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Absenteeism control methods: a survey of practices and results

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Although managers would not deny employees the right to be absent from work for legitimate reasons, most managers are concerned about the cost of absenteeism to their company, particularly when it is not necessary. A three percent national absenteeism rate means that on any scheduled work day over three million employees will not show up for work. By Steers and Rhodes (1978) calculations, this rate represents an annual cost to our economy of over \$26.4 billion. This figure is based on Mirvis and Lawler's (1977) estimated daily absentee cost of \$66 for each occurrence for nonmanagerial personnel. This cost is based on direct salary, fringe benefits, estimated loss of profits and costs associated with temporary replacement. Given this large price tag for absenteeism, it is little wonder that managers are continually searching for and experimenting with methods for controlling this pervasive problem.

Although there is a large amount of research dealing with the reasons why employees are absent, there is surprisingly little written on the effectiveness of basic control policies

and practices used to deal with this problem. Furthermore, we have found that when managers talk with us about implementing a particular absenteeism control program, they often have not given any thought to their overall strategy or to how a new control method might affect other personnel practices.

What Methods Are Managers Using?

In an attempt to discover what is used and what works in terms of comprehensive absence control programs, we surveyed a national sample of personnel managers. These managers were asked to identify the methods used by their organizations to control absenteeism and to evaluate the effectiveness of these techniques. In addition, we asked for their current absenteeism rate and other basic background information. Our basic concerns were simple:

1. How prevalent were various absenteeism programs?
2. How effective were these methods according to the administrators?
3. Was there a relationship between the set of absenteeism control methods used by an

organization and their absence rate?

The respondents to our survey were all members of the American Society for Personnel Administration (ASPA) and represented every region of the country and sector of the economy. Usable questionnaires were returned by 987 respondents (approximately 20 percent), which was an excellent return rate for lengthy questionnaires. Characteristics of the responding organizations are described in Figure 1. The

average absenteeism rate was 4.2 percent; the average size of the hourly work force was 994; and the average hourly wage rate was \$6.84.

From a list of 34 different absenteeism control methods reproduced in Figure 2, respondents were asked to identify which techniques were currently being used by their respective organizations. This list of control methods was developed from an extensive examination of the literature and from a pilot survey of personnel managers

from 60 organizations. Respondents were also asked to evaluate how effective these methods were in controlling absenteeism. For each method, they were given four possible alternatives:

1. This method is not effective at all.
2. Marginally ineffective, the benefits just below the costs.
3. Marginally effective, the benefits barely worth the costs.

Figure 1

Characteristics Of Responding Organizations

<u>Types of Organizations</u>		<u>Other Organization Characteristics</u>	
Primary processing, (e.g., petroleum, steel, chemicals, etc.)	53	Union(s)	375
		Non-unions	612
		Total	987
Manufacturing, (e.g., metal, rubber, textile, etc.)	358		
Electronics	49	Hourly employees:	
Food processing	89	Paid absences	533
		Non-paid absences	454
		Total	987
Service (e.g., transportation education, banking, utilities)	169		
Health care	59	Salaried employees:	
Insurance	61	Paid absences	967
		Non-paid absences	20
		Total	987
Sales	37		
Other industries	66		
Total	987		
<u>Number of Hourly Employees</u>		<u>Reported Rates of Absenteeism *</u>	
Less than 100	237	Less than 3 percent	306
101 to 500	454	3 to 7 percent	277
501 to 1000	148	Greater than 7 percent	158
More than 1000	148	Did not report rate	296
Total	987	Total	987

*Absenteeism rates ranged 1 percent to over 30 percent and averaged 4.2 percent.

4. Definitely effectively, successful.

The Manager's Perceptions Of What Works Best

The first column of Figure 2 lists the average effectiveness score for each of the 34 absenteeism control methods. These are ranked in descending order from those rated most effective to least effective. A close examination of this list reveals a number of interesting observations:

First, of the 34 methods, 26 (77 percent) have been rated above three, which corresponds to a rating of at least marginally effective. Secondly, it is clear that personnel managers reported using a wide variety of methods to control absenteeism, although not all methods were equally popular. Focusing on the information in the first column, the nine methods rated most effective in controlling

absenteeism were the discipline/monitoring methods. These are more traditional approaches for dealing with absenteeism. The three most highly rated programs were: 1. a consistently applied attendance policy (Item 1); 2. termination based on excessive absenteeism (Item 2); and 3. a progressive discipline system for excessive absenteeism (Item 3). Referring to the second column, it is not surprising to note

Figure 2

34 Absenteeism Control Methods Ranked by Rated Effectiveness

Control Method	Average Rated Effectiveness	% in Use	Absence Rate: Non-Users	Absence Rate: Users
1. A consistently applied attendance policy	3.47	79%	4.8%	4.2%*
2. Termination based on excessive absenteeism	3.47	96%	4.4%	4.3%
3. Progressive discipline for excessive absenteeism	3.43	91%	4.8%	4.3% ^A
4. Identification and discipline of employees abusing attendance policies	3.39	88%	4.8%	4.3%
5. At least monthly analysis of daily attendance information	3.38	57%	4.7%	4.1%*
6. Daily attendance records maintained by personnel department	3.36	48%	4.6%	4.1%
7. Employee call-in to give notice of absence	3.35	99%	7.3%	4.3% ^A
8. A clearly-written attendance policy	3.33	76%	4.2%	4.4%
9. Daily attendance records maintained by supervisors	3.31	68%	3.8%	4.6%**
10. Allow employees to build a paid "absence bank" to be cashed in at a percentage at a later date, or added to next year's vacation time	3.28	10%	4.3%	4.2%
11. Employee interviewed after an absence	3.26	35%	4.4%	4.2%
12. Flexible work schedules	3.25	21%	4.3%	4.5%
13. Inclusion of absenteeism rate on employee job performance appraisal	3.19	66%	4.5%	4.2%
14. Perfect/good attendance banquet and award ceremony	3.19	9%	4.4%	3.8% ^A
15. Formal work safety training program	3.17	42%	4.2%	4.4%
16. Screen recruits' past attendance records before making a selection decision	3.16	67%	4.7%	4.2%*

Control Method	Average Rated Effectiveness	% in Use	Absence Rate: Non-Users	Absence Rate: Users
17. Supervisory training in attendance control	3.15	39%	4.4%	4.2%
18. Inclusion of work unit absenteeism on supervisor's performance appraisal	3.15	18%	4.4%	4.2%
19. Wiping clean a problem employee's record by subsequent good attendance	3.14	47%	4.3%	4.3%
20. Improvements of safety on the job	3.13	57%	4.2%	4.4%
21. Public recognition of employee good attendance (i.e. in-house bulletin boards or news letters, etc.)	3.10	25%	4.6%	3.6% **
22. Job enrichment/enlargement/or rotation implemented to reduce absenteeism	3.09	12%	4.3%	4.2%
23. A component on attendance in a formal employee orientation program for new hires	3.07	71%	4.5%	4.3%
24. Require written doctor's excuse for illness/accidents	3.05	77%	4.0%	4.4%
25. Spot visitation (or phone call) to check-up at employee residence by doctor/nurse/detective/other employee	3.00	21%	4.3%	4.3%
26. Operation of day care for employee's department	3.00	<1%	4.3%	3.6% ^A
27. Substance abuse program (drugs, alcohol, etc.)	2.99	28%	4.4%	4.2%
28. The absenteeism control policy has been negotiated in the union contract	2.98	32%	4.3%	4.9% ^B
29. Employee bonus (monetary) for perfect attendance	2.96	15%	4.4%	4.1%
30. Education programs in health diet/home safety	2.81	13%	4.4%	3.9% ^A
31. Attendance lottery or poker system (random reward)	2.77	<1%	4.3%	4.8% ^A
32. Peer pressure encouraged by requiring peers to fill in for absent employee	2.62	43%	4.3%	4.4%
33. Chart biorhythms for accident prone day	2.50	<1%	4.3%	5.3% ^A
34. Letter to spouse indicating lost earnings of employee due to absenteeism	2.50	<1%	4.4%	1.8% ^A

A: Due to greatly imbalanced cells sizes, this difference should not be interpreted.

** : Statistically significant $p < .05$

* : Statistically significant $p < .10$

B: This applies only to unionized firms.

that these were used by 79 percent, 96 percent and 91 percent, respectively, of the organizations in this sample.

Disciplinary Actions Are Questioned

The prevalence of these disciplinary methods provides cause for concern when the remainder of the information in Figure 2 is examined. Quite simply, are these organizations meeting the minimum requirements for data accuracy and fairness in their terminations? For example, only 57 percent of the firms conduct at least monthly analysis of daily attendance information (Item 5). Only 48 percent have daily attendance records that are maintained by the personnel department (Item 6) and 68 percent of the respondents have daily attendance records maintained by supervisors (Item 9). Furthermore, even though many organizations reported collecting absenteeism data, why were so many respondents (30 percent) unable to provide current absenteeism rates? As a result, how can consistent decisions for terminations be made when accurate data is not maintained, updated or analyzed?

In addition, numerous arbitration cases (*S. Cahn vs Union Carbide Corp.* 46 LA 195; *C. LaCugna vs General Electric Co.*, 32 LA 637; *E. Jones vs Lockheed Aircraft Corp.* 35 LA 725) have shown that termination for excessive absenteeism will not be upheld unless several other attendance control methods are evenly enforced. First, accurate attendance data must be collected and recorded for each employee. As has been discussed, this is not done by many of the organizations we surveyed. Secondly, the organization must provide a clearly-written attendance policy (Item 8). Twenty-four percent of the organizations surveyed indicated they did not have a clearly-written policy. Although progressive discipline was provided by most organizations (used by 91 percent, Item 3), an improvement factor was not built into most policies because only 47 percent of the firms indicated an employee's absenteeism record would be wiped

clean by subsequent good attendance (Item 9). Finally, only 35 percent of the organizations conducted employee interviews after the absence (Item 11). As a result, we would have to conclude that termination for excessive absenteeism often is not consistently administered and probably will not stand up before an arbitrator or judge if challenged. Based on our experiences, these discrepancies are indicative of a "piecemeal" approach to discipline-type attendance control methods. These piecemeal programs are usually troublesome to administer and are not as effective as more comprehensive programs controlling absenteeism.

Many Programs Are Not Effective

Another important point that can be gleaned from Figure 2 is that some of the most frequently-used control methods are not evaluated as being very effective. For example, a written doctor's excuse (Item 24) is required by 77 percent of the organizations to verify the legitimacy of the absence, but the effectiveness of the program is ranked only 24 out of the 34 methods. Seventy-one percent of the firms discuss attendance requirements during their formal employee orientation program, yet its effectiveness is ranked just above requiring a written MD's excuse. The third to the last ranked method, applying peer pressure by requiring peers to fill in for an absent employee, was used by 43 percent of the respondents. It has a rating of only 2.62. If these programs are rated so poorly in comparison to other methods, one must wonder why organizations continue to apply them. From our discussions with personnel managers, we suspect these are old programs that are not well-maintained but nevertheless are still part of company policy.

A third observation can be drawn from the data in Figure 2. In the management literature, programs that reward attendance in a variety of ways have been highly praised (Gove, 1968; Nord, 1970; Panyan & McGregor, 1976). One would

suppose that by now they would have been implemented in a large number of organizations. However, our survey indicates that such programs are used infrequently. For instance, an employee bonus for perfect attendance is used in 15 percent of these organizations. (Given its rank of 29 out of 34 and its rating of 2.96, this may not be all that surprising.) However, allowing employees to build a paid "absence bank" to be cashed in at a percentage at a later date or added to next year's vacation time is ranked highly with a rating of 3.28. Even so, this method is used by only 10 percent of the respondents.

Similarly, perfect/good attendance banquets and award ceremonies (Item 14) are held in only nine percent of the companies despite being ranked 14. Even simply providing public recognition for good attendance (Item 21) was reported in use by only 25 percent of the organizations. The application of operant conditioning prin-

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ciples *vis a vis* lottery/poker hand or random reward programs (Item 31), which has received considerable acclaim (Stephens & Burroughs, 1978; Wallin & Johnson, 1976; Pedalino & Gamboa, 1974), is reported in use by less than one percent of the respondents. Finally, such innovative absence reduction programs as employee day care centers (used by less than one percent, Item 22); substance abuse programs (used by 28 percent, Item 27) and education programs in health/diet/home safety (used by 13 percent, Item 30) were also not used as frequently as one might expect from reading management journals. Moreover, these methods were, for the most part, rated as less effective than were discipline/monitoring control methods by personnel managers.

In the above section, we focused on the frequency a program was reportedly used and on the perceptions of the effectiveness of each program by the personnel administrator. In this section we examine the actual absenteeism rates that were reported by the respondents who used specific control methods as shown in the last two columns of data in Figure 2. The absence rates for users and non-users of each program were computed and then compared to each other. A statistical test of significance (t-test corrected for unequal cell size) was applied to determine if organizations that used a particular method to control absenteeism reported a lower rate of absenteeism than organizations that did not use the method to control absenteeism.

In Figure 2 there are occasional differences that are larger than .5 percent, but are *not* labeled as significant. This is because there were so few organizations using the program (or not using it) that the apparently large difference between the two averages is not statistically reliable. For example, in Figure 2, the last control method, sending a letter to a spouse indicating lost earnings of the employee due to absenteeism (Item 34), had a large difference in absenteeism rates between users (1.8 percent) and non-users (4.4 percent). Because only two organizations in the entire sample used this technique, the sample is simply too small from which to draw any conclusion. It is interesting to note, however, that two organizations which used this technique had an average absenteeism rate of 1.8 percent but thought this was a very ineffective method of controlling absenteeism.

After eliminating from consideration all those items where the apparent difference between the absence rates of users and non-users were not reliable, a number of remaining control methods were associated with lower absenteeism. For example, where Item 1, a consistently applied attendance policy, was reported in use, absenteeism was significantly lower (4.2 percent) than in organizations not reporting

such a policy (4.8 percent). Similarly, firms that screen recruits' past attendance records before making a selection decision (Item 16) had a lower rate (4.2 percent) than firms that did not use this method (4.7 percent). Organizations which provided public recognition techniques for good attendance (e.g., in-house bulletin boards, newsletters, etc.) had an absence rate a full percentage point below those that did not provide such recognition (3.6 percent *vs.* 4.6 percent). Surprisingly, the method whose presence had the most pronounced effect on absence rates was ranked only 21 in terms of perceived effectiveness and it was used by only 25 percent of the organizations surveyed. Finally, flexitime (Item 12), although rated highly (3.25) as a method of controlling absenteeism, was not associated with lower absenteeism rates for organizations using this technique. In fact, absenteeism was slightly lower for those organizations not using flexitime.

An Absenteeism Paradox

Three special items dealing with the collection of absenteeism data are reserved for special discussion in this section. The use or non-use of each of these three items makes a significant difference in absence rates. Organizations reporting that daily attendance records were maintained by the personnel department (Item 6) had an absence rate of 4.1 percent *vs.* 4.6 percent for non-users. Similarly, firms that analyzed daily attendance records on at least a monthly basis (Item 5) had a significantly lower rate (4.1 percent) than firms that did not use this technique (4.7 percent). Contrary to common expectations, however, the maintenance of daily records by supervisors (Item 9) had a reverse effect. Those organizations whose supervisors were responsible for maintaining daily attendance records had a significantly higher absence rate (4.6 percent) than those organizations who did not use this method. (3.8 percent).

In order to better understand this paradoxical effect, we need to move from considering single

methods of controlling absenteeism (the "piecemeal" approach) to considering combinations of control methods (the "comprehensive" approach). In Table 3, monthly data analysis (Item 5) has been cross-tabulated with the personnel department's maintenance of daily records (Item 6). The table simply shows combined absence rates for users and non-users of both methods. The pattern of means in the cells fits our expectations. If both control methods are not used the highest absence rate occurs (5 percent). If

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one or the other occurs singly, then the next lowest rate occurs (4.2 percent). Finally, if both programs are used in combination, the lowest absence rate occurs (4 percent) of all four cells. (The percentages in the upper left corners of each cell show the proportion of respondents in that category.)

Finally, is it to an organization's advantage to have both methods of data collection and maintenance? The information in Figure 3 suggests there is no advantage in having duplicate systems of daily absence records. In fact, it would almost seem desirable to eliminate the supervisory system. While this might seem like a radical suggestion, it corresponds to a number of our experiences in large organizations who suffered from absenteeism problems. In each case, the first line supervisors asked to be relieved of the task of maintaining daily records and being the sole enforcement for the absence policies. Not only was it a time-consuming and distracting task when compared to their regular production concerns, but there was a deeper reason. Quite simply, they had come to realize that without a strong central system guided by the personnel department, there would never be consistency and equity in

Figure 3

The Combined Effects of Two Control Techniques on Absenteeism

Daily Attendance Records
Maintained by Personnel Department (Item 6)

		Non-Users	Users
At least monthly analysis of daily attendance information (Item 5)	Non-Users	(21%) 5.0%	(16%) 4.2%
	Users	(29%) 4.2%	(34%) 4.0%

Daily Attendance Records
Maintained by Supervisors (Item 9)

		Non-Users	Users
Daily attendance records maintained by personnel department (Item 6)	Non-Users	(6%) * %	(44%) 4.7%
	Users	(26%) 3.9%	(24%) 4.3%

* The cell size was too small to provide a reliable average absenteeism rate.

The number in parentheses indicates the percentage of organizations in each category. The other percentage score in each cell indicates the average rate of absenteeism in that category. The sample size for these analyses are 668 because 30% of the organizations did not report absenteeism rates.

the absence program. These supervisors did not have the time or the resources to continually communicate updates and new situations to each other on this topic. More important, hourly employees usually did not believe that the supervisors kept records and so they frequently challenged the record's veracity. They would believe, however, that the personnel department kept reliable data. So, it was very easy for the union stewards and chronic absentees to "whipsaw" a single supervisor on the issue of record accuracy and policy fairness when compared to other supervisors.

Suggestions For Controlling Absenteeism

Based on this survey, we would suggest several strategies for controlling or reducing absenteeism.

First, it would seem prudent to identify and re-examine the methods used to control absenteeism within the organization. According to this survey certain methods of controlling absenteeism were used that did not have much influence on absenteeism and, in fact, some methods were not considered effective by the respondents. Obviously such methods could be eliminated at a savings to the organization. (e.g. written doctor excuses).

As with most management policies, there are no magic short cuts to effectively control absenteeism. A comprehensive approach to the problem is more desirable than a piecemeal approach. In order to realize a substantial decrease in absenteeism, time, effort and money will need to be invested. But, as an old cliché notes, "you get what you pay for".

Second, if you have a policy of terminating employees for excessive absenteeism, examine these policies carefully for loopholes and inconsistencies. One method for making this check is to pull individual absenteeism records and find out whether employees are receiving consistent treatment from supervisors. Remember that an attendance control policy can be overturned by a judge or arbitrator and result in a substantial back-pay settlement if the termination for excessive absenteeism policy is not clearly established and administered properly.

Third, do not overlook the value of using positive inducements to reduce absenteeism. Even though personnel managers rated these methods as less effective than discipline/monitoring control methods, the positive approaches were usually associated with lower absenteeism. Numerous studies have shown the effectiveness of positive reinforcement in reducing absenteeism as indicated earlier. The idea that people are "paid to work" and should not receive compensation for attendance is questionable on the basis of these data. In fact, all too often in organizations people are awarded for not coming to work; e.g. paid absence programs, unemployment benefits, state worker's compensation, etc.

Fourth, a centralized system to collect absenteeism data would be advisable. Often with slight modifications of the payroll system and the development of a computer program (software), accurate and timely attendance data reports can be produced. Our research indicates that dual systems of collecting absenteeism data does not influence absenteeism. So why collect

duplicate manual data that simply adds to operating costs? Remember, although simply collecting absenteeism data will somewhat reduce absenteeism, a larger effect will occur if this data is analyzed periodically.

Finally, approach absenteeism control with a comprehensive strategy rather than relying on one or two methods to solve your problem. Although this will undoubtedly take time and may in fact require a consultant, this approach is more likely to work and the cost savings will more than pay for the time and dollar investment. □

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