Counting the cost – Sickness Absence in the Workplace

The Cost

According to a recent survey the median cost of absence for a private sector employer per employee is £522 per year and for the public sector £835 per year (CIPD Absence Management Survey 2016).

Efficiently handling employee sickness and an employee’s return to work is important to reduce costs and also to maintain a productive and positive employee-employer relationship. If the employment relationship turns sour, further costs are likely giving rise to possible legal claims and wasted management costs. Employers should not simply hope for the best, on the contrary, it is important that sickness absence, whether it is short term persistent absence or long term, is managed efficiently.

To ensure sickness absence is managed correctly businesses need to have:

- Clear procedures for dealing with sickness absence
- Return to work protocols

Employers should also have arrangements in place for seeking medical reports from the employee’s GP or from an occupational health specialist, to establish a basic diagnosis and prognosis particularly where the employee is on long term sick leave.

Reported Increase in the Level of Stress and Mental Ill Health Conditions

The CIPD survey found stress and mental ill health conditions to be the most common causes of long term sickness absence or repeated short term absences. It found:-

- Nearly a third of respondents reported that stress related absence in their organisation had increased in 2016; and
- 40% of the organisations surveyed indicated an increase in reported mental health problems, such as anxiety and depression.

Management style and workload are among the main reasons cited as the cause of stress at work. Moreover, employees are reluctant to discuss their mental health with their employer. So what can an employer do to effectively manage stress and mental health issues in the workplace?
Practical Steps

There should be a policy in place to deal with stress and mental health issues in the workplace. The policy should indicate where employees should go for help. The policy should be brought to the employees’ attention and the business should consider promoting flexible working options to improve work life balance.

Other measures that should be put in place to help identify and deal with employees who may be suffering from work-related stress include:

- Training line managers to recognise and manage stress in their teams of employees
- Line managers should conduct return to work interviews to establish the reasons for the absence and to identify appropriate measures to assist the employee
- Making changes to the employee’s working arrangements if appropriate

Identifying problems as soon as possible has proven to be the most cost efficient way of dealing with stress related problems in the workplace.

Risk of Disability Discrimination Claims

Under the Equality Act 2010, a person is disabled if they have a physical or mental impairment which has a substantial and long term adverse effect on their ability to carry out normal day to day activities. An employee suffering from depression or other mental health conditions may be disabled for the purposes of the Equality Act.

If an employee is disabled for the purposes of the Equality Act, the employer is required to make reasonable adjustments to support the employee in the workplace and/or to facilitate their return to work after a period of sickness absence.

Reasonable adjustments can include a range of measures such as:-

- Reducing the employee's working hours;
- Allowing the employee to use paid or unpaid leave for appointments related to their health; and
- Changes to their working environment or allowing home working.

Taylor Walton will be holding a series of free employment law workshops aimed at businesses without a dedicated in-hour HR resource to explore the complex area of sickness absence in the workplace. The workshops will include advice on stress and mental health issues in the workplace and how businesses should handle this difficult issue.
The dates of the workshops are as follows:

- Tuesday 25 April 2017 (Taylor Walton’s Luton Office)
- Thursday 4 May 2017 (Taylor Walton’s St Albans Office)
- Thursday 11 May 2017 (Taylor Walton’s Luton Office)

To book your place register online at www.taylorwalton.com or contact the events team by telephone on 01582 731161 or by email events@taylorwalton.co.uk.