



## **BLUE MONDAY: EMPLOYERS FOCUS ON FLEXIBLE WORKING TO MANAGE ABSENCE RATES**

- A quarter of employers have seen absence rates improve in the last 12 months
- However, this is 15 percentage points down on last year
- More businesses have introduced flexible working to manage this

On Blue Monday, employers will be bracing themselves for the possibility of increased absences as staff struggle with low morale and motivation following the Christmas break.

While a quarter (25%) of UK employers have seen their absence rates improve over the last 12 months, according to new research from Group Risk Development (GRiD), the trade body for the group risk industry, one in 10 have seen their rates worsen over the same time period.

Added to that, the improvement is 15 percentage points less than last year (when 40% of businesses said their absence rates had improved) and 54% of employers say their absence rates have remained the same, indicating a general slow-down or even complacency when it comes to managing employee absence.

57% of businesses said absence cost them up to 4% of payroll, but employers are using a range of initiatives to address this, and to improve general attendance. This includes introducing flexible working initiatives (36%), a 4 percentage points increase on last year, allowing employees to work around schedules which suit them. Return-to-work interviews are also favoured by 28%, while 17% use disciplinary procedures for unacceptable absence.

It is estimated that long-term sickness absence costs private sector businesses in the UK a total of £4.17 billion a year<sup>1</sup>, and is set to reach £4.81 billion a year by 2030. This makes it all the more important that employers work with staff to manage their return to work, maintain morale and invest in their wellbeing.

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<sup>1</sup> CEBR, October 30, 2015

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For those businesses which have seen absence rates improve, the main reasons for this are given as good morale (62%) and robust absence management strategies in place (34%). 30% have introduced health and wellness initiatives to support staff across the board.

However, 45% did admit that they thought the improvement in absence rates was simply down to fear of redundancy or anxiety about jobs, while 30% thought it was due to presenteeism, with employees not well enough to come in doing so anyway – something which could risk longer-term absence if not addressed. Those who have experienced an increase in absence rates put it down to low morale (69%), staff shortages (42%), and bogus absences (40%).

**Katharine Moxham, spokesperson for Group Risk Development, said:** “It’s important that strategies to manage absence are kept up, and that rates aren’t allowed to increase as it really will have a significant impact on business costs in the long-run. That said, it can’t be denied that a quarter have seen rates improve – whether or not this is down on last year – and employers are actively introducing initiatives that focus on the the health and wellness of their staff. Flexible working can help to retain talented staff, allowing them to balance home commitments as well as focus on work.

“To avoid any surprise costs, and protect against future absences, it’s vital these initiatives are kept up and that they remain a priority. It may seem like a lot to consider in the short-term, but investing in staff in this way will make a huge difference to the bottom line.”

- ENDS -

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### **About GRiD Employer Research**

The Group Risk Employer Research study was undertaken in September 2015 among a sample of 501 UK businesses with between 5 and 1,000 employees. Research was conducted by Lightspeed Research for Group Risk Development (GRiD).

### **About GRiD**

Founded in 1998, Group Risk Development (GRiD) encourages awareness and uptake of corporate group protection benefits – income protection, group life insurance and critical illness cover – on behalf of its members which include insurers, reinsurers and intermediary businesses.

Under the chairmanship of Lee Lovett, Head of Business Development UK and Ireland Life, Munich Re, GRiD aims to enhance the industry's profile among media and stakeholder groups. The Group provides a collective voice to Government and participates in industry wide initiatives such as the qualification in Group Risk launched jointly with the Chartered Insurance Institute. In May 2009, the Group appointed its first dedicated spokesperson, Katharine Moxham, to provide expert media comment on a full range of group risk issues.

In July 2010, GRiD was named Organisation of the Year by the Protection Review.

[www.grouprisk.org.uk](http://www.grouprisk.org.uk)

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