

Short and long-term absence management

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Case Study: PhotoGifts – Management of absence and long-term ill health

PhotoGifts employs 120 members of staff at its one site. The company buys blank products such as mugs, coasters and t-shirts, onto which it prints customer photos. The company also has sophisticated HP Indigo printers capable of producing photobooks, posters and calendars. Whilst you haven't heard of PhotoGifts, you have probably seen their products, as they act as a fulfilment house for major supermarket retailers.

Although the traditional photo print industry has declined rapidly (most digital photos are never printed), the photo gifts sector has maintained steady growth over the past 10 years. PhotoGifts started out as a photo print company, and some of its employees have worked with the company for over 30 years. The company does not recognise trade unions. The previous HR manager set up a works council of representatives from each department, but this has not met for over a year.

The company previously had an on-site HR Manager and HR Assistant but now share an HR Business Partner with their sister company. The HR BP provides training for all new line managers on people management, including managing absence. She also runs mandatory refresher training annually. Despite this, managers still complain that they do not have the skills necessary to manage people's ill-health, and to decide what absence should and should not be included when measuring how much time people have had off work.

The company has low employee turnover but has identified an emerging problem with long-term ill-health absence.

Absence patterns and sick pay

The company has noticed a worrying trend in absence patterns linked to length of service:

- Employees with under two years of service are entitled to no company sick pay. The company records show that absence (calculated as 'lost time') among those with less than 2 years' service is 0.3%.
- This jumps to 9% among those with 2-5 years' service and 14% among the 5+ years' service group. Those with more than 2 years' service are entitled to a maximum of five weeks' full sick pay in a calendar year.
- Managers are allowed to increase this at their discretion: this has led to wide variations in how much paid time off those with long-term ill-health conditions receive.
- Managers complain that some staff seem to take a couple of weeks of sickness off each year in the same way that they take annual leave.

Absence management

The company has an absence management process which uses 'trigger points'. After 10 days of absence, or three periods of absence in a rolling 12 month period, an informal meeting is held by the line manager with the employee. This 'informal' meeting is recorded and a trigger point set for the employee. This trigger point will depend on the pattern of the previous absence.

If the trigger points are reached, then the employee can be taken to the stage of a First Written Warning for absence under the company's disciplinary process. Two years ago, a member of staff had their employment terminated for absence. Since then, no one has progressed beyond a Final Written Warning for absence.

Staff frequently complain about receiving warnings 'for legitimate sickness that you wouldn't want me spreading to other people'. Managers of hourly-paid production staff tend to use this process quite robustly whereas the absence of salaried staff is rarely recorded or sanctioned. As the Head of Marketing explains, 'if my team are off, then the work is generally here for them when they are back to catch up on or, if they aren't too ill, they like to work at home.'

Upper-limb disorders

The company is aware that half of all absences, both short- and long-term are linked to upper-limb disorders likely to be caused, or worsened, by the repetitious nature of many of the work tasks involved in the manufacturing processes. Doctors' notes received frequently cite conditions such as tendonitis, tennis elbow, and carpal tunnel syndrome, which affects the wrist.

The company aims to reduce the incidence of upper-body strain by rotating employees around different tasks. This also provides it with skills flexibility to manage fluctuating demand across its product range (there is a 400% increase in demand for photo mugs before Fathers' Day!). The company is aware that some of its employees may have a disability caused by their work. The company takes the view that they can only provide modified tasks to a very limited number of employees, and only on a short-term basis.

Managing long-term ill-health absence

The company manages long-term ill-health under its performance capability process, which mentions 'ill-health capability'. Managers can often express confusion as to which process to use if a member of staff has a pattern of absence. This led to an employee in Marketing who suffers from migraines being managed in the firm's long-term ill-health capability process while another employee, also a migraine sufferer, has been taken through the stages of the disciplinary process for his absence.

Questions:

1. Are there aspects of the systems that are open to misuse by either managers or employees?
2. Are the systems for managing short term absence and long term health capability effective?
3. What are the potential risks for the company in terms of its current approach to managing absence?
4. What responsibility should the company take for its potential role in causing long term health conditions?
5. Based on your answer to Q4, what actions should the company take in respect of upper limb disorders?