

Solving the Absence Management Challenge: How Technology Helps



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Introduction

Managing absence on a day-to-day basis is often one of the biggest HR administrative overheads for a business. It's also an area that, addressed effectively, can have a significant positive impact on business performance.

Part of the challenge is its complexity:

- ① What's the situation with bank holiday entitlement for a part-time employee who doesn't work on Mondays?
- ② How do you calculate how many days holiday a member of staff is entitled to if their working hours or pattern changes half way through the year?
- ③ What happens if an employee has holiday to carry over, or wants to take time off they've not yet 'earned'?
- ④ How do you manage absences for employees that work overseas and have different entitlements and public holidays?
- ⑤ How do you avoid a last minute rush to use up holiday entitlement at the end of the holiday year?

It's not just the task of managing planned annual leave that gives businesses a headache. Keeping on top of sickness absence is also a major challenge, and if the statistics are to be believed, one that cannot be ignored. Organisations should support employees that are genuinely sick in a fair and appropriate way. But, it's also important to find ways to reduce absence levels, which could be through introducing initiatives that improve health and well-being at work, or identifying and addressing 'sickies'.

The solution starts with the data. If absences can be centrally recorded, the business will be able to see how much time has actually been lost, identify reasons, and see if there are any patterns, so that appropriate responses can be developed.

The good news is that recent years have seen the development of sophisticated, low-cost HR software that dramatically reduces time wasted on administration and makes absence more visible and easier to manage. Managers are better informed, so can make effective resourcing decisions, and employees benefit too.

This guide covers how HR or absence management software benefits your business - and what to look for in an absence management system.

Solving the biggest issues

Every business is different, but when it comes to absence management companies generally report the same challenges.

1 TIME WASTED ON UNNECESSARY ADMINISTRATION

It's quite common to find even relatively large organisations managing absence across a series of spreadsheets, or even running partially paper-based systems. It's often a method adopted in the early days and later stuck with because either no one has time to find a better alternative or an HR system is considered too expensive.

The problem, however, is that while this may have worked well when the business was small, it's not fit for purpose as the company grows and takes on more people.

The HR manager (or whoever in the business is managing HR) no longer knows everyone by sight, the business spreads across a number of locations and a growing number of people are working flexibly or remotely.

In this scenario, keeping information up-to-date and recording absences accurately becomes almost impossible.

Managers start holding different spreadsheets for their teams or input into central ones which they email back and forth between themselves. No-one really knows which is the latest version. HR people – and line managers – find they are spending an inordinate amount of time answering queries about how much annual leave individual employees have left, with no-one really clear about who is off and why, and whether it's been recorded accurately, if at all. Employees are frustrated as they can't easily find out what holiday they've taken, and what they are entitled to, team leaders find it difficult to plan workloads, HR and senior managers can't get the bigger picture and everyone wastes time.

Cloud HR software can help to iron out all of these niggling issues. It streamlines processes and ensures information about absences of all kinds is hosted in one central secure, but easily accessible place.

It gives managers visibility over exactly what's happening in their teams, and allows

We know that one of the first steps to effectively managing high levels of sickness absence is to measure it accurately.

Noelle Murphy, senior HR practice editor at XpertHR

employees to check holiday entitlements, request time off or register sick leave.

Freed up from the administrative burden of managing the fine details of absence, HR and line managers will have more time to concentrate on the activities better suited to supporting business objectives

2 LACK OF SUPPORT FOR LEGISLATIVE COMPLIANCE

It's a fact of life that however hard a business tries to manage its people appropriately, there will be occasions when something goes wrong. Listed below are some of the most common areas where HR software can help you tackle key issues and stay on the right side of the law:

Persistent short term absence:

Every business has staff who are absent for a few days here or there. Often the 'tummy bug' or 'migraine' is absolutely genuine, but sometimes managers may suspect other reasons for short term absence, especially if it becomes a recurring event. If a decision is made to tackle the issue with the employee, it's vital to have a system in place to record both the history of and reasons for absences, as well as any conversation or actions that may have been agreed as a result. Should persistent short term absence escalate into a disciplinary or dismissal situation, this will ensure that all the supporting information is at hand.

Long-term illness:

When an employee is absent due to long term sick leave, HR managers need to have all of the necessary information on hand to track the absence, and trigger other activities, such as sick pay. Being able to access information, such as a GP's Statement of Fitness for Work, previous absence incidents and records of related conversations, also empowers HR or line managers to discuss any adjustments that might need to be made (such as reduced hours or a phased return to work) to enable a successful return to work for the employee.



Retirement:

The disappearance of the mandatory retirement age has thrown up a whole host of issues for UK businesses. While many mature employees may be able to work successful into their later years (or will come to a point where

they want to retire) there are others who may find it difficult to accept that

health or mobility issue is impairing their ability to do the job successfully, or is leading to an unacceptable level of absence. In an ideal scenario, an employer would be able to come to an amicable agreement with a member of staff about adjustments to their role or a phased approach to retirement. If dismissal is the only option, it is essential that all the absences, conversations and agreed actions have been properly recorded.

Minimum holiday entitlements:

In most countries employees have a statutory right to paid leave. In some countries, companies also need to demonstrate that these have been taken. Using an HR system that can calculate entitlements for you based on local legislation, working time patterns, public holidays and company rules, can help ensure entitlements are calculated fairly and correctly. Recording when leave is taken, and being able to report on leave that's not yet been booked, ensure appropriate records are in place.

Health and safety incidents:

Injuries in the workplace can be a reason for employee absence. By law, companies need to keep records of such incidents and be able to provide reports. Using a system to record Health and Safety incidents, especially those that result in absences, can also help you identify if there are particular issues that need to be addressed. The same applies for absence reasons. If you can see that a high number of employees are attributing absences to muscular skeletal or work-related stress, you'll know that you need to do something about it.

3

BUSINESS DISRUPTION

What is absence costing in your business? If you can't answer the question, you're not alone! Research has shown that very few businesses have the tools in place that enable them to easily and effectively monitor absence, and develop an understanding of what it's costing them. And, of course, it's not just the financial implications that need to be taken into account.

Just one person off sick in an already hard-pressed team can have an enormous impact on productivity. Important deadlines get missed, customer service slips and motivation plummets as those employees who are present struggle to cope with the extra workload.

Analysis of absence information may highlight patterns or problems (such as unacceptable levels of absence in a particular team) which need to be

More employers are recognising the value of line managers in managing absence at work, but are failing to give managers the tools they need to manage absence effectively.

Simply Health, Absence Management survey 2016

addressed. Availability of detailed data can support a decision for the business to be more proactive in its attempts to improve attendance. For example, introducing back-to-work interviews, or a procedure where employees have to phone in and speak personally to their manager when they are sick rather than sending an email.

Using an HR system also helps to ensure the sickness absences are much more transparent. Line managers have the information they need to have appropriate conversations and making absences visible can act as a 'wake-up call' for some employees who until they see their absence recorded in black and white may not appreciate just how much time they are actually taking off.

4 INADEQUATE INFORMATION FOR RESOURCING

Of course HR technology can do much more than just make key absence processes transparent, streamlined, and consistent; it helps with business growth.

On a day-to-day basis, HR software can provide diary features that make it easier for line managers to see whether they have enough staff available at any given time before approving holidays. This needs to take into account all of the reasons team members may not be available to work, for example; training courses, long-term leave, compassionate leave, or Jury Service.

For HR or senior business managers, having a "helicopter" view of absences and their types within a particular team, or across the whole organisation, can help with longer-term resource planning. Knowing who's used up their holiday entitlement, and who's yet to take time off before the end of the year, can be helpful if decisions need to be made about hiring temporary staff, or seconding employees in from other parts of the business.

Analysis of sickness absence may also signal that the business has a wider issue with employee engagement and needs to do more to harness the enthusiasm and commitment of staff. Building engagement can be particularly important in companies that have a significant number of remote workers due to company growth. Having an HR system that allows employees to update their personal details and access information about their holiday entitlement, or even catch up with general company news, for example, can help to make them feel constantly connected to, and valued by, the business, even though they are not physically present in the office.

What to look for in a system

Not all absence software solutions are equal. Some are more sophisticated or flexible than others. Because of this, it's important to make sure that the product you choose has the features the business needs both now and in the future

You may find it helpful to first think of your requirements at a top level, before drilling down into the specifics of particular areas of functionality. For example, is automation important? If so, what is it you are looking for the system to automate? Do you need to hold history or keep an approval trail? If so, what information does this relate to?

CORE CAPABILITIES

The way that an HR software system has been put together significantly impacts on how 'smart' the solution is. It's relatively straightforward to put together a bunch of good-looking screens that help capture information, generate standard reports and automate some processes. But, unless the underlying software architecture has been built with the bigger picture in mind, these systems may only solve part of your problem.



Here are some of the areas of core product functionality that you may want to consider:



Self service:

Can employees and their managers access absence information from the device of their choice, at a time that suits them? Employees are increasingly on the go and online, and they expect their HR systems to be too.



Smart calculations:

How much does the system do for you, and how much do you have to do yourself? If you've still got to spend hours manually re-calculating holiday entitlements at the beginning of each holiday year or when someone moves to a different working pattern, or chasing up overdue approvals or Fit Notes,

you're going to end up wasting a lot of your valuable time. Look for a system that is smart enough to do it for you.



Historical information:

Not all HR systems make it easy for you to track historical information. If you are recording absence information for the first time, it may not seem important to start with, but the benefits in terms of reporting and compliance should be considered.



Configurable alerts and notifications:

HR systems that automatically sends alerts and helps everyone stay on top of activities are worth their weight in gold! Check to see what alerts and notifications are provided as standard, how they are routed and what you can configure for yourself, to check they fit in with business and legislative requirements.



International capabilities:

No two countries seem to manage absences in the same way. If you already have operations in other countries – or are planning to expand overseas – you'll want to check that the system will help you easily manage absences in these countries too. Look out for the ability to define different accrual rules, add local or regional public holidays, route approval workflows in different ways, and set up different holiday plans and calculation rules based on location. It's important to understand how much of the hard work of calculating holiday entitlements each year the system will do for you.



Actionable reporting:

Pulling reports from any software system today should be easy. Having those reports available in a format that makes it simpler to act on the information is key to agility. Information that's presented graphically is often easier to use – especially if it can be personalised to reflect each individual manager's area of interest.



Document management:

You probably don't need a fully-fledged document management system to support absence management, but you do want to be able to store documents and restrict access where appropriate. Check to see how the vendor's system helps you manage public documents, such as absence policies, as well as sensitive information, such as medical reports.



Security:

Since most HR data is highly sensitive, and companies have a legal requirement to keep it safe, security has to be a key consideration during your selection process. You need to understand not just what steps the software supplier has taken to keep your data safe, but how you control who has access to it. If you have overseas operations, you'll need to take into account data protection legislation and be able to restrict what local HR professionals or line managers can see. If managers can run reports, you need to ensure they can only access the information about their teams that they are allowed to see.

ABSENCE MANAGEMENT FEATURES

Here are some of the features we think you should be asking for when it comes to absence management.



Calculating Correct Entitlements:

It is common to have staff working different hours or days of the week, which can make accurate calculation of holiday entitlement far from straightforward. HR should simply be able to enrol an individual on a holiday plan and rely on their HR system to determine holiday allowance based on hours worked, length of service, bank holidays, and any specific company policies that may apply. For example, UK companies typically accrue holiday annually, while in the US paid leave may be accumulated on a monthly basis. Ideally, legislative compliance should be supported too. For example, to meet minimum entitlements in the UK. Similarly, when staff join or leave part way through the year, your HR system should calculate their remaining holiday entitlements.



Carrying holiday over:

Some companies are happy for their employees to carry at least some of their holiday entitlement over into the next holiday year. Once the rules have been set up, there should be no need for managers to waste time working out what individual employees have left and transferring it into the new year – the system should be set up to automatically do this for you.





Use it or lose it:

Some businesses, on the other hand, prefer to insist that all annual leave is taken during the current holiday year. A good HR system helps managers avoid the situation of a mass exodus when everyone rushes to use up their remaining annual leave in the same few weeks. For example, there could be an option to trigger a notification if an employee hasn't used up their leave by a certain date. It's also extremely useful for line managers to be able to see how much leave has been taken by their team members, and what's still to be booked at any point in the year.



Managing bank holidays:

UK Bank Holidays can cause issues in a number of ways. For example; you may have part-time staff who don't work Mondays or Fridays, and would therefore not ordinarily be at work during standard bank holidays. They may, however, still be entitled to some additional time off to compensate for their "loss" of a bank holiday. The software should be able to work this out for you, and ensure that no-one drops below the legal entitlement of 28 days annual leave per year for full time employees (and the pro-rata equivalent for part-timers).



Flexible approval options:

You may not want to manage all absence approvals in the same way. For example; it may make sense to have line managers approve holiday requests as they are best positioned to judge the impact on the business, but have sickness requests routed directly to HR so they can orchestrate whatever follow up action is required. It's worth asking the vendor to show you how their system would manage these different scenarios.



Compulsory holidays:

Many companies take the decision to close over the prolonged Christmas/New Year break and require staff to take the non-statutory days that fall within this period as part of their annual leave. Compulsory shut down in the summer is also very common in many of the Mediterranean countries. If your company has compulsory holidays for all or part of the business, your HR software should be able to adjust for this automatically, so employees see which days are already booked off, and what entitlement they've still got left.



International variations:

It is increasingly common for even smaller companies to have employees

overseas. Today's HR systems should accommodate international variations, such as country or region-specific public holidays, holiday types or accrual rules.



Resource planning:

One of the biggest advantages of an automated absence management system is the ability to give managers the “big picture”. They can look at who is off when within their team to avoid difficult clashes or across the wider business and make sure the appropriate resources are in place. And run reports to see who still has holiday to be used up. It should be possible to set up email alerts to remind managers when an individual employee is about to go on holiday – or allow them to request a regular digest telling them who is absent.



Notifications:

A wide range of configurable notifications should come as standard. For example, if an employee in the UK has been absent for more than seven days and is required to provide a Statement of Fitness for Work (or fit notes as they are commonly called) from their GP, the system should send a notification to the responsible parties.



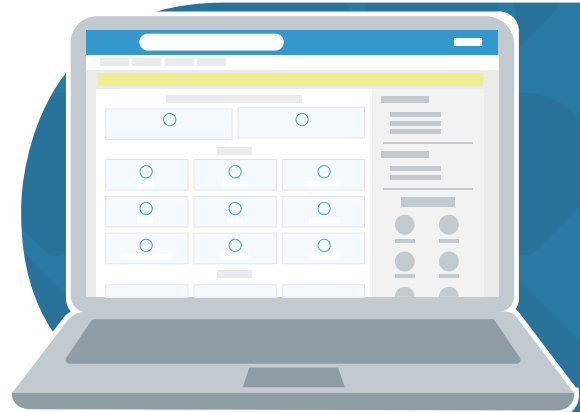
Detailed analytics:

If there is an issue in a particular team; at specific times of the year; or if the business in general has a problem with persistent short term absence, managers need to be able to see this. As well as advanced query and standard reports (such as those based on the Bradford Factor) designed for HR, the system should support line managers. Information presented in easily digestible charts allow users to assess the situation at a glance, and take whatever action is necessary to get sickness absence down to an acceptable level.



Supporting documentation:

Your system should provide a central place where supporting documentation, such as fit notes or notes of discussions between managers and their employees, can be housed securely. This can be particularly useful if the business finds itself in a disciplinary or tribunal situation.





Health and safety:

HR Software systems should also include the ability to record health and safety incidents, and to link them to absence records if appropriate. Again, this can be particularly useful if the business finds itself in dispute or under investigation over a health and safety related incident. Capturing this data in a systematic and organised way will also make it easier for the business to see if accidents at work are becoming more common and action needs to be taken.



Maternity, paternity, parental and adoption leave:

Working out the detail of maternity and other parental leave can be extremely time-consuming and, because it's not an every-day task, easy to get wrong. Automated absence management systems can be enormously helpful in this respect.



Other absences:

There are other occasions when people will need to take time off work. Jury Service is an obvious one in the UK, and military service is compulsory in other countries. But it may also be to care for a sick relative, or on 'compassionate' grounds due to bereavement. Company policies vary widely on how these days should be tracked and managed, and sometimes policies have to be made up on the fly. It's important that the system is flexible enough to allow you to record and report on any type of absence.

Making the case for software

Companies are often concerned that HR software will be expensive and time-consuming to maintain. But technology has advanced enormously in recent years and sophisticated software is now within reach of even the smallest businesses.



Lower costs:

The latest systems are delivered in the Cloud, on a Software-as-a-Service basis. This means there is no need for users to buy expensive hardware or worry about having to manually update software themselves. Instead, companies simply subscribe to the system of their choice and then access it via the internet from wherever they may be. The core system is constantly updated by the people who develop it, and new features are added regularly – giving users ongoing access to the very latest functionality.



Fast to implement:

Today's modern Cloud-based systems are designed to be quicker – and more cost effective – to implement too. Usually you can be up and running in just a week or so, and able to configure the system to fit your needs rather than relying on the vendor to do it for you. While HR admin training is recommended, it's rare that more than a brief introduction is needed for managers and employees.



Accessible 24/7:

Cloud HR systems are not only delivered on line, so can be accessed via the internet from anywhere, but are mobile-enabled too. Employees don't need to be at their desks to request a holiday or log sickness. Managers can approve requests on the move. It's one less barrier to improving communication and productivity across your business.



Productive and engaging:

Employees today expect to be able to interact with colleagues and help themselves to information as easily at work as they do in their private lives. Putting in place a modern, effective HR system allows employees to check holiday entitlements, review team calendars, submit holiday requests, register sickness absence or refer to company policies, in a way that's much more productive and engaging for everyone.

So, alongside all of the savings you can make in terms of time and money, you'll gain softer benefits too.

About Cezanne HR

We've built something special at Cezanne HR; a powerful, configurable HR software solution that's simple to deploy, easy to manage and remarkably cost-effective, whatever the size of your business. As a team, we've a long track record of delivering successful HR solutions to businesses worldwide. We've worked with companies of every size and across every business sector. That's why we decided from the very start to build an exceptionally robust and scalable SaaS platform for human resources management which, like our customer community, is growing all the time.

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