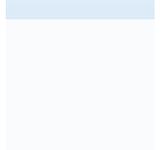
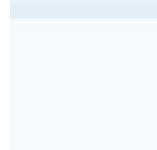
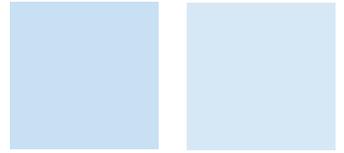


Survey Report

# The Kronos Global Absence Survey

This report discusses the survey findings, highlights the similarities and differences between regions and what employers can do to better manage the problem.



Organisations the world over shoulder an enormous cost as a result of employee absenteeism and absence continues to be a key concern for all industry sectors across the globe. The direct cost of absence is often recorded and reported in annual surveys but the indirect cost, such as paying overtime and calling in temporary staff are rarely reported, yet can exceed the direct costs by as much as 200%

Most managers are unaware of what absence is costing their own organisations in lost revenue and reduced profitability. Worse still, senior managers often do not even have visibility to absence trends and absence levels in their organisation making it difficult to address the underlying cause.

Employee absence comes as result of many things — such as illness, holidays, sick leave abuse, maternity, paternity and parental leave, and stress. And that doesn't include consistent lateness and/or leaving early. The hard fact is that when you factor in all the reasons for absence, not just sickness absence, absenteeism can consume as much as 15 percent of an organisation's payroll. That figure reflects only the direct costs of paying absent workers, such as salary continuation and benefits payout. The indirect costs of absenteeism — which include replacement costs such as temporary staff or overtime and lost service or production time — can double or even triple that amount. A recent survey by human resource consulting firm Mercer indicates that the total costs of all major absence categories, including direct and indirect costs, average 35 percent of base payroll.

There is limited research around absence at a global level, which is why the Kronos Global Absence Survey provides a unique insight into the issue of absenteeism around the world. It is interesting to see both the many similarities between regions and the marked differences too.

Employers everywhere can learn something from this survey, about the problem of absenteeism and the opportunities to fix the problem – from providing more flexible work arrangements for employees, offering additional leave and enabling employees to work more frequently from home.

The Kronos Global Absence Survey was conducted with full-time and part-time employees in the U.S., Canada, the UK, France, Australia, Mexico, China and India. This report discusses the survey findings, highlights the similarities and differences between regions and what employers can do to better manage the problem.



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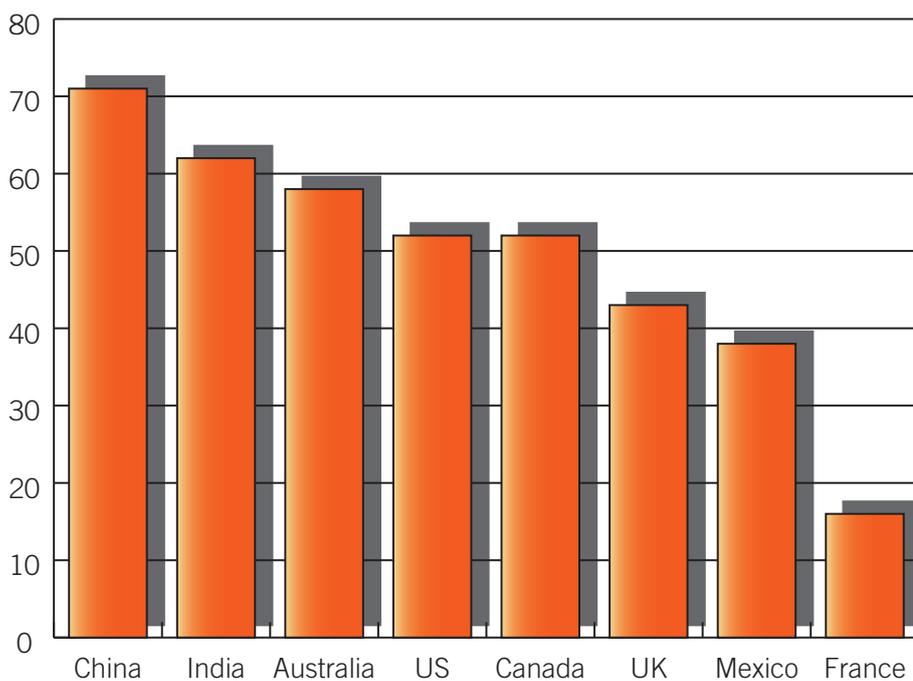
## Are sick employees always sick?

Not according to the survey, in which significant numbers of employees around the world admit to calling in sick when they were not ill at all. China led the regions surveyed, with 71 percent of employees admitting to calling in sick when they were not actually sick. France had the smallest number with only 16 percent, and other countries polled included India with 62 percent, Australia with 58 percent, Canada with 52 percent, the U.S with 52 percent, the UK with 43 percent and Mexico with 38 percent.

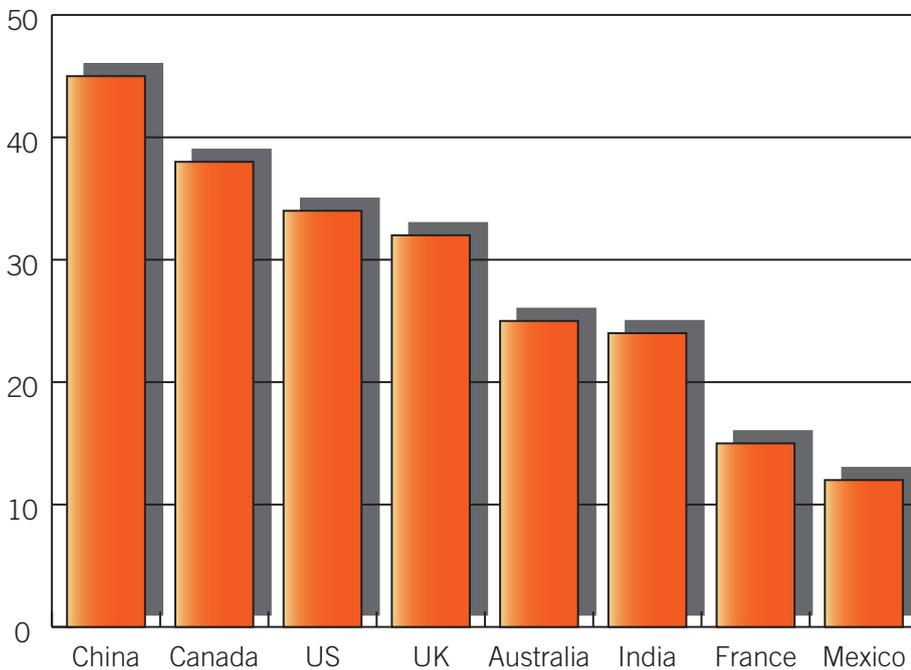
The amount of paid leave entitlement could have a direct bearing on the results. Of all the countries polled, France has the most generous annual leave entitlement at 25 days and also the smallest number of employees calling in sick when they are not. At the other end of the spectrum, China leads the pack of countries calling in sick, but also has the least generous leave entitlement with only seven days leave awarded in year one, increasing by one day per year of employment, but capped at 14 days.

The survey went on to look at whether an increase in paid time off could have a positive impact on sickness absence levels. Not surprisingly, a high percentage of employees in China – 45 percent - felt that more paid time off would make a difference. This was higher than any other region: 38 percent in Canada, 34 percent in the U.S., 32 percent in the UK, 25 percent in Australia, 24 percent in India, 15 percent in France and 12 percent in Mexico.

Percentage of employees who admit to calling in sick when not ill



Percentage of employees who believe more paid time off would positively impact absence levels



“This year, for the first time in the 12 years the report has been published, the UK’s **CIPD absence survey** highlighted **stress** as the main reason for long-term sickness leave.”

### Why would an employee call in sick when not actually ill?

In the global survey, the overwhelming response in every region was that employees felt stressed and therefore needed a day off: 71 percent in Canada, 62 percent in the U.S, 60 percent in China, 57 percent in the UK, 53 percent in France, 51 percent in Australia, 46 percent in Mexico and 44 percent in India. Other reasons included needing to take care of a sick child, having too heavy a workload and not having enough paid leave.

It’s not surprising. Pay freezes, higher workloads and job uncertainty are bound to result in higher stress levels, which in turn lead to sickness absence.

This year, for the first time in the 12 years the report has been published, the UK’s CIPD absence survey highlighted stress as the main reason for long-term sickness leave.

With uncertainty in the job market there’s every likelihood that stress-related sickness is here to stay, but it need not go undetected in the workplace for too long. Research shows that early intervention is key when dealing with stress related health problems and there are numerous tools in the market to help spot early warning signs such as repeated bouts of short-term sickness.



## Can employers reduce the likelihood of employee absence?

The survey asked respondents what their employers could do to prevent staff calling in sick to work when they were not actually sick. There was a large range of responses which is to be expected where regions have a wide range of entitlements. However, the top response in every country apart from France was to offer employees the opportunity to work flexible hours. In France, employees said that they would like the opportunity to take ‘Summer Fridays’ – the opportunity to take Fridays off during the summer and make the time up during the week. Being given the opportunity to take unpaid leave and the opportunity to work from home, also rated highly among employees around the world.

## Absence impacts fellow employees

One of the hidden costs of absence is the effect it has on other employees. The additional workload, the inconvenience of having to work extra shifts and the possibility that they might know that co-workers are not really ill, are bound to have a negative effect on employees. The majority of employees in all regions said that they were negatively impacted when co-workers called in sick, with the top reason being that they had to take on the work of the absent employee. The second most common reason in every region apart from France and Mexico was an increase in stress.

## Conclusion

Eradicating all forms of unscheduled absence is difficult, but creating an environment where absence can be managed more effectively will go a long way towards understanding the extent of the problem. This requires having visibility into every form of absence, and managing policies more closely to ensure compliance and to identify trends and patterns of abuse. With this visibility and accurate, up-to-date information, organisations can act to reduce absenteeism, its costs, and its effects on business performance.

Total absence management is an enterprise-level approach to managing and controlling employee absenteeism. By tracking absence-related data in a single database that is integrated with other enterprise systems, managers can gain a single, real-time view of absence throughout the organisation. A total absence management solution also provides the tools required to take corrective action and make the best possible decisions about responding to an understaffing situation. By implementing such technologies, it is possible to enact the best practices that can improve productivity, help ensure continuity and compliance, and reduce costs. As a result, absenteeism will be controlled and employee morale will improve.

The workforce is an organisation’s most valuable asset — organisations can only get the maximum value from their employees if they are present, satisfied, and working the full amount of time for which they are scheduled and paid. A total absence management solution can help achieve that goal by empowering both managers and employees with the tools and information they need to be productive.



The majority of employees in all regions said that they were **negatively impacted** when co-workers called in sick



## UK FINDINGS

- There is a marked difference in the UK between the responses from older workers and those in younger age groups. Significant numbers of employees admit to calling in sick to work when they are not actually ill. In the UK, 43 percent of adults admit to calling in sick when not sick. This figure increases significantly for the 16-24 age group, with 65 percent admitting to bogus sick days, compared with just 25 percent of the 55-64 age group admitting the same and 40 percent of the 25-30 age group.
- When asked why they had ever called in sick when they were not actually sick, the overwhelming response was that employees felt stressed and needed a day off. In the UK, 25 percent of respondents have taken a sick day when feeling stressed. Again, the figures were highest for the 16 – 24 age group at 34 percent and lower for the 55 – 64 age group at 14 percent. Other reasons for taking a day off sick included having to look after a sick child, having too heavy a workload and running out of paid leave.
- So how did they spend their day off? The top two activities were staying at home and watching TV or staying in bed: on average 50 percent of respondents took time off work to stay at home and watch TV, with 69 percent of 16 – 24 year olds choosing to spend a sick day in this way.
- When asked what their employers could do to prevent them from calling in sick when they were not really sick, the top response was to offer employees the opportunity to work flexible hours: 50 percent of respondents would like flexible hours; 39 percent would like the opportunity to take unpaid leave; 33 percent would like the option to work from home occasionally.
- The majority of employees - 51 percent - said that they were negatively affected when colleagues called in sick with the top reason being that they have to take on the workload of the missing employee.
- When asked if employers use an automated system to keep track of absences, 45 percent responded yes, 31 percent responded no and 19 percent didn't know.

## About Kronos

Kronos empowers organisations around the world to effectively manage their workforce. At Kronos, we are experts who are solely focused on delivering software and services that enable organisations to reduce costs, increase productivity, improve employee satisfaction, and ultimately enhance the level of service they provide. Kronos serves customers in more than 50 countries through its network of offices, subsidiaries, and distributors. Widely recognised as a market and thought leader in managing the workforce, Kronos has unrivalled reach with more than 30 million people using a Kronos solution every day.



More information about Kronos absence management solutions can be found on regional websites. Visit [kronos.com/contact](https://kronos.com/contact)