
- Yes, in certain locations or among certain groups of employees

14 What percentage of total working time do you believe is lost due to employees with internet access pursuing non-work related internet activities during working hours? %

15 Does your organisation currently have a policy to restrict non-work related internet access?

- Yes, access restricted to non-working hours (eg lunch break)
- Yes, access denied
- No
- No, but we are considering introducing

16 In your organisation, has it been necessary to discipline or dismiss any staff for persistent poor attendance or internet abuse during 2007?

- | | Poor attendance | Internet abuse |
|-------------------|--------------------------|--------------------------|
| No | <input type="checkbox"/> | <input type="checkbox"/> |
| Yes, disciplinary | <input type="checkbox"/> | <input type="checkbox"/> |
| Yes, dismissal | <input type="checkbox"/> | <input type="checkbox"/> |

17 Does your organisation currently recognise one or more trade unions? Yes No

18 Please indicate the total number of working days lost to industrial action in 2007 (please use **all** if you cannot provide disaggregated data).

- | | Manual | Non-Manual | All |
|--|----------------------|----------------------|----------------------|
| Number of days lost to industrial action | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Effectiveness of absence policies

19 Compared to 20 years ago when this survey began, absence rates are now around 2 days per employee lower than they were. What do you believe are the **three** main reasons for this decline in absence? (Please tick **three**.)

- Medical advances
- Improvements in National Health Service
- Healthier lifestyles
- Closer monitoring of absence
- Improved attendance management policies
- Changing workforce culture
- None of the above

20 What triggers the use of your absence/attendance management policy? (Please specify the number of days of absence or the number of absence spells.)

| | Please specify number |
|--|--------------------------|
| A specific number of days of absence per employee | <input type="text"/> |
| A specific number of spells of absence per employee | <input type="text"/> |
| Don't have an absence/attendance management policy that includes triggers for further action | <input type="text"/> |

21 Please indicate which absence management policies you operate and which **three** you perceive to be most effective. (Please tick each policy you operate for manual and non-manual staff and tick **three** boxes for both manual and non-manual for most effective.)

| | MANUAL | | NON-MANUAL | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Operate policy | Most effective three | Operate policy | Most effective three |
| Discipline procedures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Giving absence statistics to supervisors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Waiting days before occupational sick pay is payable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rehabilitation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Absence record examined during redundancy selection | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Return to work interviews | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Attendance bonuses or similar | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Employer-funded medical/occupational health provision | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Private medical insurance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Health and wellbeing services (eg healthy living advice and support) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Dedicated medical advice and support line | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Flexible working | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

22 Do you provide occupational sick pay in addition to statutory sick pay?

| | |
|-------------------------------------|--------------------------|
| No (please continue to question 24) | <input type="checkbox"/> |
| Yes, for all staff | <input type="checkbox"/> |
| Yes, for some staff | <input type="checkbox"/> |

23 For how long do you provide occupational sick pay? (Please specify the maximum number of weeks which employees are entitled to.)

At full rate of pay weeks At reduced rate of pay weeks

24 What **three** measures from government, if any, would most help your organisation to improve staff attendance? (Please tick up to **three** boxes.)

| | |
|---|--------------------------|
| Tax relief for provision of health benefits | <input type="checkbox"/> |
| More flexible GP opening hours | <input type="checkbox"/> |
| Improved availability of GP's services near workplace | <input type="checkbox"/> |
| Capability-focused medical certificates | <input type="checkbox"/> |
| Better information/support for employers to help deal with mental health issues | <input type="checkbox"/> |
| Improved partnership working with GPs and other occupational health professionals | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> |
| Other (please specify) _____ | |

Well-being policies

25 Which of the following flexible working policies does your organisation operate?

| | | | | | |
|---------------------------|--------------------------|-------------------------------|--------------------------|-------------------|--------------------------|
| Part-time work | <input type="checkbox"/> | Flexitime | <input type="checkbox"/> | Term-time working | <input type="checkbox"/> |
| Career breaks/sabbaticals | <input type="checkbox"/> | Job-sharing | <input type="checkbox"/> | Annualised hours | <input type="checkbox"/> |
| Compressed hours | <input type="checkbox"/> | Teleworking/working from home | <input type="checkbox"/> | | |

26 Do you have policies in place for stress management and for rehabilitation of employees to assist them in returning to work from absence?

| | Stress Management | Rehabilitation |
|----------------------------|--------------------------|--------------------------|
| Yes, a formal policy | <input type="checkbox"/> | <input type="checkbox"/> |
| Yes, informal arrangements | <input type="checkbox"/> | <input type="checkbox"/> |
| No arrangements | <input type="checkbox"/> | <input type="checkbox"/> |

27 Which practices does your organisation use as part of its stress management and rehabilitation policies? (Please tick all that apply.)

| | Stress Management | Rehabilitation |
|-------------------------------------|--------------------------|--------------------------|
| Flexible working | <input type="checkbox"/> | <input type="checkbox"/> |
| Counselling | <input type="checkbox"/> | <input type="checkbox"/> |
| Training programmes | <input type="checkbox"/> | <input type="checkbox"/> |
| Case management services | <input type="checkbox"/> | <input type="checkbox"/> |
| Occupational health support | <input type="checkbox"/> | <input type="checkbox"/> |
| Job reorganisation/redesign | <input type="checkbox"/> | <input type="checkbox"/> |
| HSE management standards for stress | <input type="checkbox"/> | N/A |
| Guidance from another source | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) _____ | | |

28 What measures, if any, has your organisation implemented to promote the well-being of your employees and their families? (Please tick all that apply.)

| | For employees | For employees and their family |
|---|--------------------------|--------------------------------|
| Healthy diet advice/encouragement | <input type="checkbox"/> | <input type="checkbox"/> |
| Physical fitness advice/encouragement | <input type="checkbox"/> | <input type="checkbox"/> |
| Employer-funded medical check ups | <input type="checkbox"/> | <input type="checkbox"/> |
| Smoking cessation support | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal counselling | <input type="checkbox"/> | <input type="checkbox"/> |
| Support dealing with drink and substance misuse | <input type="checkbox"/> | <input type="checkbox"/> |
| Work-life balance advice/support | <input type="checkbox"/> | <input type="checkbox"/> |
| Access to mental wellbeing support | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) _____ | | |

29 What do you perceive is the main benefit of employee well-being policies? (Please tick **one** box only.)

| | | | |
|------------------------------|--------------------------|-----------------------|--------------------------|
| More productive workforce | <input type="checkbox"/> | A healthier workforce | <input type="checkbox"/> |
| Reduced labour turnover | <input type="checkbox"/> | Improved staff morale | <input type="checkbox"/> |
| Reduced absence levels | <input type="checkbox"/> | None of the above | <input type="checkbox"/> |
| Other (please specify) _____ | | | |

30 Which do you consider the **three** most important contributors to good employee morale in your organisation?
(Please tick **three** boxes.)

- Honest feedback from supervisors
- Development opportunities
- Regular information from senior management
- Effective performance management
- Ability to influence way work is done
- Opportunity to have views represented via third party
(eg trade union/staff council members)
- Praise for job well done
- Other (please specify) _____

31 Which **three** areas need the greatest improvement in your organisation? (Please tick **three** boxes.)

- Honest feedback from supervisors
- Development opportunities
- Regular information from senior management
- Effective performance management
- Ability to influence way work is done
- Opportunity to have views represented via third party
(eg trade union/staff council members)
- Praise for job well done
- Other (please specify) _____

32 How do you consider morale in your organisation? (Please tick **one** box only.)

- | | | | |
|---------------------|--------------------------|--------------|--------------------------|
| Poor | <input type="checkbox"/> | Satisfactory | <input type="checkbox"/> |
| Needing improvement | <input type="checkbox"/> | Good | <input type="checkbox"/> |

Cost of absence

- 33** Please estimate the total **direct cost** of sickness absence in 2007 – ie salary cost of absent individuals, replacement costs (eg temporary staff or additional overtime) and lost service or production time. £
- 34** Please estimate the **direct cost** of absence as a percentage of your payroll. %
- 35** Please estimate the **total indirect annual cost** – eg lower customer satisfaction – of sickness absence in 2007. £

Labour turnover in 2007

- 36** How many employees did you have at the start of January 2007? (Please use **all** if you cannot provide disaggregated data.)
- Manual Non-manual All
- 37** How many employees did you have at the start of January 2008? (Please use **all** if you cannot provide disaggregated data.)
- Manual Non-manual All
- 38** How many employees left your organisation in 2007? (Please use **all** if you cannot provide disaggregated data.)
- Manual Non-manual All
- 39** How significant are the following reasons for leaving in your organisation? (Please tick one box for both manual and non-manual for each possible cause, indicating its level of significance where 1 = low significance and 5 = high significance.)

| | MANUAL | | | | | NON-MANUAL | | | | | |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------|
| | Low | | | | | Low | | | | | High |
| | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | |
| Leaving for new job | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Redundancies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Retirements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Dismissals | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

40 How do you consider your turnover rate?

| | Too high | About right | Too low | Don't know |
|------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Manual | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-manual | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

41 How has job security among your employees changed in 2007?

| | | | | | |
|-----------|--------------------------|-----------------|--------------------------|-----------|--------------------------|
| Increased | <input type="checkbox"/> | Stayed the same | <input type="checkbox"/> | Decreased | <input type="checkbox"/> |
|-----------|--------------------------|-----------------|--------------------------|-----------|--------------------------|

Thank you for completing this questionnaire

