

# ROUNDTABLE 2006

## ABSENCE MANAGEMENT

Sponsored by:





**Winner in the Rehabilitation First Awards 2005:**  
Best Rehabilitation Project - **Winner**  
Rehabilitation Provider of the Year - **Highly Commended**

## Independent Rehabilitation Assessment Service

**Medical & Vocational Case  
Management Services**

**Absence &  
Attendance  
Management  
Services**

**Wellbeing & Health  
Promotion Programmes**



**The corporate health and safety environment has never been tougher, resulting in the prevention and management of accidents, disease and illness in the workplace being placed higher up the corporate agenda than ever. Employee absence alone costs the UK in excess of £10 billion a year.**

AIG Medical & Rehabilitation Ltd have assisted over 15,000 victims of workplace injury and illness back to work, and thousands more through our absence & attendance management services for non-work related absentee employees.

We use professionally registered healthcare professionals as case managers throughout the UK & Ireland, providing an independent case management

service to insurers, employers, solicitors and claims examiners, and to employees across the full range of ill-health, disease and from minor to major injury.

Our expert knowledge and understanding of workplace absence and rehabilitation enables us to provide a fast, expert, cost effective and independent assessment of the needs and case management requirements of an ill or injured party – through reintegrating employees back to work effectively and safely, producing significant savings in many cases on costs associated with sickness and absence from the workplace for employers.

**For more information about AIG Medical and Rehabilitation services, telephone: 020 7954 7930 or email: [aig.mr@aig.com](mailto:aig.mr@aig.com)**

Visit us at our new website [www.aigmr.com](http://www.aigmr.com)

**AIG** Medical &  
Rehabilitation

A MEMBER COMPANY OF AMERICAN INTERNATIONAL GROUP INC. (AIG)

# Absence Management

## An introduction to the StrategicRISK roundtable discussion by **Sue Copeman**

All the statistics show that absence management is a win-win strategy. Employers reduce not just their employee-related claims but also a whole raft of other costs, both direct and indirect, associated with having people off work. Employees get immediate assistance – which sometimes can make the difference between a speedy return to work and long-term disability; in many cases preserve their earnings potential, and have the added assurance that they are a valued asset.

With so much going for it, how come that absence management is not an embedded part of many organisations' policies? Why are businesses that would never consider leaving a faulty machine on the production line unrepaired, still prepared to accept employee absence as an inevitability, about which they can do nothing?

These were among the questions that our panel of experts addressed at this month's roundtable discussion. And it was clear that, whatever the proven benefits, introducing absence management is something that needs to be 'sold' to many organisations. Buy-in is key, not just at the top but from the line managers who will be applying the process and the employees who will be using it. Having good data on existing absence rates is also important in order to identify problem areas and to measure improvements.

Some organisations have gone part of the way with rehabilitation programmes related to occupational injuries and sickness. But the holistic approach, which can provide even greater returns, includes conditions occurring outside the workplace. With the high costs associated with an employee's absence, should an organisation really differentiate regarding where and when the cause occurred?

The clear message from this discussion is that absence management makes businesses more efficient and promotes the well-being of employees – as I said at the start, a win-win situation.

**Sue Copeman**  
Editor

Sponsored by:



## Roundtable participants



**David Ireland,** managing director, Vinci Insurance Services, chaired the discussion



**Graham Frid,** a health and safety consultant supporting TRW's European health and safety programmes



**Iain Hovell,** assistant risk manager, Rentokil Initial



**Alison Love,** partner, Hugh James



**Daren Pemberton,** business development director, Active Health Partners



**Melanie Summers,** managing director, AIG Medical & Rehabilitation



**Bob Tennuci,** group risk and insurance manager, Wincanton



**Steve Walter,** health, safety and environmental adviser, EEF – the manufacturers' organisation



# Absence management

**DAVID IRELAND:** Perhaps we should start by discussing what the main drivers for absence management are? To kick off, as far as I am concerned there are a number of drivers. Probably the main one is to get a reduction in absence levels in the organisation. I understand that, in 2004, national yearly sickness absence was 4.8%. I am pleased to say that my own organisation's level in that year was below that.

But sickness absence places additional cost burdens on employers. If you can obtain a reduction in the levels, obviously it will bring a reduction in costs, which will add to increased profitability. There will be less disruption to the business, therefore you should have improved productivity. I think you need proper absence management and it needs to be backed up by a full occupational health strategy. This will help you to provide a picture of the organisation's absence levels and with this you can become more active in seeking solutions to any problems that are identified. You can identify return to work timescales, you can offer perhaps restrictions and modifications in duties, you can also look at the potential application of the Disability Discrimination Act and any appropriate measures you may have to take to help expedite a return to health and work for individuals. In the worst-case scenario it may lead you to think about ill-health early retirement for certain people. I believe it also highlights areas of business where you may have problems and you have got a high number of cases of absence due to stress, injury and sickness. The information you gain from that could be assisting the management to see if any changes are needed to help address these problems.

Another thought is that it can also help to identify unreported accidents. On occasions you get a sick note in, and the person is stating that they have been off as a result of an accident. When you check back through the

health and safety forms and the accident book, you find that nobody has recorded this. So it helps you to make sure that you keep up to date with your statutory requirements and also puts you on notice that there may be a potential for an insurance claim lurking somewhere. Those are my initial thoughts. Would anybody else like to throw their hat into the ring?

**ALISON LOVE:** As an employment lawyer, I agree that when talking to clients the cost of absence is the main thing that they focus on. Certainly absence is something that all the employers I talk to are really concerned about. But as well as the actual cost of the absence, it is also the impact on the people left in the workplace who are perhaps having to cover for their absent colleagues – perhaps having to do additional overtime – and also motivational issues within teams. It is that kind of disruption as well as the actual cost.

**MELANIE SUMMERS:** I also think that lack of managing absenteeism leads to more absenteeism. Certainly with short term consistent absenteeism, if people see their colleagues going off sick once a week or once a month and nobody is tackling it, then they will do it themselves because they get sick of covering for people. Then it just becomes a huge cultural issue which is very difficult to tackle because you have to tackle everybody all at once

**DAREN PEMBERTON:** There is no doubt that for businesses the main driver for absence management is driving down cost and making businesses more efficient. There are spin-off benefits, but if absence management is going to become accepted you have got to start from the principle of being able to demonstrate to a business that there is a financial benefit. Some of those benefits are easy to measure because if you have got people off work

Sponsored by:



they are costing you money. But increasingly you have got to think about where are you positioned as a business, how good are your processes? If you are aiming to be a world-class business you have to have world-class processes in place. Why should absence management be any different? If you have a very lean production process, why shouldn't you apply those same principles to absence management and then start to see the returns. That is one of the areas where the absence management industry needs to think about how it engages with businesses. You have got to think in terms of how you can deliver something that is tangible to the business. We are a high wage economy that competes against the rest of the world. Chinese labour and south-east Asian labour is already cheaper. If on top of that you build in the fact that there is x% loss already, you are going to have problems with the business. So it comes back to cost every single time and to demonstrating what is most effective. Process is the important part of it so that you can manage things. You wouldn't let a machine run hot and not do anything about it. You would get an engineer in. So why not do the same with your most expensive asset, your people?

**IAIN HOVELL:** I would certainly agree that cost is one of the fundamental drivers to get buy-in from management. But also there's employee welfare, which was touched on from the morale point of view. Developing the right positive culture within the workplace is important. In terms of the indirect and direct costs, it is sometimes quite hard to calculate exactly the cost benefits associated with absence management and rehabilitation. Although you may have direct costs savings through reducing employer's liability claims, calculating indirect costs from, say, lost production time, poor performance, loss of contracts through absence or the business performing poorly, can be difficult.

**GRAHAM FRID:** On the point of managing the whole issue of absence, it has got to be done properly. It is understanding the nature of the beast for a start. For example, if you take the case of someone who works on an assembly line doing a relatively boring job all day, their type of absence may be different from that of someone like, for example, a design engineer who is dynamic and has a buzz about what he is going to achieve. The pressures on each of them are different.

Another important aspect is cultural differences. In an organisation with a number of sites around the world, we find cultural differences and even regional variations as regards greater or lesser reluctance to disappear from work. Even in the UK, a developed economy, you find a lot of absence on Monday mornings in certain parts of the country. So managing absence requires getting the data and understanding what you are trying to tackle.

**DAREN PEMBERTON:** If you can't measure the extent of absence you can't take the next step to go on and manage it.

**DAVID IRELAND:** That comes back to the problem I was talking about, about identifying the costs and also the benefits.

**DAREN PEMBERTON:** You start with some reference points, because that is the way to start to get buy-in in the business. The soft benefits in terms of employee well-being are more difficult to quantify, but even then you can think of measures. For example, with employee retention, if you have a call centre with a high turnover of

staff, and when you introduce a good, robust and supportive absence management policy your level of turnover goes down, that's an indication. These are secondary drivers, the things that come in behind. You have still got to make the primary case that absence management is worth doing in order to get a business to buy in. So it is about saying what you can actually measure and achieve and then the other things follow on. It is difficult to argue to a business that making their workforce happier will actually help that business.

**STEVE WALTER:** I think it is useful to also identify areas where there might be undercurrents of stress in an organisation and where there are certain weaknesses in that organisation, by actually identifying them from periods of absence.

**BOB TENNUCI:** We have come at it from two angles historically. One is that we have had a team of six occupational health nurses for a good number of years and so there has been an absence management organisation dealing with problems in the past. But with such a large workforce in the UK they are under-resourced to do the job. We have long wanted from another perspective – the insurance perspective – to have a rehabilitation programme based on potential claims or injuries at work as a result of an accident. We have always looked towards an insurer providing that. We have come close to achieving it, and recently we persuaded our insurers to take on the costs of rehabilitation as a claims cost issue. We are currently rolling that out, and we use the occupational health nurse organisation to facilitate it for the referral process. We see that, and absence management, coming together during the course of the year as more of a homogeneous approach to the issue.

**GRAHAM FRID:** We have been running a programme with an insurer – it's in its third year now – and the first year that we did this they added a minimal cost onto the premium. But the programme has been so successful that we don't need to pay extra for it now.

Another important issue is to recognise that, coming back to cultural variations, we do have people in certain

**From the morale point of view, developing the right positive culture within the workplace is important**

Iain Hovell



**If the employer is not proactive the longer the absence goes on**  
**Alison Love**



parts of the country to whom we offer the service at no cost to them. It usually involves private treatment, not NHS. And some of them decline it because they fear that it will reduce their claim.

**DAREN PEMBERTON:** It is an interesting issue, and I know AIG is one of the insurers at the forefront of this, that some insurance companies are moving away from just dealing with the transactional product, the insurance, towards a more holistic view. It is a journey that some insurers have started on. We are working with a client for whom we provide absence management and keep their accident records. And we feed straight into the insurer's rehabilitation programme. So the moment that someone picks up the phone to say they have had an accident, this is routed straight through. That client's insurer is returning them a reduction which is almost into seven figures on the fact that the out-turn of claims is diminishing. I think that this is an area that is going to start developing, with a move to bring in an all-in-one approach embracing insurance and absence management.

**DAVID IRELAND:** We tend to look at it slightly differently, in that we ourselves trigger the rehabilitation process, again with the occupational health nurse because we use an external company for occupational health. With any accident involving absence of three days or more, (and in fact we are now bringing this in to apply to any accident within the group), we notify it through to the occupational health nurse. We take the lead with regard to the rehabilitation; we don't refer it through to the insurer, because at the end of the day we will benefit from the rehabilitation as it will reduce the length of time that someone is off. It will reduce our lost earnings claim and future loss of earnings claim by getting people back into work quicker, so we will benefit from it. Insurers will benefit from it eventually by a reduced claims cost, so we will again benefit by the fact that the premiums will be lower. But we don't wait for the insurer; we don't refer it to the insurer; we do it.

**DAREN PEMBERTON:** I think it is the case that a number

of insurers are starting to wake up to all those benefits and want to start to offer those kind of services. That is going to be an interesting development. Is that an offer that is going to work for people?

**ALISON LOVE:** From an employer's point of view, it's important to be proactive. I don't necessarily deal with situations where there is an accident and therefore an insurance claim; it can be an absence for all sorts of reasons. But if the employer is not proactive in terms of communication, contacting the occupational nurse and those kinds of things, the longer the absence goes on. And the less chance they have of ever getting that person back into the workplace. The chances diminish as the absence continues.

**GRAHAM FRID:** I recently heard of the case of a man working on the roads who had a leg injury, went to accident and emergency, had treatment on his leg and also had a replacement hip operation. He went back to see the surgeon after so many months and was told that the hip replacement was really great. Initially he was given no physiotherapy, but eventually, some three or four months down the line after repeated visits to his doctor, he received a small amount of physiotherapy – about one hour a week – on the NHS. The net result was that after about six months, at the age of 42, he was unable to work again and is now on benefits. And this is all because he didn't get immediate physiotherapy treatment. The NHS is very good if you have got a serious situation, but the aftercare is lacking. If there had been intervention right at the very beginning, we would have had that man back at work within a number of weeks, maybe on light duties initially. That example really sings the praises of rehabilitation.

**MELANIE SUMMERS:** You can't start on the health promotion ladder until you have sorted out the reaction approach. You react to the absence and sort it out and then you can start introducing programmes that maybe encourage people to be a bit more healthy at work and look at things like shift systems. Until you know the reasons why people are off sick, genuine or not, you can't tackle the front end.

**IAIN HOVELL:** It is understanding the root causes isn't it, ultimately?

**MELANIE SUMMERS:** Especially now our workforce is getting older.

**DAVID IRELAND:** There was a point made before, though, that you can't force them to accept rehabilitation – 'it will reduce my insurance claim'. I believe that judges are now looking at this and are asking the question: 'has rehabilitation been considered?'

**MELANIE SUMMERS:** Certainly people's solicitors have to take it into consideration now.

**GRAHAM FRID:** It is important that the referral document actually asks the question: 'are you going to accept treatment?' If it's a no, it is documented that an offer was made and refused.

**MELANIE SUMMERS:** Employers also need to be a lot more enlightened about people's abilities rather than disabilities. Employers tend to be very focused on what the employee can't go back to doing full time so they

don't want them. Instead they should look a bit more strategically at the job. Quite often when we analyse someone's job there may be only one particular task out of 10 that they can no longer do, and the employer may be able to reorganise that.

**IAIN HOVELL:** It is having the flexibility within the business. If you need to eliminate manual handling or long periods of standing up, it may be possible to re-jig the tasks and the jobs that the employee does.

**DAREN PEMBERTON:** As Melanie says, it is a matter of the employer being enlightened enough for that to happen. Most of the issues tend to be at the margins of a task. Some organisations work at getting people to a point where they are ready to return on a graduated basis. That graduated return is on a fixed time period, so they give them support and get them to the point where they are within say six weeks of a return to full duties. That avoids the organisation going down the road of not knowing what they're loading themselves with because that sometimes happens. For example, you can have someone returning to work on 'light duties' and carrying on like that for five years. It comes back to how you manage things like process and accountability. You just don't leave people in a hole somewhere; you have a plan. And the employees too need to know where they are going; most people want to move forward.

It's a different situation with people who refuse treatment. Once you isolate those and strip out everything else you attack this issue in a different way. Once you make it visible that they are refusing treatment they become very different. The vast majority of employees want to get back in and have the right support, and they become more loyal.

**ALISON LOVE:** The duty arising from disability discrimination legislation is also relevant here. A lot of employers still make the mistake of thinking that this duty to make reasonable adjustments is going to cost them a fortune. Actually in 99% of cases it probably costs virtually nothing. It is just a question of being flexible and thinking outside the box and coming up with alternatives for the business and the individual.

**DAVID IRELAND:** What about the stumbling blocks to introducing absence management? Has anybody got any particular views on these?

**IAIN HOVELL:** It is the system and not knowing really where to start. It is such a huge concept and activity that businesses, while they agree with all the points raised to date, don't know where to start. There's so much involved – getting the reporting standards set up initially with the employees. Do you report every accident or near misses? Do we get employees to call in if they are ill or absent from work? What is the level of notification internally to the business or externally to an occupational health or rehabilitation provider? What level of severity is the trigger? After that, it is getting the procedures and processes in place to communicate that message to every employee, because we have employees that we don't see maybe for a week or two because they are lone workers or are at remote sites or on third party premises. It is getting the communication, getting the information to employees that yes, we want to help and this is how you can play your part in it. It is improving communication channels as much as anything, and communicating the message that you are developing an occupational or

health management system and that you want buy-in from employees.

**MELANIE SUMMERS:** It starts from the top as well. I saw some statistics recently that suggested that a huge amount of management absenteeism goes unreported because people just take time off and don't tell anyone, or it never gets noted by human resources.

**ALISON LOVE:** One of the key issues is training, ensuring that those people that are involved in the absence management process, the line managers or whoever it falls to, are properly trained. Largely the responsibility is going to come to the first line managers and they are busy people, they have got other things to do in their daily working lives. They have got to understand how the process operates, why it operates the way it does and be given the skills they need.

**MELANIE SUMMERS:** People worry about that very fine line between bothering someone when they are off sick and caring about someone when they are off sick.

**DAVID IRELAND:** One of the ways that we are going about this is that our absences are reported now through a dedicated helpline, which doesn't come into the company but to the occupational health nurse. They log the call, inform the line manager and can talk to the individual and find out what the problem is so that they can flag it up. They also maintain all the records, so at a push of a button they can see if there is a particular problem with the individual or with a particular class of illness, whether it be stress or something else. So we can actually manage that problem as a company and provide that assistance to the line manager.

**BOB TENNUCI:** How is the helpline manned?

**DAVID IRELAND:** The helpline is manned by the

Sponsored by:



**Employees too need to know where they are going; most people want to move forward**

**Daren Pemberton**





**It has reduced absence levels substantially; it has paid for itself 10 times over if not more**

**David Ireland**

**Sponsored by:**



occupational health people that we use.

**BOB TENNUCI:** Outsourced?

**DAVID IRELAND:** Yes.

**DAREN PEMBERTON:** Our approach is the same. We run a nurse call centre 24 hours a day. The employees ring in and they get the immediate support of help and advice. From the manager's perspective, he is given the data, and you get the manager to focus on that bit that he can manage properly and take away the bit that is outside his skill set. For example, a female employee may ring in and say that she's going to be absent because of 'women's troubles'. From a manager's point of view that might be anything, and certainly puts him in no position to have any discussion and give any real support. Let the manager focus upon the other areas of support. It makes it easier for the manager and easier for the employee.

Coming back to the other part of it, we talk about absence management as though it is something different. The goal has got to be embedding absence management as an integral part of a business in the same way as production management and every other discipline. It is part of making a business efficient and world-class. You need to get joined up thinking. The production people, the process people, the operations people, the finance people, the human resources people and the staff all need to have an ability to buy in.

**DAVID IRELAND:** What are the problems in getting buy-in? I think to get buy-in absence management must be part of a full occupational health strategy. You cannot do it in isolation. That is the only way you can get the buy-in from the organisation; that is the only way you can get the buy-in from individuals. We mentioned the corporate culture and other reasons – well the other reasons are the culture of the individuals, suspicion – but if it is put in as a package of measures which are seen to be for the benefit of the individuals as well as for the benefit of the organisation you get the buy-in. With the health reporting line, we haven't been doing it for long, about 6

months on all salaried staff, but we have got a 99% success rate on it and we will move towards getting 100%. I don't suppose one will ever get 100%. We are just about to move it out on to the weekly paid employees as well.

**DAREN PEMBERTON:** They see a benefit though don't they? They are getting some help and support.

**DAVID IRELAND:** Correct. And it has reduced absence levels substantially; it has paid for itself 10 times over if not more.

**BOB TENNUCI:** Is it compulsory for people who are going off absent from work to call that number?

**DAVID IRELAND:** Yes

**BOB TENNUCI:** That's how they report their illness from work?

**DAVID IRELAND:** Yes. If they come back from an absence and pass a sick note in for instance, that note is then flagged up by human resources, who check. If they have not been through the correct procedure it is then referred back to the line manager as a disciplinary matter.

**IAIN HOVELL:** Is it in their contract that they are required to notify occupational health if they are absent?

**DAVID IRELAND:** Yes.

**MELANIE SUMMERS:** You in turn let their manager know?

**DAVID IRELAND:** Correct.

**DAREN PEMBERTON:** And that is where technology comes in: you flag things up to managers, who then know, for example, that a driver is not going to be in and source another driver. But for employees that kind of support line is fantastic. You start to get employees talking to other employees.

We had an instance of someone reporting that he didn't think he was going to be well enough to come in. He described his symptoms to the nurse and he was in the early stages of a heart attack. In that particular case we ended up dialling the ambulance for him. The message that that kind of help conveys does far more than anything else to help buy-in. People will pass those messages on, and then it moves the reporting of absence away from the feeling that the employee has got to make a not particularly comfortable phone call, which can lead to lack of reporting in a proper way, to a timely process. There is something positive coming back for employees. They know that that kind of call can trigger straight through to the occupational health service and produce ongoing support. It becomes a huge benefit, and people then want to make sure they are getting the best out of it. They know that if they go to their GP they may struggle to get an appointment. If they have a musculo-skeletal problem which needs physiotherapy, the NHS isn't designed to provide that. So employees begin to understand that it is a matter of their business supporting them and then you get those benefits coming back related to retention, loyalty and productivity.

**GRAHAM FRID:** Just a warning here though. A lot of big companies are able to spend time to actually make things better for others. But what about smaller or medium

sized enterprises? You have to try to keep the system simple. If it is one stop shop they can go to, it may be easier to get to the process moving. From AIG's point of view, how many of your clients are small and medium sized enterprises who use your service, versus the large organisations?

**MELANIE SUMMERS:** It is the full range. We have a telephone reporting system for accidents, which is available to small businesses as well as the very big ones. I think our feeling is that if you run a very small business, having one person off sick can be a huge problem. And they usually don't have an HR manager or an occupational health provider, they have someone who does all those roles all at once, and they just don't know what to do to help that person, so the impact is massive. In some ways you probably make more of a difference with the smaller companies than you do with very big organisations.

**GRAHAM FRID:** Having worked in a very big organisation for some 30 years, I realise that we have guidelines, flow charts, various forms, but the guy who is only employing 30 or 40 people wants someone to pick up the telephone and make it happen

**ALISON LOVE:** We deal with employers of all sizes and I think this kind of service is particularly attractive to the SMEs because they haven't got professional HR support, they haven't got occupational health, so they haven't got anybody internally to do this.

**DAVID IRELAND:** The loss of an individual has probably a bigger impact on the business of an SME than for a larger employer.

**STEVE WALTER:** If you have got one out of 20 of people absent, it is going to have a major impact.

**MELANIE SUMMERS:** Also I think SMEs need a lot more help to think outside the box and change people's jobs. If they have only got 12 people, all with very specific tasks, they often need help to see how they could reorganise things differently so that someone can come back to work.

**DAREN PEMBERTON:** Do you find that once you have opened up the possibilities to them they are more responsive than some larger organisations?

**MELANIE SUMMERS:** Yes, much more so.

**GRAHAM FRID:** Probably because they are trying to survive and get through the next week or month rather than having a five year plan.

**DAREN PEMBERTON:** But again, that is the driver and gets that business to buy in.

**MELANIE SUMMERS:** As Alison was saying also, it actually doesn't cost very much money once they have been given the appropriate support and they know which direction to go in.

**DAVID IRELAND:** What information do you think is actually needed to get an absence management policy up and running?

**MELANIE SUMMERS:** It is important to know your age



profile, the different physical demands of various jobs and which particular areas have the highest absence rates. You usually find, certainly with bigger companies, that the areas where they have the greatest degree of absence or the greatest degree of stress are the ones with the lowest level of productivity. Ordinarily it is not an issue to do with people being unwell, it is usually an issue to do with management. So you would normally say that those are the priority areas that you should look at, or maybe the areas where they have the most claims. The constituency of the workforce may be relevant. Statistics say that women take more time off sick than men. And you need to assess what your absence problems are, and how you have historically managed them. We have a large client that we work with and their policy is that if you are off sick, after six months you get dismissed. It is as simple as that. That is difficult, as when the employee is better, there may not be a job to return to. An employee with a major musculo-skeletal problem might be off for six months quite genuinely and then be fit to return, but the company has already cast them off. So then the expense is trying to find somebody a job doing something else who maybe gets completely lost if they don't know how to find their way around the system. It is important to communicate to employees that it is in their interests to tell their managers what the issues are. A lot of employees are very frightened to say, for example, "Well the actual reason why I am off sick with stress is because I have to work nights followed by days and I only get four hours in between and I just can't cope."

**ALISON LOVE:** Again that comes back to cultural issues, whether there is an open culture, a supportive culture.

**DAREN PEMBERTON:** It also comes back to not just looking at HR policies, but at whether the whole benefits package actually creates perverse incentives. We have a client that has a very tight sick pay policy and it acts as a disincentive. They are looking to change that. It means that employees, on the one hand, know the business is trying to support them but, on the other hand, perceive

**They are trying to survive and get through the next week or month rather than having a five year plan**

**Graham Frid**



## It is easier to sell remediating accidents at work

Bob Tennuci

that the business is being unfair. That does impact on their claims.

**DAVID IRELAND:** If you have too generous a sick pay policy, it is a disincentive for people to get back into work.

**DAREN PEMBERTON:** In that instance there hadn't been the thought process around what the impact of the sick pay policy on the business's absences was and on its claims rate. It was something that eventually dawned on them and, to be fair, the insurer involved was instrumental in trying to persuade them that this was not a good way forward.

**IAIN HOVELL:** It is getting the balance right isn't it, supporting the employees rather than trying to penalise or criticise?

**MELANIE SUMMERS:** But you need to be seen to deal with those people who are malingerers as well.

**IAIN HOVELL:** That's having your system in place. You can have regular referrals so that some things don't get out of hand. As long as it is one system for all, it is fair and everybody knows where they stand.

**DAREN PEMBERTON:** The beauty of that is that if the absence is a result of an accident, you don't have to worry about doing anything different because it is a liability issue. It's just following the business policy. If someone's absent, whatever the cause, this is what we do. And the return to work and rehabilitation approach can take it completely out of the arena of litigation. You then get to the point where, if a claim is made down further down the line, you have mitigated it.

**DAVID IRELAND:** I think the reality is that with a lot of the incidents of accidents where you have actually implemented rehabilitation and have looked after the individual, a claim doesn't come forward.

**IAIN HOVELL:** They know they have been looked after,

and their morale shoots up.

**DAREN PEMBERTON:** It is what you do with the first point of contact; you set the tone pretty much at day one. If they just go off and there is no contact or support they end up watching daytime television. If you support them they think about themselves and their employer positively. But you have got to set that tone where they know there is support and follow through when there is an event.

**GRAHAM FRID:** In the last full year of our scheme, we had 47 referrals – we think the scheme is under-utilised. These principally involved strains and sprains, because that is the business we are in. Out of 47, 12 subsequently made a claim, so already almost three-quarters of the employees felt happy and looked after. Out of the 47, 45 returned to work, one took ill health retirement not related to their injury and one took redundancy, again not related to their injury. We calculate we saved 376 months at a very conservative figure of 400 dollars a day.

**BOB TENNUCI:** I don't know about the latter statistics but the first ones are pretty representative of what we have found in what we have done so far. We ran our pilot last year.

**GRAHAM FRID:** One thing I would mention which we are aware of from the feedback we are getting from our scheme, is that it is only occupation-related. At the moment it does not cover absence because of stress. I think that is something that in certain businesses is becoming a bit of a problem. It is sometimes hidden under other guises.

**MELANIE SUMMERS:** We find that people who use the work-related scheme will more willingly fund themselves for non work-related rehabilitation, because they see how effective it is. And, if an employee falls off a ladder at home rather than at work, some employers think it is actually more cost-effective to pay for them to have immediate treatment rather than have them off sick for six months.

**DAVID IRELAND:** I take the holistic view of absence management. Rehabilitation tends to just trigger the thought of accidents in people's minds. One of things we are trying to do within AIRMIC is get people focused on the bigger picture. If we can come back to the comment that Daren made right at the beginning, if you are in manufacturing and a machine breaks, you look after it. It doesn't matter how and where it broke. But so few employers actually do that for their employees. We shouldn't differentiate between in-work incidents and external causes; it is the whole picture we should look at just like any other part of the business.

**IAIN HOVELL:** The holistic approach is certainly the long term goal for every business, but how do you get to that stage? For a lot of organisations it is going to be a matter of first sorting out the accidents at work and the rehabilitation side of things, and then building on that and moving the process forward so that they arrive at an all-encompassing holistic approach. The first piece of the jigsaw may be sorting out accidents at work; then they can build on their success.

**BOB TENNUCI:** There is a selling issue though with holistic absence management. It is easier to sell

remediating accidents at work.

**DAVID IRELAND:** It isn't easy, but it does actually pay for itself. There are so many statistics that you can look at and people that you can talk to who have actually taken this approach, and the feedback that you get is that the benefits to the business are enormous.

**IAIN HOVELL:** But it is cultural changes; you don't want to run before you can walk.

**DAVID IRELAND:** The tactics of how you best get it in depend on the organisation. Some will work on it gradually, others jump right in at the deep end. That comes back to the culture of the organisation. You can look at external factors such as stress. If someone is getting stressed at home and bringing that stress into the workplace, there is an increased likelihood of them having an accident or a problem at work. For example, if they have a child that is keeping them up all night and they are driving off somewhere and they are tired, should they actually be behind the wheel of the car? You cannot isolate the work and the home environments, or the total external environment. They do impact one another. You have to be conscious of that.

**STEVE WALTER:** That is particularly true when you are looking at SMEs. For small organisations that are less likely statistically to have a major accident within the organisation, these other factors, such as stress at home, are more significant.

**DAVID IRELAND:** Do you know how well your members keep statistics on absenteeism?

**STEVE WALTER:** It varies a lot. We used to run a health and safety award scheme and got over half the membership submitting their accident data to us, which was fairly good. It was a better rate of reporting than the Health & Safety Commission get. We are running a benchmarking scheme now to encourage people to voluntarily submit data, but there's only a small proportion of people who are interested. So it does vary, and on the whole they are probably poor at keeping data on absence management.

**DAREN PEMBERTON:** Our experience is that it doesn't matter what the size of the business is. In fact I would argue that large businesses are the poorest at the systems and data recording. When we go in as a provider of absence management services, absence rates go through the roof for the first three to four months, because what you are actually doing is picking up the true picture – and businesses are generally horrified in those first few months. But it is then that we are in a position to present the data to the businesses in a manner that they can understand because usually there are all sorts of ad hoc systems, and then it comes back to process. At a high level there is generally a good policy in place, but it is not supported by follow through and then you can't really use the data to manage anything.

**DAVID IRELAND:** One of the keys to getting a proper absence management policy in an organisation is to get that organisation to keep accurate records and find out what is actually happening within its business. If it does that, absence management will sell itself.

**DAREN PEMBERTON:** You need to make it easy for



them. If you are a manager on site, you are there to make money for the business and run that site, you are not there to collect information and data. You need to have some mechanism that doesn't make it burdensome.

**DAVID IRELAND:** Who should be driving this within organisations? Is it HR? Is it health and safety? Is it the risk manager?

**IAIN HOVELL:** It's a joint approach. There are various stakeholders involved.

**DAREN PEMBERTON:** You need champions who can start to draw these things together and get those disciplines working as a team. Risk management can't do it on its own, health and safety, HR and operations can't do it on their own. What generally happens is that they all do little bits and that is where people fall through the cracks. It has to be a team approach.

**ALISON LOVE:** You have got to have buy-in from senior management as well.

**MELANIE SUMMERS:** I think you need to have one person responsible for it because otherwise there is no one to drive it.

**DAVID IRELAND:** Certainly in our organisation the key driver is HR.

**ALISON LOVE:** It is a good thing for HR to champion, because then they can point to the cost savings they are making, which is helpful in an area that doesn't actually produce anything.

**DAREN PEMBERTON:** It depends on the organisation and how HR is perceived within that organisation. Does HR have the clout to make this happen? You have to identify the right champions to pull people together, and in our experience they are different in different businesses. But it is key to have somebody who will put their name to it and drive it forward. They don't have to do it all themselves, but it should be a senior person. If

**The holistic approach is certainly the long term goal for every business**

Iain Hovell

Sponsored by:





**When working with organisations that have unions, introducing new policies and procedures is much easier**  
**Melanie Summers**

Sponsored by:



you haven't got that level of buy-in commitment, it is not going to work properly, it is not going to be effective.

**GRAHAM FRID:** Before you get executive sign off for anything like this, what you really need is something like a project plan. Not reams of paper, one piece of paper is adequate with headings at the top like: what are the work packages?; what are the timelines?; who is responsible?; who is going to deliver?; and are we delivering on time? Then the project team and the champion should make sure that they have some kind of managerial review of whether they are moving along with the time. If the timeline does slip then they need to understand the rationale behind it.

**DAREN PEMBERTON:** It is easy for the business to understand if you put it on that level that it's a process they are going to manage.

**DAVID IRELAND:** But I don't think you have just got to present it at the top, have you? You have got to present it all the way down.

**IAIN HOVELL:** It is a top down and bottom up approach, isn't it?

**ALISON LOVE:** I think it is like implementing any new policy. It has got to be implemented in the right way, communicated in the right way and followed through. It's not just having a policy sitting on the shelf gathering dust.

**MELANIE SUMMERS:** You have to invest in training people to empower them to deal with some of the very difficult issues attached to people being off work, which aren't always illness-related at all.

**BOB TENNUCI:** These things are always top down. You can't avoid it; it will never work unless it is top down.

**DAVID IRELAND:** I think you have got to have the impetus coming from the top, but to actually get the thing in place and working you have got to carry the lower levels of management with you. They are the

people who have got to make sure it works and see how it operates. If you sell it at the top but don't take the others with you then you are going to struggle.

So once we have got the approval for our absence management programme, how do we implement it? The way we are doing ours has been as a gradual process. We have accepted the principle but we've not dived in. We've brought it in over a period of time and we've brought it in for different companies and different disciplines during that period so that we could work through the teething problems.

**BOB TENNUCI:** Did you do that on a side-by-side basis?

**DAVID IRELAND:** Company by company, so that all the sites relating to that company came in but that was then split down, first for salaried and then for weekly paid. It just helps to iron out all the problems, so that you make sure that by the time you get the whole group in you have got something that actually does work and is meaningful.

**IAIN HOVELL:** How did you get the information to the employees? How did you sell the project?

**DAVID IRELAND:** It's being passed on to the employees as and when it's being introduced and this has been done through HR and the line managers.

**IAIN HOVELL:** How do they know who to ring? Are they given an information pack or a brochure?

**DAVID IRELAND:** Yes. Information goes out with the payslips, telling them whom they have to contact, giving them the number and the details. It is posted on our group intranet so it is readily there for anybody who has got computer access. If you walk through our offices, on each of the doors in the common areas there is a poster up telling you that if you are absent to please call the helpline and giving the helpline number.

**DAREN PEMBERTON:** Our clients also have a little 'credit card' to carry round with them as a reminder of what to call in. Yes, it is getting the message to them by things like letters with payroll. If we are introducing a new concept, a new process, we generally find you have to tell people with three lots of communications: something at the beginning, something a month or so beforehand and something just before, to get the message across. To reinforce it, you need lots of posters.

**MELANIE SUMMERS:** It is also communicating what happens next though, isn't it? It is all very well to say 'this is how you phone up sick,' but I think what people are most concerned about is what happens to them next. Are you going to be followed up in two or four weeks' time?, is someone going to visit you?, all those sorts of things. It usually works best in organisations that are highly unionised, because you generally find that information is distributed very quickly and effectively. We have found when working with organisations that have unions, that introducing new policies and procedures is much easier, providing you have got the unions on board and that they understand and they are enlightened.

**DAVID IRELAND:** If you have got the buy-in from the unions, it does help to sell it to the members.

**BOB TENNUCI:** From your point of view, Melanie, have you found it works a lot better where there is an existing

occupational health programme?

**MELANIE SUMMERS:** I think it varies from one organisation to another, because people's ideas of what an occupational health programme is are very different from one organisation to another. Some people think it is a nurse in a uniform sitting in a corner of the factory floor, handing out plasters and paracetamol. It varies from organisation to organisation.

**GRAHAM FRID:** With employers now having an occupational health adviser rather than a nurse, more enlightened employers will have moved away from the sticky plasters concept some 20 years ago. We have an occupational health adviser who is able to do jobs and some of the things that historically doctors used to do. I truly can't see why health and safety advisers in businesses cannot work hand in glove with the occupational health people. I just don't understand those sorts of territorial approaches, and they shouldn't be there.

**BOB TENNUCI:** I wasn't thinking so much about the possible silos, I was wondering whether it would make it easier for rehabilitation providers if there is a structured occupational health programme in place.

**MELANIE SUMMERS:** Occupational health in a lot of places is still about occupational sickness. It doesn't focus on health, it's purely reactive. Really they should be there giving advice on the shop floor about how people should or shouldn't operate, but I don't think that happens.

**DAVID IRELAND:** We produce a booklet for all our employees which is a good health guide. It is not just about work, it's about lifestyle. It is part of the package, part of trying to sell the whole occupational health programme. We have health screening going on throughout the group on a regular basis, we have health screening on joining employment, so that we can identify any problem areas, make sure that people are fit for purpose, to bring in that terrible phrase.

**MELANIE SUMMERS:** A lot of companies won't do that because they say it is just too expensive and their turnover is just too high to invest in pre-employment screening. And that is some of the very big organisations we work with. It is an interesting approach.

**DAVID IRELAND:** It is difficult because it has a cost implication. Certainly I know within our own organisation different parts look at the cost implications of it and just see it as a downside cost, you have to try and sell the upside cost with it.

**MELANIE SUMMERS:** It's nearly always less than the cost of one big claim. You only need one big one.

**BOB TENNUCI:** Going back to the point of occupational health nurses or officers, whatever we want to call them, being reactive, I think quite often it starts off with a proactive role and ends up as a reactive role. With a structured absence management approach, that reactive side may be taken away so they move back into the proactive arena. That is one of the real positives to be said for absence management.

**ALISON LOVE:** As an organisation going through a health and well-being programme that was put in place, which was entirely voluntary and paid for by the



business, the feedback we have had from it is absolutely fantastic. We have had people saying things like: thank you for making us healthier and happier and for assisting us, and employees talking about it to each other, and communication through the grapevine as it were, to the extent that we are now running another programme. Because all those people who didn't start the programme feel they have missed out and now want an opportunity to get involved. So we are running it again some time this year. But the benefits that we have had in terms of appreciation of the staff for doing this, as they see it, on their behalf, have been absolutely fantastic.

**DAREN PEMBERTON:** That cuts across cultures. One might imagine in your firm, where you have highly motivated and reasonably well paid individuals that, yes, they would buy into it and appreciate it. Our experiences with businesses with people who are doing mundane jobs and would appear not to be the most highly motivated, is that they are saying the same kind of things regarding feedback and getting good support. People respond.

**ALISON LOVE:** It actually brings down some barriers as well: partners, support staff, office juniors or whatever, they all have the opportunity to do this together. So that has been a benefit as well.

**GRAHAM FRID:** Getting back to absence management, what do you think, Steve, about the input of the HSC and its 10-year programme, getting involved and improving the occupational health of the employees?

**STEVE WALTER:** There has been the question of whether they should be having an input and whether they had expertise in that area, as HSC had been focusing just on health and safety before. But, thinking on the lines we said before, about it being a team thing, perhaps they do have a role to play in terms of flying the flag for health and safety professionals and saying this is the sort of thing you should be asking about.

It is still very much part of their policy and part of their programme, managing absence, so they should be involved thinking across the range of issues.

**I just don't understand those sorts of territorial approaches and they shouldn't be there**

Graham Frid



## It is probably quite threatening for people where they have been off work for a long time

Steve Walter

Sponsored by:



**DAVID IRELAND:** Do we think that, following the recent announcements with regard to looking at serious reductions in incapacity benefit, now is probably the best time to be talking about this and selling it to people? The Government says it wants a whole load of people who are on benefit to get back into work. So how are they going to do that? Rehabilitation is going to come into its own.

**MELANIE SUMMERS:** So will independent medical assessment as well. I don't think you can ask people's GPs to suddenly change their minds about everyone they have been signing off for years.

**DAVID IRELAND:** On the other side of the coin, I think it is going to be more difficult to get incapacity benefit in the future.

**MELANIE SUMMERS:** Yes, because you are only going to be able to get it for a limited period of time and it is going to be called something different.

**DAREN PEMBERTON:** To be fair to GPs they are not given the skill sets to be able to make those decisions about working.

**MELANIE SUMMERS:** No they are not trained.

**DAVID IRELAND:** They don't know anything about the job that the individual is doing at the moment and they don't know anything about any alternatives that may be available to that individual.

**MELANIE SUMMERS:** It is very difficult if they are unemployed to have another avenue of somebody assessing them because they haven't got an employer guiding them to an occupational physician.

**STEVE WALTER:** It is probably quite threatening for people in that situation where they have been off work for a long time and not able to get back into it. They may not feel themselves capable of getting back into work.

**DAREN PEMBERTON:** There has been a very good project in Essex with Jobcentre Plus, where they have

linked up with a rehabilitation provider, providing structured programmes helping people both on the physical side and the biopsychosocial side. They are looking at people's attitudes to work, raising their ambitions and expectations, giving them that support, and then on top of that, opening up avenues through Jobcentre Plus to find new ways to work. It seems to be getting some good results. As we said with absence management, it is support and guidance all together.

**DAVID IRELAND:** I can only hope that with what is going on now more resources will be put into the DWP so you will get absence management and rehabilitation to the forefront. At the moment, while they are involved with it, it is still very much on the back-burner.

**MELANIE SUMMERS:** And the other issue is finding work for people in areas of very low employment, when a lot of these people are not always particularly well educated, or they are in areas where very big industries have moved or closed down. Is there going to be money available to retrain people to do things that they are going to stay at?

**DAVID IRELAND:** How do you quantify the benefits and resulting cost savings of absence management?

**IAIN HOVELL:** Well I suppose an easy answer would be that you are going to have a reduction in accidents hopefully and a reduction in claims. If we are managing the process better, we know what is going on in the business, and we are getting the information through to health and safety managers and risk managers. They then know why things are happening, not just what is happening, so that they can identify root causes. If we start tackling the causes of the problems, be they too much pressure on employees or bad process systems that are causing the accidents, if we can identify and tackle the root causes, that should fundamentally reduce the number of accidents, thereby reducing the number of claims the cost to the business. It is going to be very hard I think to identify indirect costs. I know there are lots of calculations that people use but there is such variety. Some people say when you are looking at lost time you should also include investigation time, overtime for employees who have to cover for absent or injured employees, potential loss, reduced productivity or lost contracts. You have so many factors it is hard to put a figure on exactly what indirect savings you made.

**GRAHAM FRID:** We did exactly that. I went to a reputable source in HR and said: give me a UK based figure – if somebody is away for the day, how much does that actually cost, including all those things you have to pay out for if that person is not there doing their job. They came up with a figure and we then used that. As I said earlier, it is a very conservative figure.

**IAIN HOVELL:** Finally, I think we should mention the charge-back of NHS fees because obviously that is going to be a big factor in the rehabilitation programme.

**MELANIE SUMMERS:** The concern is that it will increase claims because when somebody goes to a hospital's casualty department, they will ask if their condition is work related. But I think you will find that it is going to cost the NHS more than they would ever get back so it may be just another scheme that is likely to get postponed.

# Reduce the cost of accidents

## 21st

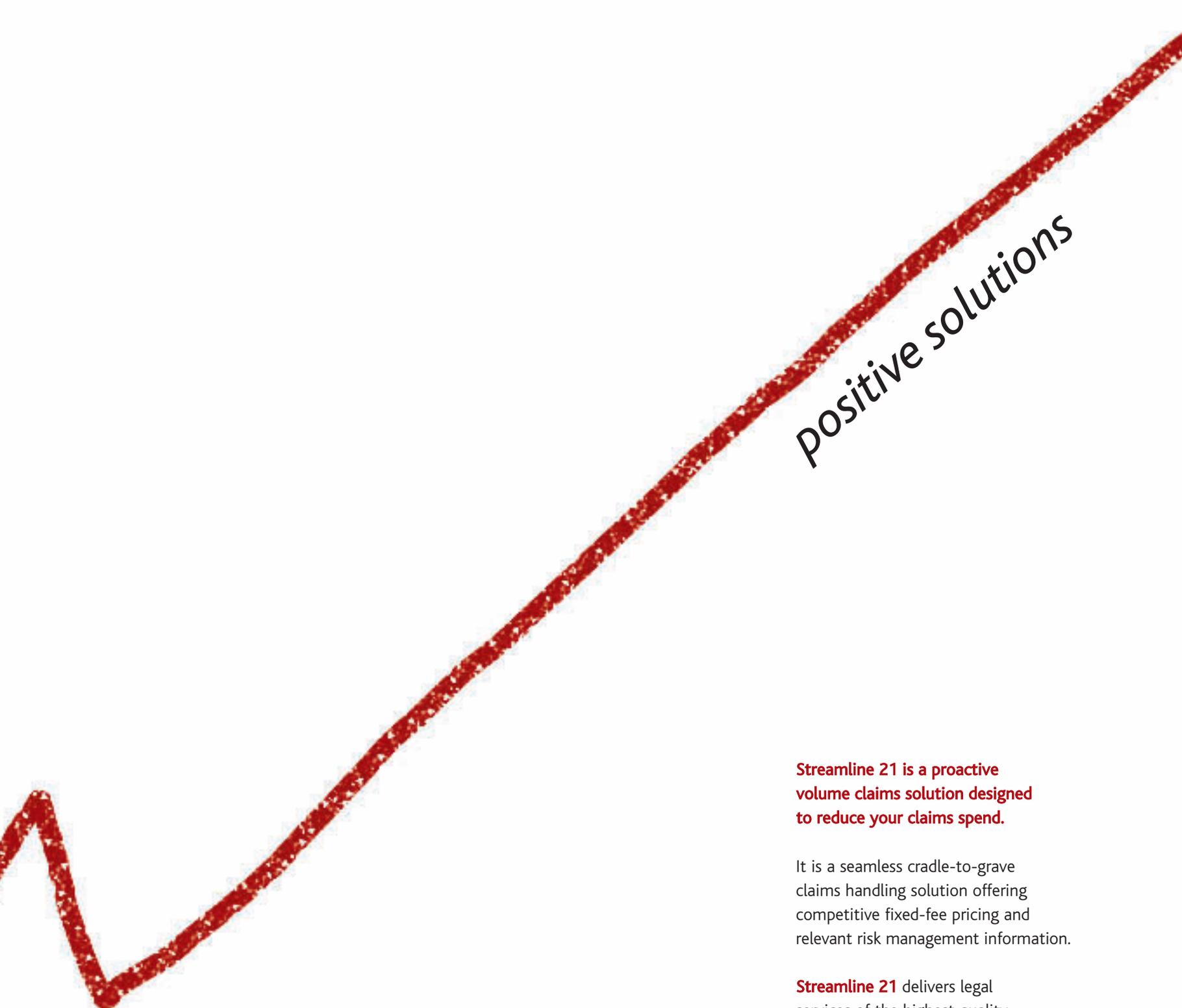
## Century Accident Reporting & Management



[www.ahp.co.uk](http://www.ahp.co.uk)  
08454 58 49 82



health and technology delivering



Positive solutions

**Streamline 21 is a proactive volume claims solution designed to reduce your claims spend.**

It is a seamless cradle-to-grave claims handling solution offering competitive fixed-fee pricing and relevant risk management information.

**Streamline 21** delivers legal services of the highest quality throughout the UK.

**Streamline 21** consistently ensures the best commercial outcome, in the shortest possible time.

For a demonstration, please email:  
[philip.dicken@hughjames.com](mailto:philip.dicken@hughjames.com)  
or call: 029 2039 1071

[www.hughjames.com](http://www.hughjames.com)

**streamline** 