NAO
NATIONAL AUDIT OFFICE

Managing Attendance in the Department for Work and Pensions

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CONTENTS

PREFACE

The Department for Work and Pensions, including its executive agencies (the Department), is the largest employer in central government, with 140,000 staff-in-post (headcount) in 2003-04 (around 130,000 staff on a full-time equivalent basis). Its ability to assist people to find jobs, deliver benefits and carry out a range of other important activities depends on the experience, skill and effort of its staff.

Levels of sickness absence are influenced by a range of factors including:

■ the nature of the work and the characteristics of the workplace (for example, staff with regular contact with the public may experience more stress and in the private sector absence rates tend to be much higher in contact centre environments than other settings);

■ employee profile (the age, gender and grade of staff); and

■ the scale of organisational change, which may have an impact on morale.

The Department faces a major challenge in relation to all these factors. It had an average sickness absence of 12.6 days per person in 2003-04: one of the highest levels in the Civil Service. Adjusting for its employee profile can make a difference, however, and a Cabinet Office survey in 2002 which took account of these factors reported its adjusted average number of days off as 8.6 days (compared with an unadjusted figure of 10.8 days), which was lower than that of two major bodies with comparable responsibilities, the Inland Revenue and Customs and Excise[1].

In common with other Civil Service departments, the Department has been set targets since 1998 to reduce levels of sickness absence. The Department, including its agencies, has already taken a range of initiatives to improve attendance, including introducing a new attendance management policy in 2003. There are no 'quick-fix' solutions to managing attendance and changes in the nature of the work being performed (for example, with a shift to more contact centre type activites and a more pro-active approach to helping people into work) and the scale of organisational change may be making its task harder. Absence rates have not yet fallen. Levels of sickness absence on this scale have a significant impact on the Department's performance, on the well-being of those who do come to work and on the use of public money. This is particularly important at a time when the Department is expected to reduce its staff numbers by 30,000 full-time equivalents by 2008.

In view of the significance of staff to delivery of services to the public, we examined:

■ the factors influencing the Department's attendance record;

■ the procedures in place to manage attendance; and

■ how they were applied in practice.

The nature of much of the Department's work, the internal organisational and cultural changes currently taking place, and the characteristics of many staff (many of which tend to be associated with higher rates of absence) all have an impact on levels of absence. It is not just a matter of introducing procedures; levels of absenteeism are also influenced by factors such as employees' health, their motivation and attitudes.

Nevertheless, the Department has strengths on which to build, including strong attendance management policies, high levels of staff commitment and the experience of many good managers at a local level. It has the potential to achieve substantially better performance by doing more to ensure that these good management policies and practices are adhered to systematically across the Department. The key areas the Department needs to continue its work on include reinforcing the **culture** of attendance in the organisation; better **communication** of their attendance policies; more effective use of **management information** in managing attendance; and improved **support for managers** in fulfilling the role expected of them.

The National Audit Office assessed the Department's performance against widely recognised good practice. We were assisted in this by attendance management experts from the Institute for Employment Studies and the Institute of Work Psychology. Our report is produced at a time when the Department is itself reviewing the success of its attendance management policy. It also comes at a time when the Secretary of State for Work and Pensions is undertaking a review of the future management of public sector sickness absence.

1   Analysis of Sickness Absence in the Civil Service, 2002 – AON Limited for the Cabinet Office.

EXECUTIVE SUMMARY

1   The Department for Work and Pensions (the Department) is the largest employer in central government, with 142,000 staff in post (headcount) in 2003-04, or over 25 per cent of civil servants. Staff are a crucial resource for the Department, and their skills, knowledge and enthusiasm are vital if it is to provide a high quality service. This is particularly important at a time of continuing change in the way in which Government interacts with citizens – be they, for example, pensioners, the disabled or those looking for work. Departmental staff undertake a wide range of tasks including dealing with benefit applications by telephone, by post and face-to-face, claim processing and decision-making, giving personal advice to jobseekers, designing policy, and providing a range of support functions. Against this background, this report examines how successfully the Department is dealing with levels of sickness absence amongst its staff.

Managing attendance is a major challenge for the Department at a time of considerable organisational and cultural change

2   The majority of staff have good to fair attendance records. A third took no sick leave in 2003-04, while 62 per cent had fewer than five days off. And when the Department's absence rate is adjusted for differences in employee profile for gender, age and grade it is in fact lower than the weighted figures for two other major government bodies with comparable responsibilities, the Inland Revenue and HM Customs and Excise[2]. Nevertheless, the Department loses a very significant amount of time to sickness absence - an average of 12.6 days per person in 2003-04 – one of the highest in the civil service. This is equivalent to 5 per cent of the Department's staff being absent on any given day. This is not a new phenomenon – the equivalent figure for the former Department of Social Security was 12.4 days in 1999. Absence was recognised as a significant problem in that Department and in the former Employment Service[3] which, in common with other civil service bodies, have had targets to reduce sickness absence since 1998.

3   Research shows that the level of absence in an organisation is influenced by factors such as employees' health, their motivation and attitudes, the characteristics of the workplace (including the amount of stress arising, for example, through confrontational situations) and employees' domestic responsibilities **(Figure 1)**. In addition, part-time, female and lower-graded employees all tend to have higher rates of absence, as do those who deal with the public. The Department has large numbers in all these categories. The majority of staff are in the most junior grades, and 28 per cent, mostly women, work part-time. Many staff have roles which bring them into contact with the public, where they may be required to give unwelcome news about eligibility for benefit or discuss complex or personal matters, which may lead to confrontational situations.

2   Analysis of Sickness Absence in the Civil Service, 2002 – AON Limited for the Cabinet Office.
3   Merged with the Department of Social Security to form the Department for Work and Pensions in 2001.

1 Summary of factors influencing absence

Health and lifestyle factors

Genuine illness/poor health
Smoking
Excessive use of alcohol
Lack of exercise
Body weight

Work place factors

Working patterns
Health and safety concerns
Travel times
Excessive hours

Sickness Absence

Attitudinal and stress factors

Job satisfaction
Career satisfaction
Intention to leave
Organisational commitment
Stress
Absence culture

Domestic and kinship factors

Gender
Number of children under 16
Other family commitments
Lack of flexible working arrangements

Source: Institute of Employment Studies

4 The management of staff has to be seen against the background of major organisational and cultural change within the department. The Department for Work and Pensions was created in 2001 from a merger of the former Department of Social Security and staff from the employment elements of the Department for Education and Employment. The Employment Service and parts of the former Benefits Agency became Jobcentre Plus (which will not be fully rolled out until 2006), while services for pensioners have been brought together in The Pension Service. Other main service delivery units include the Child Support Agency, which is also undergoing major change as it introduces reformed child support arrangements, and the Disability and Carers Service **(see Figure 5)**. The Department is also responsible for The Appeals Service.

5 These and other changes will continue for some years, and are affecting the nature of many jobs within the organisation, for example, the increased personal contact with those seeking work and the increasing proportion of work performed in contact centres and other centralised processing centres **(Figure 2)**. Such change can be expected to influence attendance levels. The announcement in March 2004 of plans to reduce the number of staff in the Department by some 30,000 (full time equivalent) by 2008 further adds to the challenge facing managers.

2   Staff within the Department have experienced a wide range of change in recent years

Organisational changes

DWP Created

Jobcentre Plus created and offices rolled out

Pension Service created

Centralised processing centres replacing local offices

Cultural and other changes

Screens removed from Benefit Offices

New pay and performance appraisal system introduced

CS2 launched

Pension Credit launched

Expansion of the role of Personal Advisors

Reduction of 30,000 job announced in budget

2001   2002   2003   2004   2005   2006   2007   2008   2009   2010

Source: National Audit Office

The Department continues to fall well short of targets for sickness absence levels agreed with the Cabinet Office

6　In 2002, the Department agreed new targets with the Cabinet Office (which has overall responsibility for staffing issues across government) to reduce sickness absence to an average of 10 days working days lost per member of staff by 2004 and eight days by 2006. This would bring the civil service closer to private sector average levels of sickness absence **(Figure 3)** (Private sector averages mask differences between sectors and type of working environment. For example sickness absence in private sector contact centres, with activities similar to some parts of the Department, can be amongst the highest of all industrial sectors).[4] The Department will not achieve its 2004 target, averaging 12.6 working days lost per employee in the 2003-04 financial year. This represents 5.1 per cent of staff time.

4　Income Data Services Ltd, Pay and conditions in call centres 2004.

7　Despite the impact of business change within the Department, the recent rate of absence month by month has improved from a peak of 14 days on average in November 2003 to 11.9 days in April 2004, although this is partly due to seasonal variation. The overall figure reflects the improving performance in Jobcentre Plus. In The Pension Service, sickness absence rates were worse throughout 2003-04 than in 2002-03, while in the Child Support Agency, absence rates have worsened steadily since November 2003, against the background of problems with the implementation of child support reforms.

3 Days lost to sickness absence
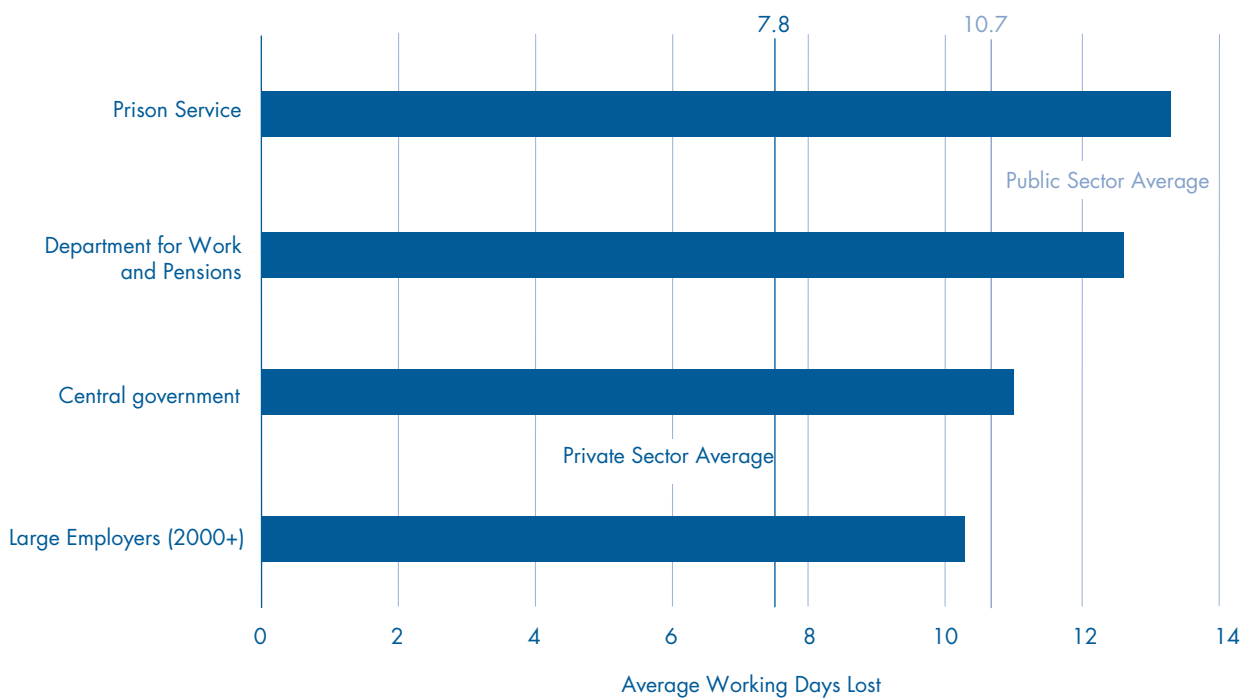
Sources: CIPD, Employee Absence 2004; NAO analysis of Department for Work and Pensions sickness absence data; Comptroller and Auditor General's report: The Management of sickness absence in the Prison Service (HC533 2003-04)

8   Overall figures mask large differences in the performance of local operational units. In Jobcentre Plus, absence at district level ranged from 8.7 to 18.4 average working days lost, and there was a similar range of performance across Child Support Agency business units and Pension Centres. There is no consistent regional pattern and our visits to good and poor performers across the agencies indicated that sustained management attention to attendance issues was the factor that made an impact. Variations also occur between different categories of staff. The sickness absence rate of Grade 7 managers, for example, is around one quarter of more junior grades. Women lose an average of 2.2 more days per annum due to sickness absence than men.

9   Although over 40 per cent of absences are for one day, some 70 per cent of the total time off is accounted for by periods of 28 calendar days or more, the Department's measure of long term absence. Since January 2003, a taskforce within Jobcentre Plus – by far the largest agency - has been working with managers to ensure that long-term absentees are dealt with promptly, and since January 2004, the Department has been taking further action to deal with the 4,000 longest cases of absence.

This is beginning to have an impact. In Jobcentre Plus, during 2003-04 there was a net reduction of 300 long-term absentees. The main causes of absences (in terms of the percentage of working days lost) are summarised below **(Figure 4)**.

10   Absence on the scale experienced by the Department is expensive. The cost of salary payments to those on sickness absence in 2003-04 was around £100 million, 3.6 per cent of the Department's total salary costs. The Department will always incur some direct costs in paying staff who are on sickness absence so it would be impossible to save this sum. Nor is it possible to judge the impact on total costs because in some cases staff cover for absent colleagues' work. However, the opportunity cost could be reduced through successful implementation of the Department's policy now in place. For example, reducing absence to the Government's target of an average of 8 working days would lead to additional days worked - with a salary value of some £37 million a year. There are other indirect costs associated with sickness absence, including the cost of administering absences, management time spent considering solutions, and the impact of additional pressures on staff covering absent colleagues'

4 Main causes of absence

Other 17.2%

Mental and behavioural disorders 28.4%

Digestive System 4.4%

Injury and poisoning 5.8%

Musculoskeletal and connective tissue 7.3%

Infections and Parasitic 8.3%

Respiratory System 10.4%

Symptoms, signs and ill-defined conditions 18.2%

Source: Department for Work and Pensions sickness absence 2002-03
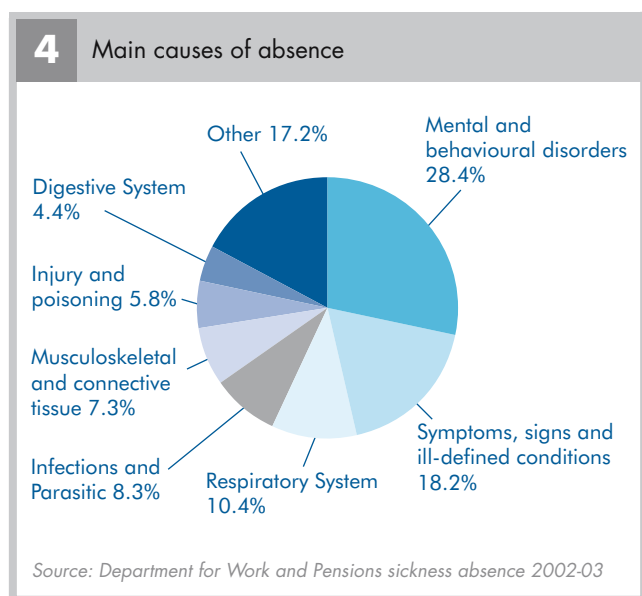
work. Absence also impacts on the performance of the Department, for example, in terms of its ability to meet targets for benefit processing, and is likely to feed through into increased error rates where inexperienced staff are substituting for others.

The Department has the opportunity to make significant improvements in performance through improved human resource policies

11   As one of the biggest employers in the country, the Department has in place a range of policies to promote attendance and manage sickness absence. Human resource policies such as good terms and conditions, equal opportunities and health and safety policies, all play a role in encouraging people to work for the Department, and managers are usually able to offer flexible working arrangements to those who need them.

12   We found that staff and managers at all levels in the Department accepted that absence was a serious issue and staff attendance needed to be improved in order to use its resources more efficiently, ensure Government targets are met, a good service provided to the public, and its responsibilities as an employer to all staff are fulfilled. Each business unit has been set targets to improve performance, and since 2002 performance has been reported to the Department's Executive Committee and its board. In January 2004, the Executive Committee responded to slow progress towards the Cabinet Office targets by setting up a Senior Attendance Management

Steering Group, which has had an impact in tackling priority areas. However, the evidence from our interviews and focus groups is that some managers still perceive a conflict between attendance management and priorities such as delivering against performance targets or achieving business change, and continue to give it a low priority.

In 2003 a new attendance policy was introduced across the Department's agencies, emphasising the role of line managers

13   In February 2003, the Department introduced a new attendance management policy as part of a range of human resource policy developments, including changes to leave arrangements, discipline and performance appraisal. These were designed to bring together existing policies within the Department and help managers motivate and encourage staff to improve performance. The policy places increased emphasis on the role of line managers in operating the new arrangements, including those for attendance management. Human resource specialists located within the Department's business units are expected to provide advice and support to managers.

14   The Department's attendance policy accords with good practice in providing a set of clear, consistent procedures for managing sickness absence across its businesses (see Figure 5). It encompasses the use of trigger points for managers to consider action where attendance is considered unacceptable; return-to-work interviews with all staff who have been absent; advice for managers on taking a range of actions to deal with absences; flexible working; support for those returning to work, and access to occupational health advice.

The policy could have been introduced more effectively

15   Although the absence management policy accords with best practice it could have been introduced more effectively. All staff were issued with a booklet before the policy was introduced, explaining the forthcoming changes. Local managers were asked to cascade information to staff following presentations on the policy. However, we found that many staff did not recognise the policy had changed significantly, and some aspects such as the scope for discretion and the support available to staff were overlooked. The full policy document is

available on the Department's intranet, although many suggested that a short summary document would have been more helpful. In summer 2004, the Department published on its intranet a short guide for line managers summarising the key points of the policy and highlighting the actions they are required to take.

16 Line managers are expected to implement the procedures with expert assistance from human resource teams in each business unit. These teams were in a period of transition when the policy was introduced and as a result support to line managers was less comprehensive when it was needed most. The launch of the policy also resulted in an increase in occupational health referrals of 9 per cent during 2003-04, for which the contractor was not prepared, resulting in delays. This in turn has affected the ability of some managers to tackle attendance cases promptly.

Generally, staff and managers at local level understand and follow the basic procedures but there has been inconsistency in managing absence

17 The requirements to report absence and conduct return-to-work interviews are well understood within the Department. All staff with whom we came into contact were aware of the 8-day trigger point at which management action should be considered. However, there was less knowledge of other aspects of the attendance policy such as long-term absence procedures, the scope to provide return-to-work support and the employee assistance programme, despite some advice being contained in the guidance.

18 Although the policy sets out the required procedures clearly, at local level we found that there was little shared understanding of how they should be implemented. Managers were aware of their responsibility for implementing attendance policy but were insufficiently clear about the respective roles and responsibilities of line managers, senior managers and human resource teams, which were interpreted in different ways across the Department's business units.

19 The attendance policy expects managers to use judgement, sensitivity and common sense when managing attendance, while being sympathetic, firm, fair and consistent. While the majority of managers with whom we had contact told us they were confident in handling absence amongst their staff, in the discussions with the

NAO and its expert consultants, many were concerned about their ability to handle some aspects of managing attendance. Few had received specific training. Similar conclusions have been drawn from the Department's own 2004 evaluation and survey work. Since January 2004 all newly promoted line managers in Jobcentre Plus are required to undergo training which should ensure they have the skills to comply with the requirements of the attendance management policy. Some felt that the requirements of the policy could conflict with their other duties, especially around team building and team support. Issues remain about whether managers are clear about their role and responsibilities and consider them part of their job, the time taken to carry out the required procedures, and how confident managers are in making decisions about complex cases.

20 As a consequence, there has been inconsistent treatment of staff who have reached the 8-day trigger point, and there is a perception amongst some that the policy was implemented unfairly. Different standards were also applied by some managers which resulted in delays in taking action against staff with unsatisfactory attendance. For some, the trigger point was followed by a warning. On the basis of the information available for 2003-04 (which is not complete), more than 2,000 oral warnings and a further 434 written warnings were issued. In about a third of cases, however, no action had been considered. Ultimately, unsatisfactory attendance can lead to dismissal, which happened in 400 cases across the Department in 2003-04.

Good support mechanisms are available to staff but they could be better used

21 As well as dealing appropriately with staff who are absent, the Department's policies provide for measures to prevent absence or enable employees to return to work. The use of part-time and flexible working and workplace adjustment arrangements is widespread and the Department has taken steps to raise awareness of this further. There have been some local initiatives to prevent sickness, promote good health, or provide better support to staff, such as on-site occupational health advice. Managers can find it difficult to offer changes to employees' job roles, particularly for those who have problems with dealing with the public.

22   An occupational health service provided by Atos Origin and costing £2.2 million in 2003-04 is available to advise on measures to assist return to work or prevent absence. Many managers do not understand properly what the service can be used for. Referrals have increased since the introduction of the attendance management policy, resulting in a backlog of cases (more than 300 cases were not cleared within the target time in April 2004) and delays in managers receiving reports on staff with absence problems. Managers commented to us that this made it difficult to manage actively an individual's attendance and, in view of difficulties, in June 2004 the Department agreed a plan with Atos to clear outstanding cases. Atos Origin is also running a series of awareness workshops to explain to managers the role of occupational health. The Department also has an employee assistance programme (costing £2.8 million in 2003-04), but although the majority of staff know about the programme, awareness of the full range of services is low.

Managers need better access to timely, accurate management information to allow effective management of attendance

23   The availability of good quality information – both at local level for day to day management, and in summarised form at senior level – is essential. To monitor staff absence, managers rely on absence data produced by the Department's two payroll systems. This data is updated using paper systems, is slow to process and managers lack confidence in its accuracy. This is not unjustified as a review in early 2004 found that many of the longest absence cases were incorrect. Few local managers have access to the systems. As a result, numerous local databases have been set up to improve accuracy and circumvent access difficulties.

24   This lack of access to timely, reliable data also inhibits local analysis of patterns of absence, the identification of specific issues, or action to deal with them. The Department recognise that poor management information is a significant barrier to progress on managing attendance and has developed a new staff information system, to be rolled out by the end of 2004, which will allow data to be entered on-line and should improve access to absence data for managers.

RECOMMENDATIONS

25   The Department has a long term problem of sickness absence but has recognised the importance of achieving good staff attendance and taken action to improve its arrangements. It has the potential to achieve substantially better performance by doing more to ensure that good management policies and practices, which have already been developed and introduced, are adhered to systematically across the Department. There is no quick fix solution. The key areas the Department needs to continue its work on include reinforcing the **culture** of attendance in the organisation; better **communication** of their attendance policy; more effective use of **management information** in managing attendance; and improved **support for managers** in fulfilling the role expected of them. These key areas show that tackling sickness absence is about more than just implementing procedures, it is also about influencing the motivation and attitudes of staff, as well as highlighting responsibilities.

26   As well as raising efficiency and performance, improvements in absence levels would deliver significant productivity improvements. To help achieve this, we recommend that the Department should:

To reinforce the culture of attendance

1   Underline the Department's commitment to reduce absence and improve workplace health.
The Department and the Health and Safety Executive have developed a framework for the delivery of improvements to health and safety, including sickness absence. This should include re-emphasising senior management commitment to delivering improvements; clear rules and targets; a work environment which better recognises good performance and attendance; more intensive support to overcome problems that lead to long-term absences; and the implementation of measures to reduce ill-health, focusing on key areas, such as stress, identified by absence data.

To communicate attendance policies better

2   Consider a Department-wide relaunch of the attendance policy as amended. The Department needs to make sure that it communicates clear, consistent messages to all staff to develop a shared understanding of its aims and targets, employees' roles and responsibilities, and the support available. The relaunch should emphasise senior management commitment to securing good attendance management and take account of lessons learned from the Department's own evaluation and our work.

To use management information more effectively

3   Use management information to better analyse patterns of absence and target interventions on areas which are likely to deliver significant improvements in attendance. The Department is developing a new staff information system to manage attendance rather than relying on the two current payroll systems, which do not provide timely, reliable data because of delays in data input and lack of validation of data. The new system needs to get accurate information to managers more quickly, permit effective monitoring of compliance with procedures, and enable managers locally to identify and tackle causes of absence.

To ensure managers can fulfil their role

4   Strengthen the monitoring of management actions. Inconsistent treatment of absentees and failure to manage absences actively are factors in preventing improvements in attendance. Business partners, the human resource specialists located in the Department's business units, need to provide more support for senior managers to ensure consistent application of procedures and that appropriate action is taken to manage individual absences.

5   Consider reassigning responsibility for some elements of attendance management from the most junior managers. Whilst it is good practice for line managers to deal with day-to-day absences, disciplinary processes and the management of very long-term absences require more specialist knowledge which it is unreasonable to expect of inexperienced first-line managers. This might be overcome by involving middle managers in unsatisfactory absence cases or giving responsibility to a specialist absence manager at operational level in each region.

6   Provide more support for line managers. Many managers lack the knowledge and confidence to manage attendance effectively. Their competence levels could be improved by mentoring for new managers, an easy-to-follow guide to the key elements of attendance management and the availability of direct contact with a medical professional (for instance, on-site occupational health nurses as piloted by the Child Support Agency).

7   Develop more effective attendance management training. Managers need more training to ensure attendance policies are implemented fairly and consistently; in how to deal with difficult personal issues; in how to raise staff morale; and in what to expect from occupational health. The Department also needs to encourage more staff to take up training to develop key management skills.

8   Clarify the role of occupational health and other welfare support and ensure performance targets are met. The Department should focus the efforts of occupational health on support for longer-term absences and rehabilitation. It should work with Atos Origin to ensure they meet the agreed performance targets. Greater use should be made of the Employee Assistance Programme for short-term issues and to provide management advice. The Department should make greater use of information on the issues presented to the providers to identify underlying causes of absence.

9   Spread information on good practice actions widely amongst managers. The table overleaf sets out key examples of good management which our fieldwork indicates should be followed in implementing the Department's policy at a local level.

Good line management practice

1   Ensure absent staff make early contact with the organisation. Absences should be recorded on the first day of absence and closed immediately on the individual's return to ensure that information is accurate and can be relied upon. Managers should agree minimum 'keeping in touch' arrangements at the first point of contact and maintain regular contact with staff until their return.

2   Managers should know the absence records of their staff and check that they are accurately reflected on the Department's systems. Offices should use available management information to review regularly staff sickness absence at office and individual levels and identify patterns and trends which may indicate external causes.

3   Managers should carry out return to work interviews after each absence to establish any underlying reasons for absence and to demonstrate concern for the employee's welfare. There should be clear guidance on the content and conduct of the interviews and they should be used to agree on actions to be taken with employees to help improve their attendance.

4   Where trigger points are reached, managers must consider what action should be taken and keep a record of this. Advice from the human resource business partner should be sought where managers are unsure about their options. They should initiate disciplinary action where there is no underlying medical reason for repeated absences and confirm what action has been taken with the business partner, even where disciplinary action is not appropriate.

5   Managers should take early and effective action by referring those likely to be away from work long-term, or whose attendance is irregular, to an occupational health adviser and ensure staff are aware of the full services provided by the Employee Assistance Providers.

6   Where appropriate, and with the help of occupational health advice, managers should identify the scope for offering recuperative or restricted duties to staff returning from long-term sickness absence. Adjustments should be considered in light of the work that staff are expected to do. When adjustments are being considered care should be taken to ensure that they do not negatively impact on others, for example, increasing workloads. There is no need to create jobs for staff who are unable to do the work the office requires of them.

7   A case conference approach should be considered, bringing line management, human resource specialists and occupational heath advice together to discuss persistent absenteeism. If a specialist provider is assisting the individual or someone is tracking progress of long-term cases, regular feedback should be provided to managers on the status of the case.

8   Team communication and feedback should be used to emphasise the importance of good attendance and support wellbeing initiatives. Offices should promote good health among staff members, for example, by offering information about healthy eating and healthy living, lifestyle screening, and welfare and counselling services.

9   Local support should be provided for managers through coaching by more senior managers or the business partner and mentoring of junior managers.

10 Each office should consider making one of their experienced managers a dedicated 'absence champion', specialising in attendance management issues locally.

11 Experiences, problems and good practice should be shared regularly with other offices and business units and local initiatives should be evaluated.

PART ONE

How is the Department performing in managing attendance?

1.1 The Department for Work and Pensions (the Department) is the largest of all Government Departments, employing over 25 per cent of civil servants. Staff are an essential resource for the Department and their skills, knowledge and enthusiasm are vital if it is to provide a high quality service at a time of continuing change in the way Government provides services to citizens – be they pensioners, benefit recipients, the disabled or those looking for work.

1.2 This report examines how the Department manages staff attendance, in the light of government targets to reduce sickness absence. This part considers the Department's performance and factors affecting absence levels. Part 2 discusses the policies introduced across the Department to manage attendance, and Part 3 covers how attendance is managed in practice. Appendix 1 sets out our methodology.

1.3 In 2003-04, the Department employed 142,000 people. Most work in three agencies **(Figure 5)** - Jobcentre Plus (85,000), the Child Support Agency (12,000) and The Pension Service (20,000). The majority (59 per cent) belong to the most junior Administrative Assistant (AA) and Administrative Officer (AO) grades. A further one-third, in the Executive Officer (EO) grade, act mainly as first-line supervisors or team leaders. More than a quarter of employees, nearly all of them women, work part-time. Staff undertake a wide range of tasks, including dealing with benefit applications by telephone, by post and

face-to-face, processing benefit claims and maintenance assessments, making decisions on eligibility for benefits, giving advice to jobseekers, designing and developing policy, and providing support functions. Without the effort of these staff the Department would not, for example, have been able to deliver benefits to over 16 million people in 2003-04, help 240,000 people find jobs and deal with 40,000 benefit appeals.

1.4 Across the civil service, rates of sickness absence have been a concern for some time. Annual surveys by the Chartered Institute of Personnel and Development and the Confederation of British Industry consistently show public services have higher than average rates of sickness absence.[5] In 1998, the Cabinet Office set a target to achieve a reduction in the overall average Civil Service sickness absence rate of 20 per cent by 2001, rising to 30 per cent in 2003. They recommended this be measured in terms of the number of days lost out of the number of days employees were expected to work, or average working days lost. For the then Department of Social Security, this translated into sickness absence targets of 9.3 days for 2001 and 8.0 days for 2003. The Department did not meet these targets and the average for 2003-04 was 12.6 days **(Figure 6)**. In 2002, new targets were agreed with the Cabinet Office for the period 2004 to 2006, reducing the target to 8 days for 2006.

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5   Chartered Institute of Personnel and Development, Employee Absence 2004, July 2004; Confederation of British Industry, Room for improvement: CBI absence and labour turnover 2004, May 2004.

5 Services provided by the Agencies within the Department

This chart shows information about the agencies within the Department for Work and Pensions and the services they provide to the public. The staff numbers in the table refer to the staff in post as at March 2004.

The Department for Work and Pensions

Corporate/Shared Service (approximately 8,000), including:
- *human resources (HR);*
- *finance (including Debt Management (3,000) responsible for collection of benefit overpayment debt and compensation recovery); and*
- *information technology (IT) modernisation*

Jobcentre Plus (Approx 85,000 staff)	The Pension Service (Approx 20,000 staff)	The Child Support Agency (Approx 12,000 staff)	Other (Approx 12,000 staff)
Responsible for helping people of **working age** find work and pay benefits including: ■ Jobseekers allowance ■ Incapacity benefit	Responsibility for all **pension** related business since April 2002, including the payment of: ■ Pension Credit ■ Retirement Pension ■ Winter Fuel Payments	Responsible for calculating and facilitating payment of **child** maintenance from the non-resident parent to the parent with primary childcare responsibilities where parents live apart.	Includes: ■ The Appeals Service (900) ■ Disability and Carers Service (8,000)
9 Regional offices in England plus offices for Scotland and Wales	Network of 29 Pension Centres - primarily telephone-based service	Six main centres and National Helpline	**The Appeals Service:** Responsible for the management of appeals against benefit claim decisions
1,000 local offices in 90 districts	Locally-based support services delivered in partnership with other organisations, offering face-to-face contact and home visits	■ 30 smaller offices - new applications ■ 71 local service sites - face-to-face service to customers	**Disability and Carers Service:** Provides financial support for disabled people and their carers

Source: Department for Work and Pensions

1.5 The Department recognises the need to improve staff attendance, in order to use its resources more efficiently, ensure that Government targets are met, provide a good service to the public, and fulfil its responsibilities as an employer to all staff, including those whose workload is increased when others are absent. This is particularly important at a time when it is expected to reduce staff numbers by 30,000 by 2008[6] at the same time as meeting increasingly demanding performance targets. In February 2003, the Department introduced a new attendance management policy. This was one of a range of human resource policy developments, including changes to leave, discipline and performance appraisal arrangements, designed to bring together the policies inherited from the Department's predecessor agencies and to help managers motivate and encourage their staff.

1.6 The policy places increased emphasis on the role of line managers in operating the new arrangements, including those for attendance management. Human resource specialists (referred to as business partners) located within the Department's business units provide advice and support to managers **(Box 1)**.

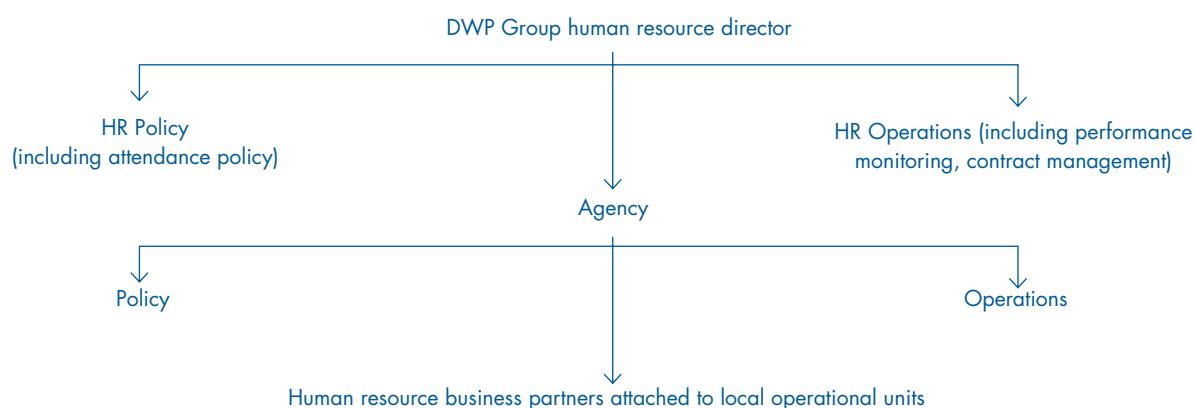| 6 | Sickness absence rates for the former Department of Social Security and for the Department for Work and Pensions 1999 to 2003-04 |

This table shows the sickness absence rates for the Department of Social Security and Department for Work and Pensions over the last five years. Because the Department for Work and Pensions decided to monitor sickness absence on a financial year basis, there is a three-month gap in the data recorded from 1st January to 31st March 2002. Also the Department of Social Security method for calculating absence rates excluded members of staff absent due to pregnancy related illness and special leave.

Year	Average Working Days Lost	Percentage of working time lost
Department of Social Security		
1999	12.5	5.0
2000	12.3	4.9
2001	12.5	5.0
Department for Work and Pensions		
2002-03	12.3	4.9
2003-04	12.6	5.1
	Targets	
March 2004	10	_
March 2006	8	_

Source: Patterns of Sickness Absence in the Department for Work and Pensions (1999-2003) and National Audit Office analysis of Department for Work and Pensions sickness data 2003-04

BOX 1

The Department's human resource structure

DWP Group human resource director

HR Policy (including attendance policy)

HR Operations (including performance monitoring, contract management)

Agency

Policy

Operations

Human resource business partners attached to local operational units

Business partners were introduced from 2003 as part a long-term project to streamline the human resource specialism across the department, devolving many traditional human resource functions to front line managers. The key roles for business partners are:

- providing expert advice on policies and practices, while ensuring consistency of application;
- aligning human resource policy work with business needs;
- managing the efficient administration of human resources; and
- listening and responding to staff.

6   Statement in March 2004 Budget, Economic and Fiscal Strategy Report, HC 301/2003-04.

The Department is undergoing considerable organisational change, which is likely to influence absence levels

1.7 Research into reasons for staff absence shows that the level of absence in an organisation is influenced by a range of factors (Figure 1 on page 4). Poor health accounts for some of this but other, non-medical factors are also important. Motivation and attitudes, including morale, job satisfaction, stress levels and levels of responsibility have an impact, as do working patterns and organisational uncertainty. In general, part-time staff tend to have higher absence levels, and time taken to travel to work and domestic responsibilities may also have an impact. Research shows that on average, female and lower-graded staff tend to have higher rates of absence, as do those who deal directly with the public.

1.8 Many of these factors apply to the Department. The Department for Work and Pensions was created in 2001 as a result of a merger of the former Department of Social Security, the Employment Service and other staff from the Department for Education and Employment. Two agencies were established in April 2002 - The Pension Service and Jobcentre Plus. The former took over the role of processing pensions and other benefits for pensioners from the former Benefits Agency and centralised its work in 29 new Pension Centres (to be rationalised to 19 by 2008), staffed by former Benefits Agency employees and new recruits. Jobcentre Plus is consolidating its local operations in 1,000 Jobcentre Plus offices, offering job search and benefits services, in a four year change programme from 2002 to 2006. The Child Support Agency is also undergoing major change, reorganising its operations to deliver reforms to the child support system introduced in 2003.

1.9 The Department is also altering the nature of many of its work processes to deliver better customer service more efficiently. Roles in the Jobcentre Plus offices mainly involve dealing directly with the public, while other services will be delivered over the telephone by contact centres. It has also introduced new and more demanding performance targets including more challenging job entry targets for Jobcentre Plus and improvements in payment accuracy rates, for instance a Pension Credit accuracy rate of 94 per cent.

1.10 This organisational change can be expected to have an impact on staff absence. There is, for example, research evidence that contact centres, of which the Department has over 70, have relatively high rates of sickness absence,[7] although there is a very wide range of performance. This makes absence amongst call centre staff amongst the highest of all industrial sectors. Such developments may be making the Department's task harder. In the Child Support Agency, for example, the Department has found that telephony workers had three more days on average of sickness absence than other operational groups.

1.11 Our consultants advised that change might affect absence in a number of ways. These include:

■ changes to an individual's job in the form of organisational structure, goals, systems, processes, technologies, personnel and tasks can all have an impact through decreased emotional and physical health;

■ organisational change could also impact on absence via reduced motivation, increased turnover and other withdrawal behaviours. During a period of organisational change, increased uncertainty or lack of clarity can lead directly to reduced psychological and physical health and therefore to absence;

■ indirectly, changes in health-related behaviours (e.g. working excessive hours, disaffection or unhealthy coping strategies such as increased smoking and drinking) can lead to poorer psychological and physical health and thus to increased absence; and

■ where new structures involve changes to work characteristics, it is possible that new jobs place more demands on the individual, particularly in the short term. Major organisational changes have also been found to have a consistently negative impact on morale, motivation and loyalty.

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7   Income Data Services Ltd, Pay and conditions in call centres 2004.

A large number of the Department's employees are from categories of staff with traditionally higher absence rates

1.12 In 2003-04, approximately one third of the Department's staff had no recorded sick leave during the year, slightly below the civil service average. However, around 110,000 staff had at least one day of sickness absence, a total of 268,000 recorded incidences in the year. This amounted to 1.72 million working days lost, equivalent to about 6,800 full-time staff, or 12.6 days sickness absence on average per employee. Excluding those who had no sick leave, for the remainder the average number was 18.6 days.
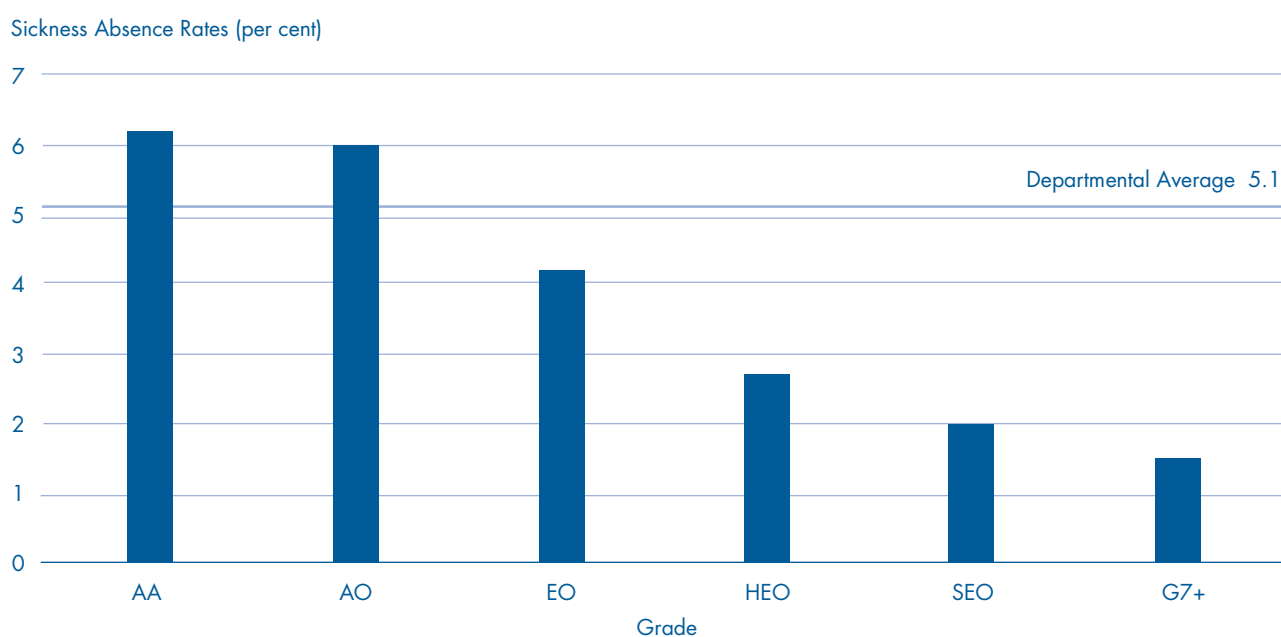
1.13 Our analysis of the Department's sickness data showed that, in line with trends elsewhere in the public sector, women lost an average of 2.2 more days due to sickness absence than men in 2003-04; 13.4 working days compared with 11.2. We also found that sickness absence was lower for higher grades of staff **(Figure 7)**. In 2003-04, Administrative Assistants (AAs) and Administrative Officers (AOs) took more sick leave than the other grades. This is likely to reflect the nature of the work. AAs and AOs are more likely to have jobs involving difficult interactions with the public, or repetitive tasks with little autonomy. In contrast, as employees' responsibilities and the ability to influence their working environment increase, they are less likely to take sick leave.

1.14 **Figure 8 overleaf** shows analysis by age. The lowest sickness absence rate is for employees between the ages of 41 to 45; the highest for those over 56. The relationship, though, is a complex one with the sickness absence rate first increasing to 5.6 per cent for staff between the ages of 26 and 30. This is mainly due to the gender effect (paragraph 1.7), since there are twice as many women than men in this age group. For employees between the ages of 41-50, the sickness absence rates dips to 4.5 per cent. This reflects the tendency for increased levels of responsibility for many staff in this age group. The rates increase again to 6.2 per cent for the oldest age group, reflecting the expected relationship between the ageing process and ill health.

1.15 The Cabinet Office commissioned a study of sickness rates across the civil service in 2002, which took the raw data and weighted it to take into account the above factors. When this was done, the Department's level of absence is closer to that of other large government departments **(Figure 9)**.

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7 Sickness Absence Rate by Grade

Sickness Absence Rates (per cent)

Departmental Average 5.1

Grade: AA, AO, EO, HEO, SEO, G7+

Source: National Audit Office analysis of the Department's sickness data 2003-04

8 Sickness Absence Rates by Age and Gender

This chart shows the relationship between sickness absence rates, age and gender in the Department.

Sickness Absence Rate (per cent)

Age Group

Legend: All | Women | Men
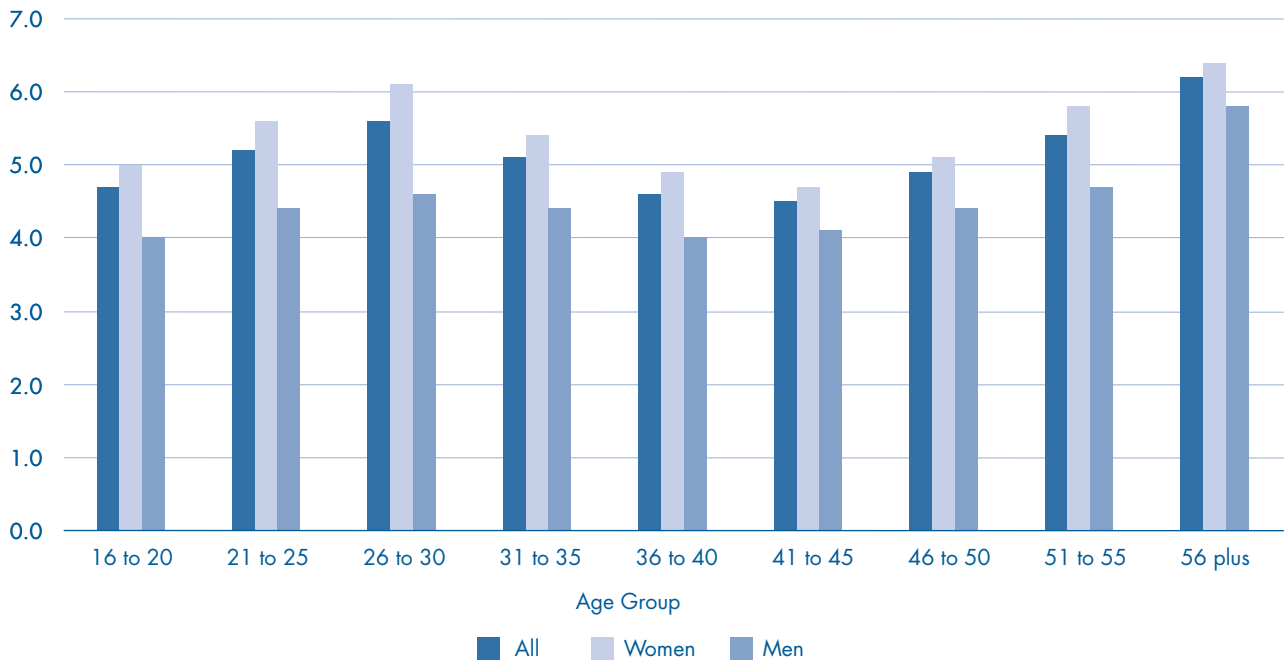
Source: National Audit Office analysis of the Department's sickness data 2003-04

9 Average working days lost per-staff-year by Department

This chart shows that the Department for Work and Pensions recorded working days per-staff-year (8.6) is lower than that of three other major departments with comparable responsibilities, after the figures are weighted to take account of differences in the employee profile by age, gender and grade.

Average working days lost (days)
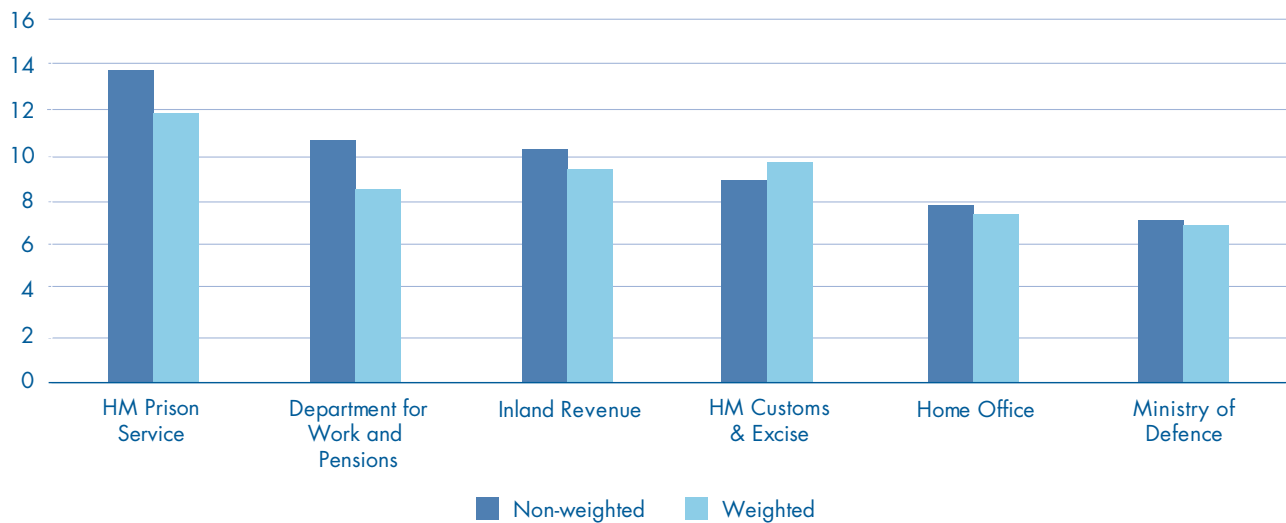
Legend: Non-weighted | Weighted

Source: Analysis of sickness absence on the civil service, 2002 - AON Limited for the Cabinet Office

A number of other factors tend to reduce levels of sickness absence

1.16 A number of other factors influence absence levels, including the level of employee commitment to the organisation. Where commitment is high, studies have shown that absence decreases. The Department's staff surveys have repeatedly shown that it benefits from a considerable degree of commitment amongst staff to serving the public.

1.17 The beneficial factors that staff commented on centre around the favourable terms and conditions of civil service employment, in particular the sick pay arrangements providing six months full pay and a further six months on half pay. Whilst for some this can be a disincentive to return to work promptly after an absence, many we spoke to noted the positive impact it had on the perception of support given to staff. The availability of flexitime, good annual leave, equal opportunities policies and part time working all appear to affect positively staff commitment and use of these policies locally seeks to reinforce this.

1.18 We found that the importance of team work within the Department and a sense of duty to colleagues also have a positive impact on attendance. A strong commitment to the team was often cited as a reason for coming into work when staff felt unwell so that others did not have to shoulder the burden of additional work (although this may not always be the most appropriate course of action). The majority of managers we met said that they felt guilty about taking time off.

Although the majority of absences are for a single day, a large proportion of the total time lost is accounted for by long-term sickness

1.19 Figure 10 shows the amount of absence taken by staff in 2003-04. 35 per cent of employees took no sick leave in 2003-04, while 362 people were off for the whole year. Nearly two-thirds of those who took sick leave over the year had eight days off or less, although this accounted for only 13 per cent of the total time lost due to sickness. The majority of the time lost is accounted for by longer spells of absence: 62 per cent of days lost were in spells of absence of 21 working days or more,[8] compared with 55 per cent for the civil service as a whole in 2002.[9]

| **10** | Sickness Absence profile of the DWP |

This chart shows the number of days staff were absent during 2003-04.

Days of absence (total days)
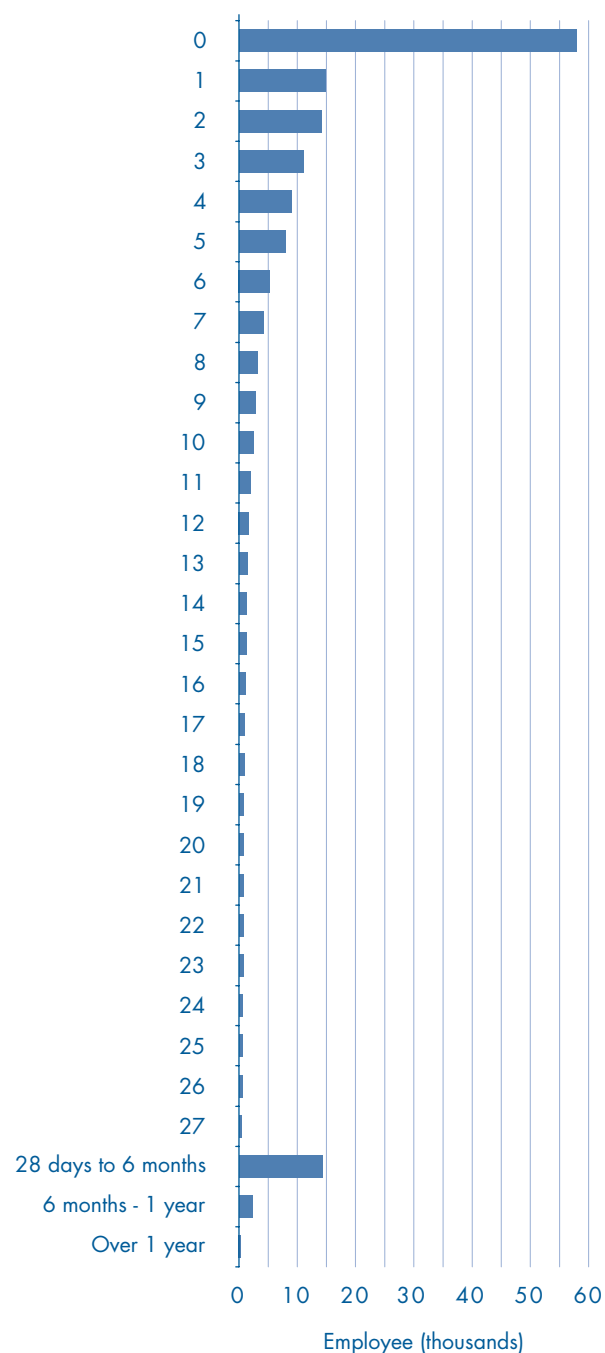
Source: National Audit Office analysis of the Department's sickness data 2003-04

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8   Based on the 251 working days available during 2003-04, 21 working days equates closely to the Department's 28 calendar days used to define long term sick.
9   Source: Analysis of sickness absence on the civil service, 2002 - AON Limited for the Cabinet Office.

1.20 Of the 268,000 incidences of sick leave during 2003-04, 101,000 were for one day. The majority were ascribed to stomach upsets, colds and flu, headaches and viruses. Short-term absences make it difficult for managers to organise work on a day-to-day basis, and cause disruption to other staff who have to cover urgent work and carry out commitments, for example, interviews with customers, at the expense of their own work.

1.21 The Department treats absences of 28 days or more as long-term cases. Many managers told us that such absences, because they were more predictable, were easier to manage, although they account for most of the salary cost of absence and require time-consuming administrative action to resolve. As at 31 March 2004, 3,900 employees had been off sick for at least 28 days, an increase of 450 in the year. Of these, 1,400 had been absent for over 90 days. Stress and depression were far the most important causes of long-term absence **(Figure 11)**.

There are large variations in performance across the Department's agencies and between offices

1.22 Figure 12 shows the trends in levels of sickness absence in each agency since the Department started monitoring sickness on this basis in 2002. Sickness rates increase in the winter months, but taking this into account, the level in Jobcentre Plus improved throughout most of 2003-04. This is despite the organisational changes which might be expected to increase levels.

1.23 For the Department overall, performance in 2003-04 was very similar to 2002-03, because the slight reduction in absence in Jobcentre Plus was balanced by an increase in the other main agencies. In The Pension Service, sickness rates were worse throughout 2003-04 than in 2002-03. Staff in The Pension Service thought this reflected the focus of managers on the demanding task of implementing the Pension Credit in October 2003. In the Child Support Agency, absence rates worsened steadily from March 2003. The Work and Pensions Select Committee commented recently on what it saw as the detrimental effect on morale and sickness levels of the implementation of child support reforms using defective information technology and telephony systems.[10]

11	Reasons for one-day and long-term absences

One-day absences		Absences of 28 days or more	
Reason given for absence	Number of incidences	Reason given for absence	Number of incidences
Stomach upsets, sickness, food poisoning	17,844	Stress, depression, anxiety	5,512
Colds, influenza	14,617	Hospital treatment, operations	1,519
Migraine, headaches	13,537	Part time on medical grounds	950
Part time on medical grounds[1]	5,855	Accident/injury, fractures	828
Viral Infection	5,477	General debility and other ill-defined conditions	651
Backache, pain in back	2,795	Pregnancy related illness	568
Sore throat	2,662	Backache, pain in back	545
Pregnancy related illness	2,458	Other bone/Joint	188
Not stated	1,999	Not stated	159
Stress, depression, anxiety	1,876	Viral infection	117
Other	32,130	Other	4,077
Total	101,250	Total	15,114

Source: National Audit Office analysis of the Department's sickness data 2003-04

NOTE

1   'Part-time on medical grounds' allows an individual to gradually return to work after a long term illness over a 13 week period. Those days not worked during this time are recorded as absent.

10   Work and Pensions Select Committee, Department for Work and Pensions Management of Information Technology Projects: Making IT Deliver for DWP Customers, HC 311/2003-04.

12 Absence levels 2002 to 2004 by Departmental agency

Average working days lost (days)
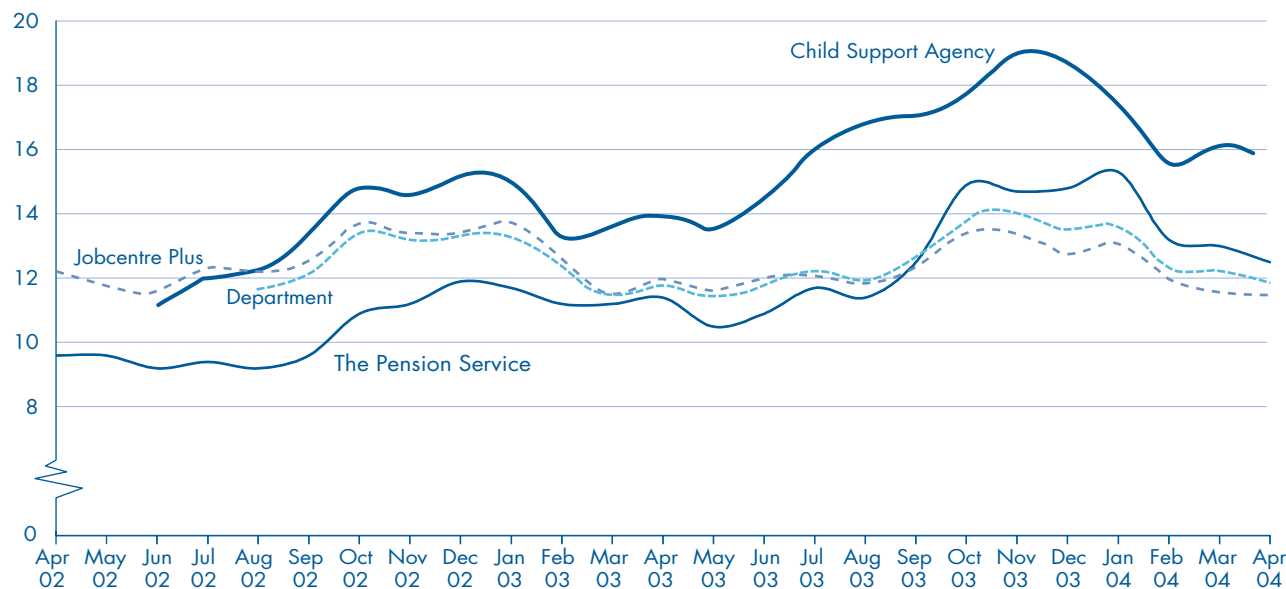
Source: National Audit Office analysis of the Department's sickness data

13 Variations in sickness within the Department's agencies 2003-04

The diagram shows the range of sickness absence by business unit across the Department's main agencies based on the data available when we planned our fieldwork in January 2004.

Average working days lost (days)
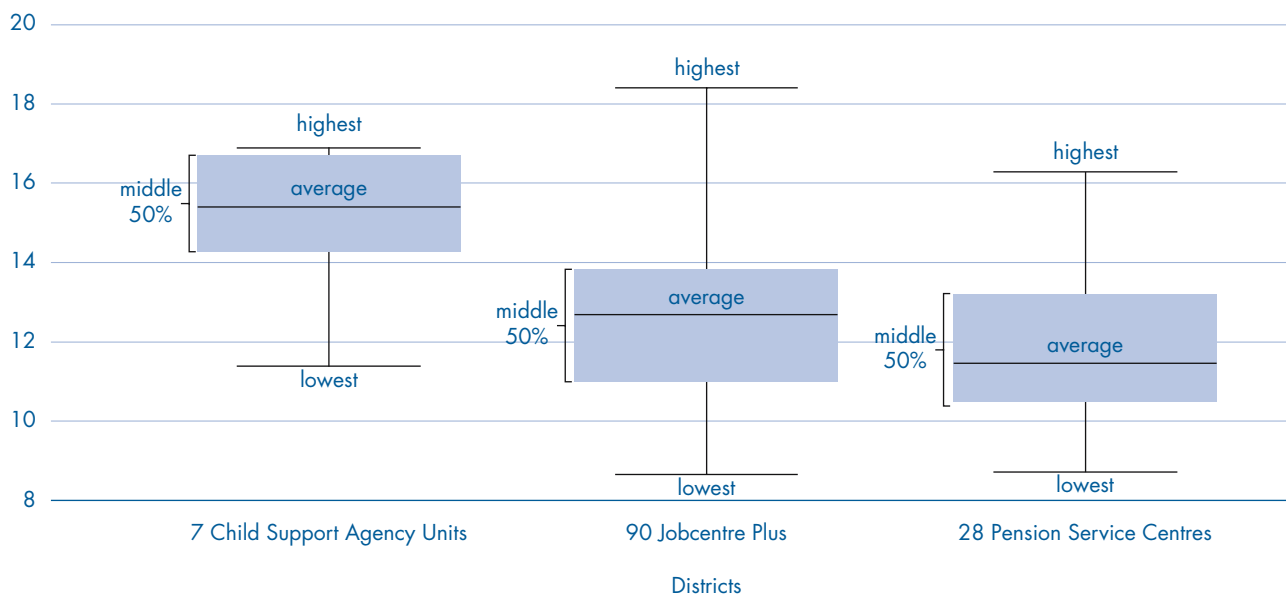
Districts

Source: NAO analysis of Department for Work and Pensions sickness absence data

1.24 There are wide variations in levels of absence across each agency's local operations **(Figure 13)**. In Jobcentre Plus, performance at district level ranged from 8.7 average working days lost in Lincolnshire and Rutland where the employment rate was high, to 18.4 days in Lambeth, Southwark and Wandsworth district which had an employment rate lower than the national average. There was also a range of performance across Child Support Agency business units and Pension Centres. There was no consistent regional pattern to this variation. For instance, Jobcentre Plus staff based in Wales had a better attendance record than any English region, but in the Welsh region of the Child Support Agency this situation was reversed. However, there are indications that sickness absence rates in Jobcentre Plus districts are associated with the local labour market conditions. Our field visits also indicated that the performance of different offices was associated with local factors, such as the stability of the workforce and the quality of the working environment.
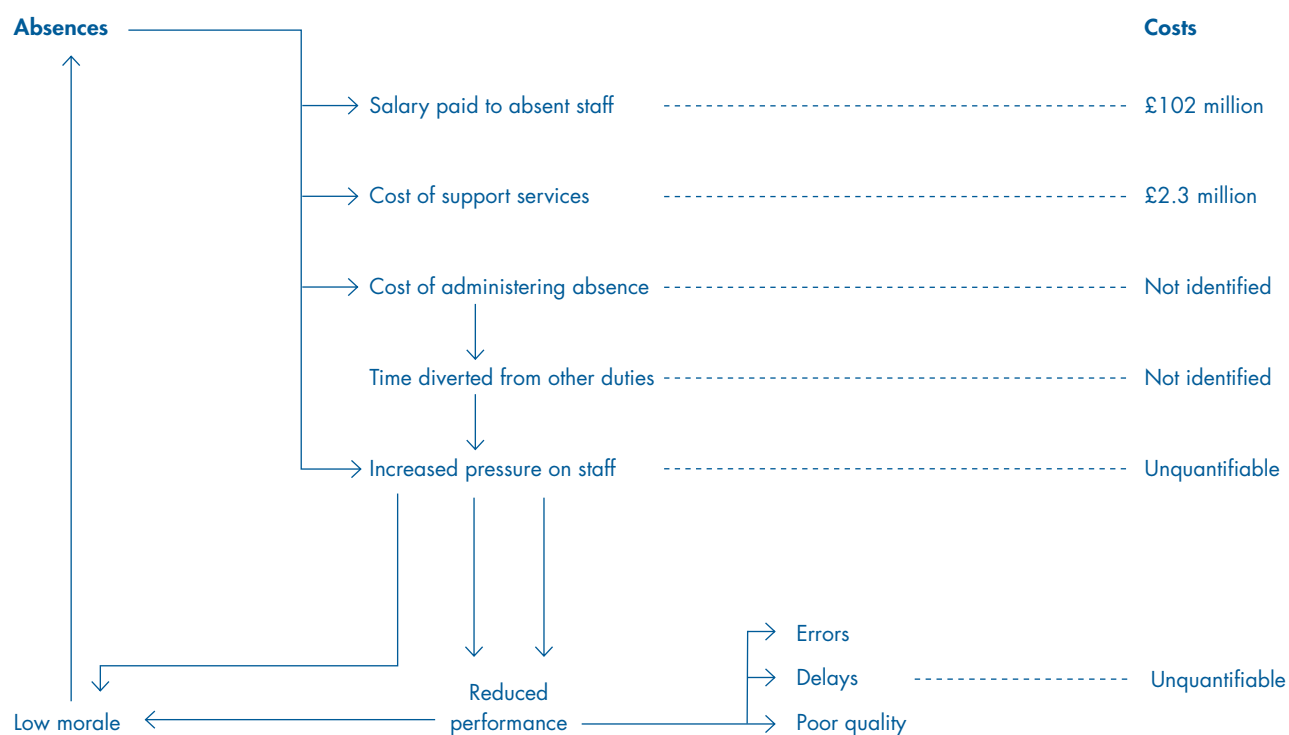
The Department could reduce some of the direct and indirect costs of sickness absence through implementing its new policy

1.25 Absence from work has direct and indirect costs for the Department **(Figure 14)**. In 2003-04 salary payments of £102 million were paid to staff who were off sick (around 3.6 per cent of the Department's total salary costs), an increase of around £7 million from 2002-03. The Department will always incur some direct costs associated with sickness absence so it would be impossible to save this sum. However, the figure could be reduced through successful implementation of the Department's policy now in place. For example, reducing the average absence rate by one day, from 12.6 to 11.6 days, would lead to potential productivity gains of some £8 million.

1.26 Direct staff costs are also incurred in administering sickness absence - recording, reporting and monitoring absences, conducting return-to-work interviews and taking further action to assist people on return to work and to deal with unsatisfactory absence. Other direct costs to the business include the cost of overtime and in some cases temporary cover for staff covering absences. The Department could not make a reliable estimate of how much of these costs were attributable to absence. Occupational health and employee assistance services are provided through external suppliers and we estimate the cost of sickness absence-related work under these contracts was approximately £2.3 million in 2003-04.

1.27 Absence has a range of other business impacts, many of which are unquantifiable. Staff who are not absent have increased workloads and face additional pressure which may in turn cause them to take time off. Resulting low morale affects staff. Management time is consumed by handling the additional administration required to deal with staff absence. Reduced performance affects the quality of service provided to the public and the accuracy of benefit processing and decisions.

14 Consequences of sickness absence

Absences   **Costs**

Salary paid to absent staff   ---   £102 million

Cost of support services   ---   £2.3 million

Cost of administering absence   ---   Not identified

Time diverted from other duties ---   Not identified

Increased pressure on staff   ---   Unquantifiable

Errors

Delays   -------------------   Unquantifiable

Low morale ← Reduced performance → Poor quality

Source: National Audit Office

Has the Department developed effective arrangements to improve attendance management?

2.1 This part examines how the Department introduced new procedures for managing attendance across its businesses, their impact, the mechanisms in place to support them, and how they are being evaluated. Part Three considers how these practices are being implemented by managers and staff.

The Department has introduced unified policies which largely accord with good practice

2.2 Attendance management has been the subject of extensive study, and good practice across many organisations is well-documented. Appendix 2 summarises good practice drawn from publications from the Cabinet Office, Confederation of British Industry, the Institute for Employment Studies and the Work Foundation. We used this to assess the Department's policies and procedures **(Box 2)**. The Employment Rights Act 1996 also requires employers to provide staff with information on any terms and conditions relating to incapacity for work due to sickness or injury, including any provision for sick pay.

BOX 8

The Department's attendance policy against widely accepted good practice

			Accords with good practice?
1	Demonstrate senior management's commitment to improving attendance	There is a clear organisation-wide attendance policy and reducing levels of absence is a corporate priority reflected in a Key Performance Indicator.	Yes
2	Establish and disseminate clear procedures on the management of attendance and systems for reporting and reviewing sickness absence	Procedures for reporting, recording and managing absence are clear, including the responsibilities of staff and their line managers. The expected role of human resource support is not clear except in cases of unsatisfactory absence, when they are required to be consulted before written warnings are issued.	Yes except for lack of clear human resource role
3	Actively manage short-term and long-term sickness absence	Review points are specified including obligatory return-to-work interviews and an 8-day trigger for managers to consider action where absence is causing concern. Procedures are set out for active management of short-term and long-term absences. A flow chart sets out the expected actions in cases of long-term absence, with action specified at 28 days, 3, 6 and 12 months, including referral to the Occupational Health Service.	Return to work interviews and trigger points are good practice. Some weaknesses in procedures for long-term absence.
4	Take steps to minimise sickness absence – preventative measures	The Department makes available flexible working patterns to most staff, and has strong health and safety policies. Occupational health and employee assistance services are available. Measures to help staff deal with exceptional pressures can be taken at local discretion, but local management may have limited scope to do so. There are good local health promotion practices but they are not applied widely.	Yes but scope for more widespread preventative measures
5	Train staff and managers	An explanatory booklet was issued to all staff, workshops on attendance held for managers, and a training package is available through e-learning, but take-up has been low.	More could be done to communicate what is expected of managers.
6	Evaluate policies and initiatives	An evaluation of the policy, including compliance with procedures and their impact on attendance, is under way.	Yes

2.3   After its establishment in 2001, the Department for Work and Pensions sought to bring together the human resource practices of its predecessor bodies into a set of unified policies, for all business units.[11] One of the first of these, the national attendance management policy,[12] was introduced in February 2003. Appendix 3 highlights the main changes from previous policies. As the former agency arrangements had only recently been developed with help from the Institute of Employment Studies and the Work Foundation, the Department was confident they reflected good practice, although some inconsistencies had to be eradicated.

2.4   Box 2 summarises the principles of the new policy. It resulted in significant change for many staff in the required approach to managing attendance. In particular:

■   responsibility for managing attendance now rests entirely with line managers, including the decision making on individual cases;

■   the level at which action against unsatisfactory attendance may be considered has been standardised at 8 days in a rolling 12 month period - a change from 12 days in the former Employment Service;

■   return to work interviews should be held after every absence; and

■   every member of staff must have an attendance management plan containing an up-to-date rolling record of attendance.

The Department is committed to improving attendance levels but needs to challenge an organisational culture which in places gives it a low priority

2.5   The commitment of senior managers to attendance management policies is vital to tackle an organisational culture where absence is accepted. Not all managers we interviewed saw the value of managing attendance effectively. For example, some thought management actions would not make any difference to sickness levels, or that other organisational priorities took precedence. Some were prepared to tolerate high levels of absence if they could still meet their targets for business delivery, in part to avoid confrontational situations. To counter

this type of view, the Department is issuing posters highlighting the local cost of absence throughout the organisation.

2.6   Within the Department, there have been a number of initiatives led by senior management. In December 2002, before the launch of the new attendance policy, all staff were issued with a booklet explaining the forthcoming changes, with a foreword from the human resource director stressing the need to keep absence to a minimum, the need for active and sensitive management, and announcing the introduction of the 8-day point at which formal action could be considered. The policy, which was published on the Department's intranet in February 2003, stated that the Department was committed to a fair and consistent attendance management policy, but could have made it clearer that good staff attendance was essential to the achievement of its other performance targets.

2.7   From 2002, the Service Delivery Agreement between the Department and the Treasury has included targets for reducing sickness absence - to an average of nine days over the year to December 2004, and eight days over the year to December 2006. The Department's board now monitors performance against attendance management targets for each business, and since January 2004 has received more detailed reports on progress. Some businesses have also developed their own lower-level internal targets. For example, Jobcentre Plus and the Child Support Agency set specific targets for each district and business unit, taking account of their previous attendance record. In some cases, absence targets are included in managers' personal work objectives.

2.8   In January 2004, the Department also established a Senior Management Attendance Group, chaired by the human resource policy director and consisting of senior human resource specialists from each of the businesses. The Group aims to raise awareness of attendance management issues across the department. Since its inception it has:

■   introduced measures to improve the performance of the occupational health performance (discussed at paragraphs 3.25 to 3.30);

■   started analysis and publication of disaggregated management information to enable the examination of relative performance at office or district level;

■   supported Internal Audit work to agree a validation process for absence data to gain greater assurance of its accuracy;

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11   We use the term 'business units' to cover the Department's agencies: Jobcentre Plus, The Pension Service and the Child Support Agency, as well as the Disability and Carers Service, The Appeals Service, the Debt Management organisation and central corporate services.
12   Attendance Management Policies and Procedures, published on Department for Work and Pensions intranet, February 2003.

- began a review of training and development products to make it easier for staff to find specific products to help them manage attendance;

- overseen work with the Treasury, other Government departments and non-government organisations to explore innovative solutions to attendance management;

- examined absence levels in contact centres to identify whether they have specific problems and how they should be managed; and

- introduced the Action 4000 initiative **(Box 3)** to examine cases of particularly long term absence and consider removing such cases from managers.
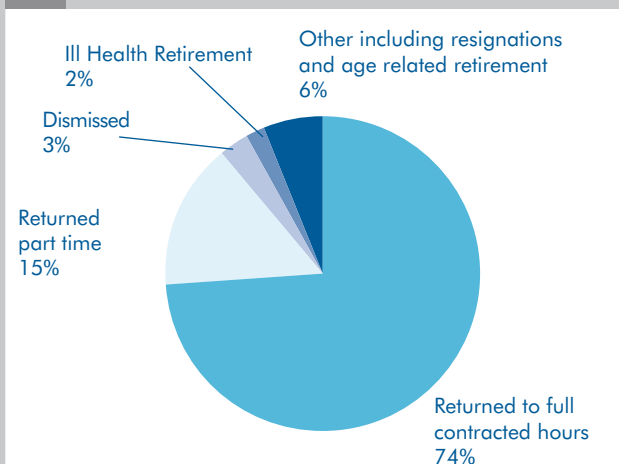
2.9 Some of these central initiatives build on earlier action within the Child Support Agency, which set up a project team in 2001 to identify how absence could be reduced, and Jobcentre Plus, which had been providing a monthly update on the attendance position to ministers since it was created. In January 2003, prior to the introduction of the attendance management policy, Jobcentre Plus - by far the largest agency - established a long term sickness taskforce to work with managers to ensure that the policy was followed where staff took 28 consecutive days absence. This is beginning to have an impact: by March 2004 there were 13 per cent fewer ongoing long term absence cases than in April 2003. During this time almost 1,000 members of staff left the department after absences of longer than 28 days **(Figure 15)**.

15 Jobcentre Plus long term absence cases resolved during 2003-2004

Ill Health Retirement 2%

Dismissed 3%

Other including resignations and age related retirement 6%

Returned part time 15%

Returned to full contracted hours 74%

Source: NAO analysis of Department for Work and Pensions sickness absence data

2.10 Despite this, staff interviewed during this study considered that not all senior managers, at both regional and national level, had been quick to focus on absence management. Staff and managers throughout the organisation recognised that attendance was an important issue, but some managers attending our focus groups felt that - notwithstanding the action described above - the Executive Team had not been taking managing attendance seriously. This underlines the importance of repeated senior management reinforcement of the key messages to ensure continuing visibility.

2.11 This perception also underlines the importance of performance levels being visible. The Department reports performance against absence targets and local managers we consulted were aware of their office's record. However, the issue was not sufficiently visible to other staff. Very few non-managerial staff were aware of their office's attendance record and its position in relation to other offices, although most were interested to find out.

2.12 In the agencies' operational regions and districts, we found that where the senior manager took a strong interest, raising the issue with subordinates, giving it a high priority and showing their involvement by collecting figures and giving feedback, procedures were being followed and absences managed actively. However, where there were no direct lines of accountability for attendance management, other issues such as delivering against performance targets and delivering organisational change, assumed a higher priority.

BOX 3

Action 4000 – Tackling the longest sickness cases

This has involved rapid and co-ordinated activities from each of the businesses and the corporate centre to reduce absence levels amongst the 4,000 people in the Department whose absence levels exceeded 90 days in January 2004. Businesses have taken corrective action on some 700 administrative errors where for example an absence record had remained open incorrectly or the individual had left the Department. Action plans have been put in place for the majority of the cases identified as requiring monthly reporting. The number of cases now being reported on dropped from 102 in March 2004 to 86 in April 2004 as a result of actions taken. These involve either agreed return to work dates or the case being submitted to the senior manager responsible for decisions on dismissal or ill-health retirement.

The approach to managing attendance in the Department is inconsistent as the roles of those involved are not always clear

2.13 The Department's policy document provides forms for use in recording and reporting absence, and examples of letters, including warnings, which might be issued, and also sets out in flowcharts the processes managers are expected to follow for managing absences. It makes use of tools, such as return to work interviews, widely recognised in both the public and private sectors as the most effective ways of managing attendance. The policy also gives line managers the central role in managing attendance and responsibility for decisions at all stages up to preparing a case for dismissal. They should be supported by a human resource business partner (Box 1 on page 17) who can advise on policy and provide guidance where necessary.

2.14 Although the policy is clear about the procedures to be followed in managing absence, there is no definition of the extent of individual responsibilities, accountabilities or contributions to managing attendance. A single absence may require actions from the line manager, senior managers, the business partner, Occupational Health Services and Employee Assistance Providers. The degree to which each are involved in an absence varies considerably depending on local interpretation and the complexity of the case. As a result, the advice managers receive can be inconsistent, so that they applied different standards in similar cases, leading to perceptions of unfairness. Although some of the managers we spoke to told us the advice and guidance they had received had been excellent, others were frustrated by a lack of practical support from human resource teams.

> "Line management are not trained in personnel issues. All the managers deal with the same issue differently - whereas they should all be treated the same independently"
>
> A manager, The Pension Service

2.15 The level of support provided to managers varies across the Department. The ratio of employees to human resource staff in the Child Support Agency is twice as high as in Jobcentre Plus **(Figure 16)**. Human resource teams were in a period of transition when the policy was launched in 2003 and not all business partners were in place when specialist advice was being sought by managers. Most business partners are experienced human resource professionals, although we found that their teams were often resourced by staff without relevant experience, limiting the amount of specialist advice available.

2.16 In addition, human resource specialists have less involvement in complex absence cases than is usual in attendance management arrangements elsewhere. Giving line managers responsibility for the day to day management of cases accords with good practice, but where attendance is considered unsatisfactory, it is common in most organisations for experts to handle the most legally demanding parts of the process, enabling managers to maintain a supportive relationship with their staff. Assistance with cases from more senior or human resource managers may enable the most junior managers to apply the policy more consistently and fairly.

The Department expects attendance to be managed actively

2.17 The Department's attendance policy gives extensive and detailed advice to managers on how to proceed with cases of absence **(Figure 17)**. It provides a clear notification procedure to be followed by employees and explains how their absence will be handled. Line managers are required to hold return to work discussions after every case of absence, the purpose of which is welfare oriented and separate from any formal unsatisfactory absence action.

2.18 In line with good practice, the Department uses separate procedures to manage long-term absence, but there is scope for a more proactive approach, for example, by including the need for managers to stay in touch with individuals at set points and consider reasonable adjustments to work environment or job to aid a return to work. At present, managers are expected to decide if an absence can be accommodated at various review points but these are after 28 days, and then at three, six, eight and twelve month intervals. The policy recognises the need for managers to help individuals improve their attendance by offering their support and that of the occupational health service (paragraph 2.24), and managers use a wide range of measures to help improve staff attendance.

16	Human resource business partners in post, 31 March 2004		
The higher number of business partners in Jobcentre Plus is influenced by its organisational structure with a large number of local offices.			
	Full-time equivalent staff in post	**Business partners in post**	**Staff per business partner**
Jobcentre Plus	79,800	120	665
Child Support Agency	11,000	8	1,375
The Pension Service	18,800	11	1,710
Other	20,400	26	785

Source: Department for Work and Pensions and NAO analysis of Department for Work and Pensions staff data

2.19 Some departments have moved away from using cumulative triggers and have adopted systems that take account of both the length of absence and the frequency combined, rather than simply the number of days. For example, in our report on *The management of sickness absence in the Prison Service* (HC533, 2003-04), we found that the score system used to automatically trigger formal unsatisfactory attendance in the Prison Service takes into account the number of periods of absence and the number of days taken. This system also takes account of previous good attendance and aims to remove management discretion in order to ensure consistency in the way staff are treated.

2.20 During the design of the current policy the Department decided to maintain the approach used in the former agencies, although some parts of the Department also use a score system to identify irregular attendance. The eight-day trigger was already in use within the Benefits Agency and is in line with the Cabinet Office target for reducing Civil Service absence to eight days. Of concern, however, was the fact that few staff or managers we spoke to believed this target was realistic for many people. Although the full implementation of the new policy provides the opportunity to improve performance significantly, in our view, given the current situation and trends, it is likely that it will take some time to be achieved.

> "I feel we are under pressure to attend work when we are sick so as not to receive a letter from HR when you hit a very low target of having eight days sick in a twelve month period"
> Non-manager, The Child Support Agency

The Department offers support to staff to improve their attendance

2.21 In addition to support from business partners, managers can also make use of a range of preventative or supportive elements including workstation risk assessments (to identify actions to avoid work-related injury), Occupational Health Services (to provide advice on employees' health conditions) and Employee Assistance Providers (to provide advice on personal and work-related issues which might affect employees' attendance). Managers are encouraged to offer staff the option of returning to work gradually over 13 weeks on medical grounds where appropriate. The Department has introduced a new special leave policy from 1 September 2004 emphasising that managers have discretion to agree to special leave at short notice to help individuals deal with emergencies, unexpected situations and other special circumstances. To tackle the increasing levels of stress and mental illness recorded across the public sector, the Department is now introducing a policy relating to the wellbeing of staff, to assist in identifying and tackling stress **(Box 4)**.

BOX 4

Well-being at work

This is intended to tackle workplace stress. The policy is based on the Health and Safety Executive management standards and features sets of questions for managers to use to assess the levels of stress to which an individual or a team might be exposed. The Department have decided to introduce this from August 2004 following the running of pilots across the Department and positive results from subsequent focus groups. Some of the questions will comprise part of the Department's 2004 staff survey.

17 Departmental approach to managing sickness absence

Managing short term absences   **Managing long term absences**

Individual unable to attend work

Manager informed of absence

- Complete first call checklist
- Open sickness record for payroll

Review of Absence Management Plan

Individual returns to work after one day

| If absences in 12 month period under 8 days | If absences in 12 month period at or in excess of 8 days | If individual currently on unsatisfactory attendance |

Individual returns on or after 8 consecutive days

- Consider whether level of absence can be supported
- Confirm your decision with Business Partner

- Hold return to work discussion
- Close absence record with payroll
- Consider referral to occupational health

yes   no

Absence reaches 28 days

Is individual likely to return?

yes   no

Notify individual 5 days in advance of formal interview

Absence reaches 3 months

| Agree keeping in touch arrangments | Consider reasonable adjustments to assist return to work | Consider qualification for ill health retirement |

In light of formal interview, can unsatisfactory attendance be supported?

Absence reaches 6 months

yes   no

Absence reaches 12 months

Issue formal warning

Where all review periods have been exceeded

Refer to senior manager for decision to dismiss or ill health retire

Source: National Audit Office

2.22 Apart from tackling stress, the Department has not yet initiated any general health promotion exercise. In 2002, the Child Support Agency offered health screening and flu vaccinations to all its staff. Although this exercise has not been repeated nationally the evaluation of the programme has been fed into the programme of work for Occupational Health Advisors locally. In the absence of national programmes we found that some local offices had launched initiatives aimed at preventing ill-health **(Box 5)**, but these were often isolated to that office or a geographical region.

2.23 We discussed with managers what measures they thought were needed to improve attendance. Our focus groups identified health screening as one of the top five actions chosen by both managers and non-managers to improve attendance **(Box 6)**. Both categories of staff told us they thought stress management training would improve attendance, along with better people management. Large numbers also suggested introducing attendance bonuses, although we consider that until known good practices are adopted across the organisation, the case for considering potentially more contentious solutions does not appear to be strong.

2.24 The availability of Occupational Health Services **(Box 7)** is widely known by staff and features prominently in the attendance management policy. With their consent, managers are expected to refer employees to the service if they think an underlying health problem may be affecting their attendance at work. This may be at any point and does not have to be triggered by an absence. Until an individual's absence reaches 28 consecutive days the decision to refer is left to line manager's discretion and the individual. Our consultants considered that occupational health services should always be involved in long-term absence cases to advise on rehabilitation.

2.25 Since July 2003, Atos Origin (formerly SchlumbergerSema) has provided occupational health services to the Department under a single contract, worth around £2.2 million in 2003-04. Previously, there were separate contracts with the former Employment Services and Benefits Agency. The core services are designed to reduce the frequency and length of sickness absence and help prevent the performance of an individual being affected by working conditions.

BOX 6

Top five actions suggested by staff to improve attendance

Managers	Non-managers
1 Stress management training	1 Stress management training
2 Attendance bonuses	2 Supervisors more sensitive to employees' concerns
3 More open communication with employees	3 Attendance bonuses
4 Supervisors more sensitive to employees' concerns	4 Health screening
5 Health screening	5 More open communication with employees

BOX 7

The Department's Occupational health services

Sick Absence Management - trained Occupational Health Advisors provide advice to managers in all areas where health is an issue. This includes effects of health on performance, management of sickness absence and advice in relation to specific illnesses and retirement issues.

Pre-employment Screening – an Occupational Health Advisor will provide a formal opinion as to whether the prospective employee is fit for the envisaged employment, the likely rate of sick absence in the future and any changes to the envisaged employment or working environment which could improve the employee's fitness for work.

Workstation Assessments – relating to promoting health in the workplace, this part of the service looks at issues within an employee's immediate workspace.

The contract also allows for additional on-demand services, for example First Aid Training, to be requested. The Department may also seek assistance with new services or products where involvement of the service may bring benefits to staff and the business, for example, specialist workplace assessments for call centres.

BOX 5

Local health promotion initiatives

Jobcentre Plus and The Pension Service in Scotland have taken part in the Scotland Health at Work initiative, a national award scheme for promoting health in the workplace. Organisations must demonstrate a commitment to the health of their staff through activities such as promoting healthy food, providing fitness assessments and having a health strategy based on need, in order to achieve national awards. The scheme supports healthy living and lifestyles and is aimed at improving attendance at work. One Jobcentre Plus district we visited (Fife), which had achieved a bronze award, felt that this had contributed to its low absence rate compared to other districts and staff generally felt positive about their involvement.

2.26 The Department has used locally based occupational health nurses to advise managers and staff in some areas on health related issues and help assess whether a referral is needed. The nurse can also be used to interpret occupational health reports and ensure that referrals are adequately documented. The six main Child Support Agency centres have each had an on-site occupational health nurse since 2001-02, and the Agency has since revised their role to focus on attendance management. A pilot to build on this by employing occupational health advisers to assist in the management of attendance issues commenced in March 2004 in five Jobcentre Plus districts where absence is high **(Box 8)**.

The Department could have communicated better the changes to staff

2.27 In order to make everyone aware of the new policy, a booklet 'An Individual's Guide to Managing Attendance' was issued to all staff in December 2002 outlining what was expected from individuals. The policy was launched jointly with the Public and Commercial Services Union, who supplemented this with literature setting out individuals' rights in detail.

2.28 Awareness sessions, workshops and seminars were organised throughout the Department. Local managers and business partners were required to cascade information to staff following presentations on the policy, although the priority given to this and the resources available to undertake this task varied across and within the businesses. For example, while in some Jobcentre Plus districts business partner teams visited each office, running a series of presentations and workshops for all staff, in others presentations were limited to business managers only. The policy was also made available on the intranet following announcements in internal publications of its development, although some of those viewing the policy this way found the lack of a detailed index or search facility frustrating given the size of the document. Although staff recognised the thoroughness of the policy, they told us they found it rather dense and long.

BOX 8

Occupational health nurses pilot scheme

Employing occupational health advisors is intended to promote workplace health through a range of activities which seek to address key objectives in managing attendance and employee performance more effectively.

The occupational health adviser will be a registered general nurse with the minimum qualification of a Diploma in Occupational Health and would have the following responsibilities:

- Attend for one day a week at specific Jobcentre Plus sites (in Birmingham and Solihull; Essex; Greater Nottinghamshire; Lambeth, Southwark and Wandsworth; Manchester) according to a regular defined schedule.

- Provide help to human resource teams, line managers and staff to discuss issues such as managing sickness absence, absence prevention, rehabilitation and Disability Discrimination Act cases.

- Offer advice and support to line managers and human resource teams in dealing with sickness absence cases via a regular and formal case conference approach, enabling early identification of problems and swifter responses to these.

- Make early interventions to help target specific causes of absence such as stress related illness, musculo-skeletal disorders and other potentially work related injuries or diseases.

- Deliver a 'case management' service that provides integrated occupational health advice throughout a case and enables access to specialist services as required.

- Provide advice as required in complex display screen equipment and workplace ergonomic issues.

- Deliver health promotion services to address locally agreed priorities.

- Provide professional input as required to local health and safety groups and other meetings as appropriate.

- Deliver any other occupational health services that assist Jobcentre Plus in reducing sickness absence and/or promote workplace health and wellbeing.

2.29 Although managers broadly understood the policy, many felt that more guidance was needed to interpret the lengthy document and translate the policy into practice. In summer 2004 the Department published on its intranet a short guide for line managers summarising the key points of the policy and highlighting the actions they are required to take. In some areas we found that business partner teams had broken the policy down into useable small manuals to aid managers in their compliance with the policy and understanding of their role and responsibilities. This was not universal and appeared to rely on business partner teams having sufficient knowledge of the policy and resources to undertake this task. Where this was not available, staff were expected to access the policy on the intranet as they required.

2.30 This meant that awareness of the policy was inconsistent. Although one or two elements of the policy such as welcome back discussions and 'the eight day rule' were well recognised within the Department, what was known about them amongst staff in our focus groups was often inaccurate. We also found that some staff, especially from the former Benefits Agency, did not acknowledge that the policy had changed considerably. The wider features of the policy, its discretionary aspects and the support available were often overlooked by managers and non-managers.

The Department has evaluated the impact of the attendance policy

2.31 The Department's policy is an evolving document which will be revised in the light of experience and evaluation of its use. Initially, a draft version of the policy, procedures and guidance was sent to each executive agency for review and comment prior to its launch. The majority of the comments made were from Jobcentre Plus and the Department's central staff. Revisions continue to be made in light of comments received, and an updated policy document is likely to be issued as a result of an exercise currently under way. However, many of the changes made to the policy to date were minor and of the issues raised initially a number remain unresolved **(Box 9)**.

2.32 In March 2004, the Department began to evaluate the impact of the new policy. The evaluation aimed to identify whether the policy document was usable and being used, whether it had been effective in reducing sickness absence, and to identify good practice in the Department. A survey of staff across the businesses has been conducted and followed by four focus groups. The internal evaluation identified three areas for action: a targeted re-launch of the policy; more training and skill development of managers; and increased access to support. These are in line with our findings. The results of the evaluation and our findings will provide an opportunity to refine the policy and re-emphasise its messages to staff.

BOX 9

Issues raised in consultation on the attendance management policy

- Lack of clarity on who has responsibility for the various parts of the procedures – the roles of human resource specialists and business partners seem to be particularly unclear.

- Confusion over who has the responsibility for the safe-keeping of absence related documents.

- A need for further guidance on what happens in cases where formal action is not taken.

- Delays in occupational health referrals may mean that managers are not able to comply with procedures.

- Lack of clarity over whether part time staff should have a pro rata trigger point.

- Whether training would be available to assist putting the new policy into practice.

Source: National Audit Office analysis of Department's policy consultation papers, October 2002 to January 2003

Are the arrangements being implemented successfully?

3.1 Part 2 established that the Department has developed attendance management policies, generally in line with good practice. This part of the report looks at how attendance is being managed in practice. In particular, we examined:

■ whether staff and managers understand and follow the Department's procedures;

■ whether absences are managed actively;

■ whether managers take steps to provide support for staff and encourage attendance, including initiating adjustments to employees' working conditions; and

■ whether managers have access to adequate information to help them manage attendance.

3.2 There are about 40,000 people in the Department with some form of management responsibility, working in 1,200 offices. We visited 26 offices in 10 Jobcentre Plus districts, three Child Support Agency business units and two Pension Centres, and held discussions with 78 managers. We also drew on the results of a survey and focus groups held by our consultants with a further 98 managers and other staff, and their analysis of the Department's survey of around 40,000 staff.

3.3 Given the size of the Department we were only able to visit a small sample of offices and talk to a small proportion of staff. In order to obtain as wide and comprehensive a picture as possible:

■ we deliberately selected a range of districts and business units with different characteristics across the country, including those with high and low sickness absence rates;

■ interviewed human resource staff and district managers with responsibility for many hundreds of staff in order to gain a wider perspective on sickness absence issues at local level; and

■ drew on the Department's own annual staff survey of 40,000 staff.

In addition, we were able to gain further confidence in our findings through the results of the Department's own evaluation of its absence management policy, conducted around the same time as our work. As mentioned in Part 2, the conclusions of this work, which included a survey of around 1,000 staff and four focus groups, are very similar to our own.

3.4 We found a number of common factors distinguished the offices with the better attendance records from those experiencing absence problems. Those with the best records benefited from a stable workforce and had experienced managers who devoted time to resolving absence issues. They were assisted by human resource teams who supported managers actively, for instance by coaching, providing information, and assisting in the management of long-term absence. Poorer performance was associated with less attention being given to attendance management, the presence of many inexperienced managers, and recent reorganisation or staff turnover which meant that managers did not know their staff.

The basic attendance procedures are understood, but not always implemented well

3.5   On the basis of our work, we found a good general awareness throughout the Department of the basic elements of the attendance management procedures, especially the requirement for return-to-work interviews and the consideration required when absences exceeded eight days. The majority of staff are aware of the notification procedure, calling their line manager on the first day of absence, and generally comply with this. Managers are aware of their responsibility to complete a checklist when they receive notification from their staff, although these are not always completed at the time of the call.

3.6   Under the new policy, return to work discussions should be held after every absence. In practice there is evidence from our research that these generally take place, although often not immediately on return to work. This may be due to time constraints or lack of suitable accommodation for a personal discussion. Such discussions were considered useful when done well and gave managers a legitimate and non-confrontational opportunity to discuss any underlying causes of absence. However, some staff do not always feel able to discuss reasons for sickness with their manager.

3.7   Staff perceived that their managers were following the attendance management practices more rigorously than before the new policy was launched, especially conducting return to work discussions. Our interviews and consultants' work indicated that there was universal awareness of the 8-day trigger point, although knowledge about what happened at this point varied depending on local practices and personal experiences.

Not all managers have the necessary skills and support to manage attendance in line with the new policy

3.8   As responsibility for attendance management falls to line managers, a greater emphasis is placed on their interpersonal skills and ability to manage potentially difficult situations. The policy expects managers to use judgement, sensitivity and common sense when handling attendance issues while being sympathetic, firm, fair and consistent. The skills needed to do this successfully are those of a good general manager, and are not unique to absence. The Department expects all line managers to fully discharge all aspects of their

people responsibilities including a rigorous approach to performance management. But, whilst the majority of managers with whom we consulted reported to us that they were confident in handling absence, many felt that the requirements of the new policy could conflict with their other duties, especially around team building and team support. This related to:

■   the extent to which managers were clear about their role and their responsibilities and considered them part of their job (paragraphs 3.8 to 3.10);

■   the time taken to carry out the required procedures (paragraph 3.11);

■   the extent to which they had received management training and specific training on managing attendance (paragraphs 3.12 to 3.15); and

■   the confidence with which they are able to make decisions on complex issues (paragraphs 3.16 to 3.17).

Not all managers are taking up their responsibility for managing attendance

3.9   Not all managers have accepted that attendance management is their responsibility. Some, particularly those with small teams dealing with the public, felt that the more time-consuming and sensitive aspects of the role would be more appropriately placed within business partner teams. The job description for first line managers now includes specific reference to responsibility for attendance management, a part of their role which the Department feels is recognised in managers' rate of pay.

> "DWP has the policy and procedures for managing attendance but it does need managers to actually follow them. Failure to apply the policy may be due to other pressures e.g. operational targets or lack of the necessary people skills to work or manage their attendance"
>
> Non-manager, Jobcentre Plus

3.10 In some of the areas we visited we did find that responsibility for parts of the process, such as issuing formal warnings, had been assigned to more senior local managers to enable line managers to concentrate on meeting business targets and reduce the impact of the tension within their role. For example, in one Jobcentre Plus district all oral and written warnings are issued by the business managers following an informal interview by the line manager. Although not in line with the policy, managers felt that this approach had the dual benefit of giving additional authority to the warning and ensuring a consistent approach. We also found that delegating responsibility for unsatisfactory attendance and warnings was often used where there were a high number of new staff or newly promoted first line managers.

3.11 One of the reasons for not complying with the policy, for example, by conducting return to work discussions for every absence was that it can be time-consuming and take managers away from their operational duties. This is particularly so in complex cases involving writing and interpreting occupational health reports, keeping in touch with staff on long term sick and completing payroll forms.

There is a need for more training on attendance management

3.12 Training is available on the core skills required to manage absence sensitively and sympathetically, including subjects such as managing conflict and counselling. But we found that few managers with whom we had discussions had yet taken this up, and in some cases they had been discouraged from attending training because of other priorities. Whilst some managers suggested they used a common sense approach to managing absence, many felt training in some basic management skills would help. An e-learning or distance learning package is available on attendance management, although this did not appear to be widely used by operational managers and was considered insufficient by those who had. The Department's own evaluation work (paragraph 2.32) endorses the need for more training and skills development for managers.

3.13 We found that some local training and guidance had been developed by business partner teams to assist managers. In four of the Jobcentre Plus districts we visited, managers had been given formal training in attendance management, and in three others, informal coaching or support was offered. The Pension Centres we visited were using a training package developed elsewhere, including material on attendance management, to train team leaders. Elsewhere, managers had not received specific training.

3.14 To ease the transfer of responsibility for attendance management from human resources to line managers, middle managers (Higher Executive Officers and above) are expected to coach new and existing first line managers using a 'Transforming Human Resource Handbook'. The flexibility afforded to managers in this task, however, and the lack of any assessment of its implementation, has resulted in an inconsistent approach. In some areas visited, junior managers relied heavily on the advice of more senior staff and coaching was being used effectively. Within The Pension Service, where many middle managers were newly recruited, they were not best placed to offer such coaching. Comments from managers generally indicated that this approach had not yet been successful in transferring these skills, and that further training was required.

3.15 To tackle the potential skills gap as more human resource responsibilities are transferred to first line managers, a leadership programme has been introduced in parts of the Department. Since January 2004, all newly promoted line managers in Jobcentre Plus are required to work through the 'Gateway to Leadership' programme **(Box 10)**. A variant is also used in the Child Support Agency and The Pension Service. Although aimed at addressing more general skills gaps, the programme covers the attendance management policy.

BOX 10

Gateway to Leadership Programme

The Gateway to Leadership programme was introduced in Jobcentre Plus in September 2003 for new managers. It is intended to develop their skills to enable them to take on the role envisaged in the Department's initiative to streamline the human resource function (See Box 1). It is intended to be flexible and makes use of existing e-learning, the Department's intranet, coaching, short facilitated events and action learning sets on issues such as the Jobcentre Plus context, coaching and feedback, performance management and dealing with change.

Many managers told us they lack confidence to manage attendance effectively

3.16 Many managers we spoke to said they felt ill-equipped to deal with potential conflict situations where they needed to challenge the behaviour of an individual or to explore the underlying problems behind absence. First line managers found it difficult to issue warnings to individuals where they work in small teams or were managing staff of their own grade. Managers were also uncomfortable handling cases where they felt their discretion could be challenged by union representatives. They were particularly wary of dealing with cases of stress and mental illness, which are now the largest recorded causes of absence. Managers' reluctance to deal with them without expert advice affects their ability to act quickly and increases the demands placed on the occupational health service (paragraph 3.26). The Department's own evaluation endorses the need for improving skills in handling attendance effectively.

> "The changes in the system have led to a huge learning curve for all concerned; undermining any confidence [managers] had in being able to do that part of the job, which has increased their stress levels and their absences"
>
> A manager, Jobcentre Plus

3.17 Many managers expressed concern about having to handle cases for dismissal right through to the final decision stage. The process can be quite intensive for managers, making sure that the policy was followed correctly and that everything was recorded accurately. Although unsatisfactory attendance can lead to dismissal, not all managers to whom we spoke felt it was likely that such action would be taken.

The treatment of staff whose absence exceeds acceptable levels is inconsistent

3.18 Almost 42,000 employees (25 per cent of all staff) across the Department were absent for eight or more days in 2003-04. Currently, it is not possible to identify how many warnings have been issued to staff whose attendance falls below expected levels. Only Jobcentre Plus monitor routinely the action managers take in every case in order to report to ministers. For other businesses only limited data exists. **Figure 18** summarises available data for 2003-04.

> "I still believe that managing absence is not dealt with fairly as some managers are a lot smarter than others in taking formal action."
>
> A manager, The Child Support Agency

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18   Disciplinary action taken for poor attendance 2003-04

	Number of staff absent for 8 days or more in 2003-04	Oral warnings issued	Written warnings issued	Dismissals
Jobcentre Plus	25,835	1,883[1]	347	257[2]
The Pension Service	5,934	160[3]	52[3]	64
Child Support Agency	4,542	197[4]	35[4]	28[5]
Other[6]	5,514	Not monitored	Not monitored	52
Total	41,825	2240	434	401

Source: National Audit Office analysis of sickness absence data for 2003-04

NOTES

1   August 2003 to March 2004
2   Long-term sickness cases only
3   February 2003 to June 2004
4   April to November 2003
5   October 2003 to March 2004
6   Disability and Carers Service, Appeals Service, corporate services

3.19 Using the available data and our analysis of sickness records for 2003-04 we found that only a small number of actions have been recorded. For example, during March 2004 around 4,200 Jobcentre Plus staff reached or exceeded eight days absence. Interviews were conducted in 45 per cent of cases (1,890 in total) and formal warnings, either oral or written, were issued in only 7 per cent of these cases. Managers reported that they had decided not to conduct an interview in a further 790 cases, but in the remainder - 1,520 (about 36 per cent of these absences) - there was no evidence that any action had been considered.

3.20 The application of local discretion in issuing warnings has led to inconsistency. We found that the approach to issuing warnings to staff could vary considerably from strict application of oral warnings where eight days were reached, to the introduction of additional informal interviews at this point. The reasons for this inconsistency include:

- **lack of accountability and monitoring of compliance:** managers are required to consult business partners on cases where the trigger point has been reached, but do not have to account for their decision (although in Jobcentre Plus, business partners record the action taken);

- **additional layers of warnings and informal action introduced at local level delaying action:** in one Jobcentre Plus district we found that at the eight-day trigger point managers were encouraged to conduct 'cause for concern interviews' rather than taking any formal action. It was unlikely that staff in these regions would receive an oral warning. Introducing additional layers of review in some areas may reinforce a perception of unfairness for staff elsewhere;

- **a strong sense that warnings will be challenged:** some managers were particularly uncomfortable issuing warnings where union representatives might be present at the formal interview, and felt that the prospect of such challenges might alter the decision they make at the eight day stage; and

- **delays caused whilst waiting for advice from specialists:** some managers felt unable to act without seeking professional medical advice from occupational health.

> "[the Department] has made it harder for [managers] to take appropriate action against staff. There is too much 'discretion' - this can lead to inconsistencies in treatment - making managers very wary of taking action"
>
> A manager, Jobcentre Plus

3.21 Ultimately unsatisfactory attendance can lead to dismissal. During 2003-04 the Department dismissed 401 staff for this reason. Although not all managers felt it likely that such action would be taken even if warranted, some managers and business partners reported they had successfully taken cases to the senior manager responsible for decisions on dismissal, and felt that this had served to reinforce the seriousness with which attendance was taken within the district.

Managers are able to make some adjustments to working conditions but find it harder to change job content to assist employees to return to work

3.22 Where it would enable an employee to return to work, the policy allows for managers to consider changes to a role or working conditions. If an employee has an underlying health condition, whether it falls within the Disability Discrimination Act or not, adjustments should be considered. We found that managers were nearly always able to offer staff flexible working conditions. They were also able to offer workstation assessments in cases where, for example, staff had a musculo-skeletal condition, as well as make physical adjustments to the working environment and introduce specialist equipment, although there were sometimes delays in procuring it. The Department is taking further steps to raise awareness of these measures.

3.23 However, managers often found it difficult to accommodate the requests put to them by employees and occupational health for changes to job content. They told us that current organisational changes, which increase the amount of contact many staff have with customers, constrain the scope to offer individuals different roles. Managers felt that there was a presumption that they could make adjustments, and found it difficult to question recommendations based on medical evidence.

Many were not clear what constituted a reasonable adjustment. There is no guidance for managers on this, leading on occasion to inconsistent treatment of staff in the same office. We found examples where managers had created posts for staff to accommodate their return to work, but these opportunities are limited and this can cause difficulties locally when it is not possible to offer the same adjustments to all.

3.24 Managers accepted generally that it was easier to accommodate changes to employment status, for example, allowing a member of staff to return to work on a part time basis for a fixed period. Using the Department's Part-Time on Medical Grounds policy, staff are encouraged to come back to work gradually over a 13 week period following a serious illness. This was seen as effective and manageable locally.

3.25 Where rehabilitation is not possible there are procedures in place to assist long term absentees to leave the Department. After six months of absence, managers are required to assess whether, based on medical advice, it is likely a person will ever return to work. Where this is unlikely or not possible managers are encouraged to use ill health retirement arrangements to assist staff to leave the Department. In 2003-2004, 211 employees retired due to ill health.

The Occupational Health Service is widely used but provision does not yet match the requirements of the new policy

3.26 The Occupational Health Service is available to provide advice to individuals and managers on how best to limit the effects of an underlying health condition (paragraph 2.24). Managers cited several examples of simple solutions that they used to assist staff improve their attendance following occupational health reports. However, there is considerable variation in what managers expect from occupational health, ranging from confirmation that an individual has an underlying health problem to expecting specific recommendations on what action they should take, the latter indicating a general lack of understanding of its role.

"I would like to see improvements in the attitudes of management when staff return to work and consider detached duties or change in job pace on return"

Non-manager, Jobcentre Plus

3.27 In total 21,200 occupational health referrals were made in 2003-04, equivalent to one for every seven employees. This represented a 9 per cent increase in demand from 2002-03 **(Figure 19)**, and was 20 per cent higher than the Department had budgeted for. The biggest demand was for sickness absence management referrals (74 per cent of the total cases between January to July 2004).

3.28 Our interviews with managers suggested the reasons for the rise in demand included:

■ re-referrals where an individual's circumstances may have changed during absence, especially where there may be a possibility of dismissal and a recent report is needed;

■ some managers not being clear when referrals should be made, resulting in a large number of inappropriate referrals after eight days;

■ some managers using occupational health referrals to delay decision-making or transfer responsibility; and

■ some employees requesting referrals where they expect a favourable report that will delay action against them.

3.29 Line managers are expected to use their discretion about when to make a referral, and we found that generally managers were confident in its use. However, some considered this could depend more on whether they perceived formal unsatisfactory attendance action would be challenged by the individual or their union representative rather than the need to make workplace adjustments. Occupational health referrals appeared to work well where managers had access to knowledgeable business partner teams, although in some areas we found the latter have limited involvement in referrals. To increase knowledge of the service, the Department and Atos Origin are running a series of 'road shows' for business partners explaining the role of the service.

"Procedures, for example Occupational Health, need highlighting more and the related procedures need speeding up. I could have returned to work earlier if the procedures hadn't taken so long"

Non-manager, Jobcentre Plus

19 Volume of referrals to occupation health, 2002-03 and 2003-04

Volume of Referrals
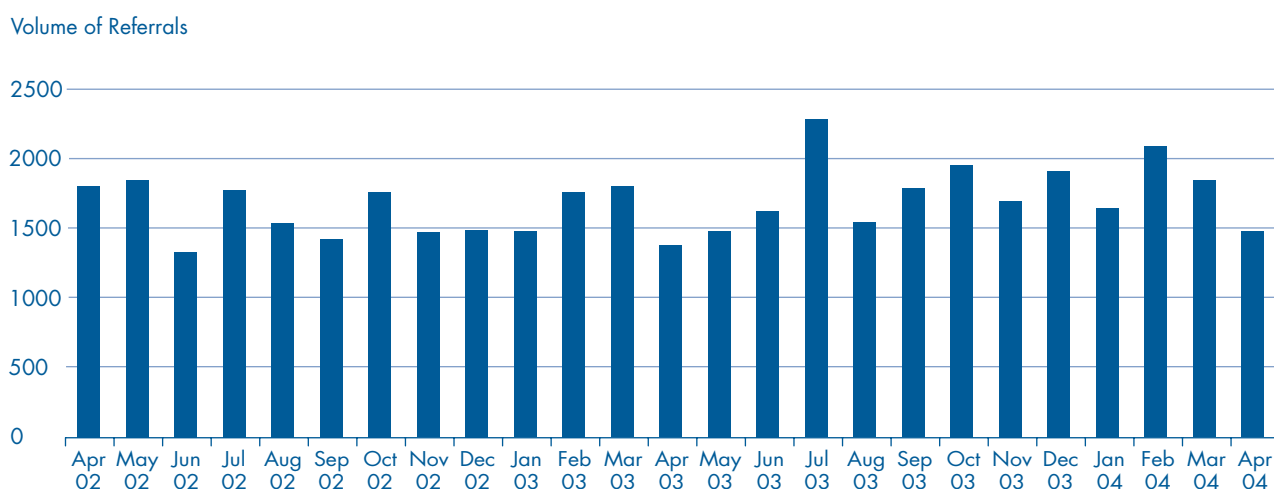
Source: National Audit Office analysis of Atos Origin performance data 2002-04

3.30 In local offices, managers commented that it is often difficult to manage an individual's attendance when they are awaiting advice from occupational health for over a month. During this time further absences may occur. Under the contract, Atos Origin have been set performance targets based on delivering 90 per cent of reports within set timescales **(Box 11).** As at April 2004, they were not meeting these performance levels. Of the 1,800 ongoing cases, 27 per cent had been with Atos for 30 days or more and six per cent in excess of 50.

The average time taken to complete a referral requiring a face-to-face meeting with the employee was 34 days. However, some delay is as a result of the Department's route of referral, as well as individuals not attending arranged examinations. Referrals are rarely made directly to occupational health, and in some cases they could be passed through a local business partner, a regional team and then a human resource service centre. Reports often came back to managers the same way, delaying the process further.

BOX 11

Percentage of occupational health referrals delivered within target time

Type of report required	Target turnaround time of cases	Per cent of cases cleared within target	
		April 2004	**October 2004**
Fast Path – outcome summary report based solely on the information in the referral	Within 5 working days	83 per cent	97 per cent
Fast Path Plus – report based on information received from individual's GP	Within 30 working days	84 per cent	93 per cent
Face to Face – report based on medical examination by Atos doctor or occupational health nurse	Within 35 working days	83 per cent	85 per cent
Face to Face Plus – report based on information from individual's GP and examination by Atos doctor or occupational health nurse.	Within 50 working days	59 per cent	81 per cent

Source: Atos Origin report to DWP

3.31 **Figure 20** shows the backlog in 2003-04. In June 2003, a new contracts manager was appointed to monitor the level of referrals and the quality of the service provided. The manager now receives monthly information on the number of referrals received by Atos, and is monitoring complaints raised about the service. In June 2004, the Department agreed a recovery plan with the contractor to clear outstanding cases and increase the number cleared within target. Box 11 summarises the reported progress made as at October 2004.

Awareness of the Employee Assistance Providers' range of services is low

3.32 As part of the package of support available to staff, the Department currently has contracts with two external Employee Assistance Providers, Care First and Right Corecare, at a combined annual cost of around £2.8 million. The service offers all employees a confidential counselling and advice service via the telephone, or one-to-one counselling including management support.

3.33 Attendance and health issues are a major concern for those contacting the assistance providers **(Figure 21)** - 29 per cent of contacts with staff in 2003-04. Despite this, providers did not always feel sufficiently involved in strategic or local management discussions and there is no contact between the Employee Assistance Providers and occupational health.

3.34 Although the majority of staff know of the assistance programme, awareness of the full range of services is low. In particular, knowledge amongst managers with whom we had contact was variable and we found a tendency for them to distance themselves from the service in order to reinforce the confidentiality of the service for their staff. Few managers referred to using the service themselves as a source of information on how to proceed with management decisions, although this is a core service. Figure 21 shows that both services were used much more by staff than managers in 2003-04, although Right Corecare reported that calls from human resource teams had doubled on 2002-03.

20	Backlog of cases referred to occupational health service

This diagram shows the number of cases not cleared by Atos Origin within the target time. This information is only available from August 2003 when the single Atos contract was set up.

Number of cases
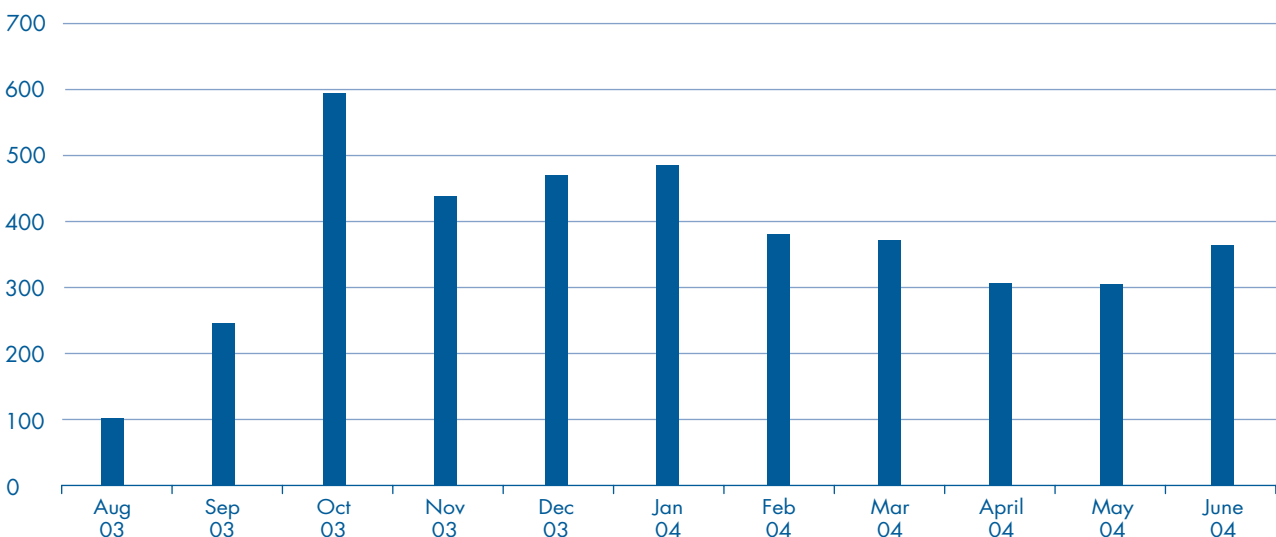
Source: Department for Work and Pensions

21	Recorded reasons for contact with Employee Assistance Providers			
2003-04	**Care First (Jobcentre Plus)**		**Right Corecare (Remainder of Department)**	
Issues raised by staff				
Personal issues		%		%
Health	2,375	27	1,029	22
Other	6,590	73	3,716	78
Total number of personal issues recorded	8,965	100	4,745	100
Work-related issues		%		%
Attendance/Absence Related	484	8	156	8
Health	1,652	28	432	22
Other	3,837	64	1,345	70
Total number of work related issues recorded	5,973	100	1,933	100
Management Support		%		%
Attendance/Absence Related	158	11	73	7
Health	205	14	165	16
Other	1,128	75	775	77
Total number of management support issues recorded	1,491	100	1,013	100

Source: National Audit Office analysis of Right Corecare and Care First Data

Management information is inadequate for the active and effective management of attendance

3.35 The Department now requires all staff to have an Absence Management Plan recording absence over a rolling twelve month period and designed to assist in the management of attendance. However, we did not find evidence that plans were being used in this way. Instead, managers continued to rely on prompts generated by the two payroll systems (FAMIS inherited from the former Benefits Agency and REBUS from the Employment Service) when their staff exceeded trigger points.

3.36 Both systems have different arrangements for recording absences and providing information to managers on their staff. In Jobcentre Plus (which includes staff from both the former Benefits Agency and the Employment Service) an individual office may have staff paid through both systems, requiring managers to understand processes for both.

3.37 Both systems require managers to complete and send paper forms to off-site processing centres at the beginning and end of each absence. These update the payroll systems and produce reports for local offices on staff absences. Where forms are not completed, delayed in transit or mislaid, the data on the two systems quickly becomes inaccurate. In 2003, the Department's Internal Assurance Service reported on the management information relating to sickness absence in Jobcentre Plus and The Pension Service, and concluded that there was significant misreporting of absence. Delays in processing forms where there are errors or high volumes can further impact on the accuracy of these systems. Since April 2002, there has been no central validation of this data. When the Department reviewed the 4,000 longest absence cases (Box 3), they found that 700 of these had either left the Department or were incorrectly recorded as absent.

3.38 We found that as a result, managers did not have confidence in the reports produced from the payroll systems and offices we visited maintained or were developing local databases of absence to allow them to check the accuracy of the central data and provide information for local managers. Business partners are not required as part of their responsibilities to monitor and record the action taken by managers on cases which exceed eight days of absence. In order to report to Ministers, Jobcentre Plus business partners do now collect this information but such information is not routinely collected elsewhere (see paragraph 3.18).

3.39 Access to the two payroll systems is limited locally and only authorised staff can view records on-line. Where local databases have not been established, analysis of absence data or reports from the systems must be requested through the service centres which can take time.

3.40 Since February 2004, staff in Jobcentre Plus and The Pension Service have had access to summary information about staff absences at office level and above, drawn from the above systems, through a management information portal on the Department's intranet. Although many managers were aware of this facility, many said that they did not have time to familiarise themselves with the facility and still had concerns about its accuracy as data is extracted from the two payroll systems.

3.41 To resolve these issues, the Department have developed a new staff information system which will allow individuals to view and update their personal details and sickness absence records. Line managers will enter sickness absence details for their team and have access to a range of standard reports to assist them manage attendance.

In one Jobcentre Plus district, the business partner team had established a database that enabled them to monitor the reporting of sickness absence and the activity of managers on every case where absences had reached eighty days. A traffic light system quickly enabled staff to identify where action had not been recorded or where someone was nearing the trigger point.

APPENDIX 1
Methodology

1   We used a variety of methods in our examination of the Department's approach to attendance management in order to identify whether:

■   the Department has a clear understanding of attendance;

■   the Department's approach to managing attendance is well designed;

■   the planned approach has been implemented effectively; and

■   the approach has been suitably evaluated.

2   The main methods we adopted were:

Consultation with other bodies

3   Throughout the preparation and planning for this audit, and during the fieldwork, we consulted widely with academics and interest groups, including:

■   The Work Foundation (formerly The Industrial Society);

■   The Health and Safety Executive;

■   The Chartered Institute of Personnel and Development;

■   The Cabinet Office;

■   The Hay Group;

■   Robertson Cooper; and

■   The Public and Commercial Services Union.

Workshop with Private and Public Sector Organisations

4   We commissioned the Work Foundation to organise and facilitate a workshop of private and public sector organisations. The purpose of the event was to benchmark the Department's approach against those used elsewhere and to explore the common problems around attendance. This event was used to inform the structure of our fieldwork and the topics discussed with Departmental staff.

In-depth analysis of the Department's Annual Employee survey data

5   We commissioned the Institute for Employment Studies and The Institute of Work Psychology to review the responses to the Department's second Annual Employee Survey, completed in September 2003. The survey, designed to explore how staff felt about working in the Department during the preceding year, included for the first time a question about individual absence. The sample size of the survey, in excess of 40,000 respondents, and its timeliness meant that we could use the absence question to explore possible relationships or associations with other experiences within the Department including: job satisfaction; commitment to the Department; and senior management leadership.

Analysis of Sickness Absence records

6   We analysed in detail the sickness absence data captured on the Department's Payroll systems during 2002-03 and 2003-04. We used these data to determine:

■   average working days lost per employee through sickness;

■   main recorded causes of absence;

■   ratio of long term and short term absences;

■   regional and business variations; and

■   the direct salary costs of absences.

Interviews with key departmental staff at national, regional and local offices

7   We conducted semi-structured interviews with over 100 members of staff during visits to 26 Jobcentre Plus Offices in 10 districts, three Child Support Agency business units and two Pension Centres. To enable us to explore potential differences in the approaches taken locally to attendance management we selected offices based on: the average number of days lost recorded in each office at that time, selecting offices with above and below average days lost for each business; whether any specific local initiatives were being employed; and whether there had been any sudden change in performance.

8   In each Jobcentre Plus District we held discussions with the human resource business partner, the District or Deputy District Manager, business managers and a selection of team leaders or line managers from two separate offices (table 1).

Table 1: Jobcentre Plus Districts visited	
Jobcentre Plus District	**Average days lost as at January 2004**
Lincolnshire and Rutland	8.7
Hereford and Worcestershire	8.8
South Humber	9.4
Wiltshire and Swindon	9.5
Fife	9.5
Newcastle and North Tyneside	13.5
Derbyshire	13.6
Cardiff and Vale	14.0
Wirral	15.3
Central London	16.0

9   We visited Child Support Business Units in the South West (15.1 days lost) and Wales and the North West (16.9 days lost) and the National Helpline (15.4 days lost). We visited Pension Centres in York (10.7 days lost) and Liverpool (23.2 days lost). During these visits we held discussions with the business partners, Senior Operations Managers and team leaders or line managers. We also interviewed an Occupational Health Nurse based at the Child Support Agency in Plymouth.

10   We explored a range of topics during these visits based on a literature review of best practice, examination of the Department's attendance management policy and analysis of absence records. The broad subjects discussed were:

■   the impact of the new attendance management policy;

■   how managers are managing absence in practice; and

■   access to information on absence and attendance locally.

Focus groups with senior managers, middle managers and non-managers

11   We commissioned the Institute for Employment Studies and Institute of Work Psychology to hold focus groups with managers and non-managers across the Department's businesses. Each business was given guidance to select participants for the groups. In total, 12 focus groups were completed, with 96 members of staff attending, these are detailed in table 2. Two further senior manager groups were planned but it was not possible to identify enough staff to attend these. Instead, the views of senior managers were collected via telephone interviews.

12   Focus group guides were designed separately for use with manager and non-manager groups. Topics explored during focus groups with managers included:

■   problems faced by managers in dealing with attendance;

■   compliance with the corporate policy and guidance;

■   successful local practices; and

■   areas where improvements can be made to current Departmental policy.

13 Employee focus groups included questions on:

■ identifying high and low levels of absence;

■ testing knowledge of the absence procedure;

■ perceived manager reactions to absence and attendance management; and

■ personal views on taking sick leave.

Attitude Survey of Focus Group Participants

14 At each of the focus groups, participants were asked to complete a brief questionnaire which included questions on demographics, health, absence, attitudes to taking time off work and perceptions of attendance management. The survey helped to provide context for the focus group discussions and enabled the Institute for Employment Studies and Institute of Work Psychology to complete some quantitative analysis of the extent to which responses varied by job role and grade.

Consultation with the Department and service providers

15 We consulted with Care First and Right Corecare, the Department's Employee Assistance Providers, and Atos Origin, the Occupational Health Service provider, on the extent to which they contribute to the management of absence.

16 On completion of our local visits we consulted each of the Human Resource Directors for the businesses to follow up some of the issues that had been raised. We also liaised closely with department officials responsible for the design and evaluation of the attendance management policy and those responsible for managing the contracts of the service providers. We took assurance from the work of the Department's Internal Assurance Service where possible and worked closely with the team responsible for the audit of attendance management issues throughout the study.

Table 2: Distribution of NAO/DWP Focus Groups

	Manager	Non manager	Level total	Location
Focus groups:				
DWP-Corporate centre	1		1	London
Head Office staff	JC+, CSA	JC+, TPS, CSA	5	held around the country
Front line:				
Child Support Agency	1	1	2	Hastings
Job Centre Plus	1	1	2	London
The Pension Service	1	1	2	Nottingham
Total	6	6	12	

APPENDIX 2
Good practice in managing attendance

Good practice in managing sickness absence has also been widely reviewed and documented. The following list of good practices draws on a number of reviews and surveys including those by the Cabinet Office, Confederation of British Industry (published annually), the Institute for Employment Studies, The Work Foundation (published annually), and previous NAO reports on managing sickness absence.

1	Demonstrate senior management's commitment to improving attendance	Formulate a clear, written policy for attendance which sets out the organisation's commitment to the health, safety and welfare of its staff (and what support is available to them).
		Develop performance measures and set targets for improving existing attendance.
2	Establish and disseminate clear procedures on the management of attendance and systems for reporting and reviewing sickness absence	Clearly define the roles and responsibilities of staff, line managers, and local and central personnel managers.
		Establish procedures for local reporting and recording of absence which are clear, precise and well publicised.
		Provide appropriate and reliable information on sickness absence to senior management and line managers. The information should be used to:
		■ regularly review staff sickness absence at corporate and individual levels;
		■ identify patterns and trends which may indicate underlying causes; and
		■ review the sickness absence policy.
		Ensure policies are implemented constantly, consistently and fairly at all levels of the organisation.
		Consult with employees and employee representatives on sickness procedures.
3	Actively manage short- and long-term sickness absence	Define the 'review' points which identify when it is appropriate for further action to be taken.
		Ensure absent staff make early contact with the organisation. Maintain regular contact with them.
		Carry out return to work interviews in all cases to establish underlying reasons for absence and to demonstrate concern for the employee's welfare. Set clear guidance on the content and conduct of the interviews and use them to agree on actions to be taken with employees.
		Consider under what circumstances it may be necessary to limit any individual's facility to self-certify sickness absence.
		Take sanctions against staff suspected of inappropriately taking excessive sickness absence.
		Take early and effective action by referring staff on long-term sickness absence, or whose attendance is irregular, to an occupational health adviser.
		Where appropriate, identify the scope for offering recuperative or restricted duties to staff returning from long-term sickness absence.

4	Take steps to minimise sickness absence – preventative measures	Ensure policies are able to respond sympathetically to exceptional demands on staff from outside work (social or family). Recognise that staff may have caring and social responsibilities – for example, for young children or elderly relatives, and find ways to help them.

Remove incentives for staff not to attend work or to encourage their colleagues not to attend.

Motivate employees by ensuring they:

■ feel they are valued by their employer and manager;

■ know there is work for them that day; and

■ believe their absence would have an adverse affect on their colleagues.

Implement rigorous health and safety policies for assessing risks, recording and reporting injuries, and dealing with accidents at work, and take any necessary preventative measures.

Promote good health among staff members, for example by offering information about healthy eating and healthy living, lifestyle screening, and welfare and counselling services.

Consider giving employees greater choice and flexibility in the hours they work.

Consider job design techniques to improve job interest and involvement, including job rotation, job enlargement and job enrichment.

Consider the pressures on staff from changes to working practices and find ways to help them deal with those pressures.

Consider making earlier or wider referrals to occupational health services.

Consider attendance management as part of the recruitment process.

5 Train staff and managers

Provide training to members of staff to help them understand the purpose of the sickness policy and how it will operate.

Provide training to all management grades. The training should:

■ ensure a consistent approach is taken;

■ ensure the approach taken has the flexibility to account for individual circumstances;

■ give line managers guidance on conducting return to work interviews;

■ help line managers identify review points; and

■ inform line managers of the options open to them and help them make the most appropriate decision.

Give managers training and guidance on the content and conduct of interview, either return to work or those of a disciplinary nature.

6 Evaluate policies and initiatives

Measure and assess the level of compliance with policy.

Consult employees and managers on their opinions of policy, procedures and initiatives.

Monitor wider impacts on the organisational culture.

Benchmark internally and externally.

APPENDIX 3
The Department's attendance policies - key changes

The Department's attendance policy compared with those of predecessor bodies

	Former Employment Service policy	Former Benefits Agency policy	New policy from February 2003
Return to work interviews	Manager must complete a return to work interview to discuss reason for absence, review amount of sick leave, seek further advice or discuss unsatisfactory absence if appropriate. Manager to keep record of discussion signed by individual.	Welcome Back Discussions following each absence - can be held by someone other than manager. Purpose to welcome individual back, improve understanding of absence, show it is taken seriously. May be accompanied by TU representative. Separate and distinct to inefficiency procedures. Record of discussion held by personnel.	Manager conducts Welcome Back Discussion, identify problems and discuss possible solutions. Manager keeps record of discussion, copied to individual.
Keeping in touch	Responsibility to keep in touch during sickness absence lies with the individual.	Responsibility to keep in touch lies with the line manager	Managers are responsible for keeping in touch.
Trigger points	Linked to unsatisfactory attendance - managers may consider action after 12 days absence.	Reminders generated by FAMIS payroll system for managers when absence exceeds: 4 days in 6 months 8 days in 12 months 2 spells in 6 months 4 spells in 12 months Managers asked to notify personnel what action, if any, they have taken and why.	Manager can consider unsatisfactory attendance action when absence reaches 8 days in a rolling 12-month period.
Occupational Health Service	Occupational health nurse can be asked to visit individual at home after 28 days absence. Otherwise after 2 months or if medical condition affecting performance.	Managers must consider referral after 28 days.	Referral to occupational heath should be considered as part of Welcome Back Discussion. Managers must seek advice if they consider there is an underlying health condition. In long term cases they should consider referral at 28 days.
Monitoring	Line managers keep records on individuals and notify payroll system which generates monthly reports.	Personnel holds records on teams. Reconciled with payroll system monthly.	Individuals responsible for maintaining own attendance records. Line managers notify payroll systems. Reporting depends on which payroll system used.