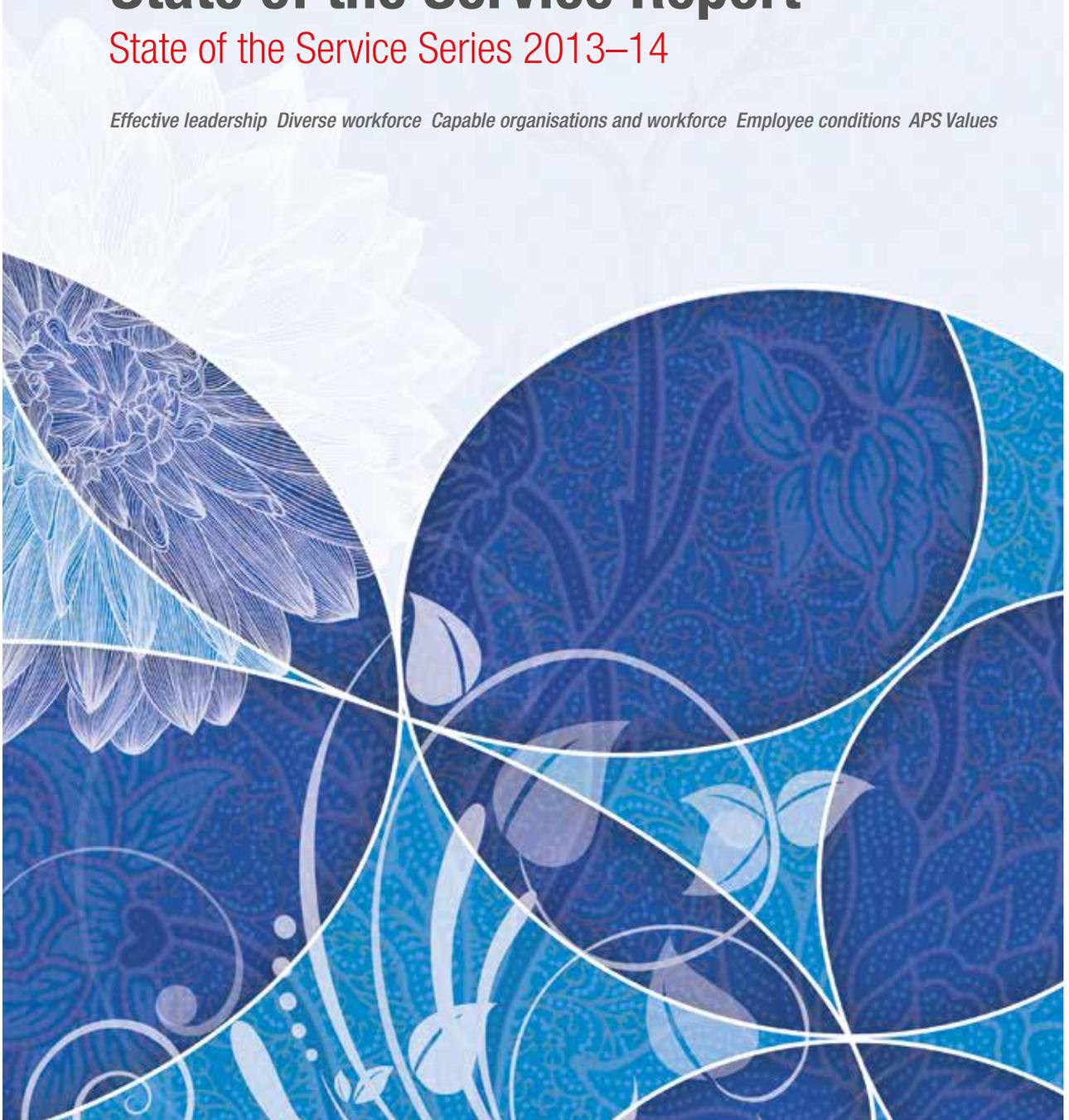**Australian Government**

**Australian Public Service
Commission**

State of the Service Report
State of the Service Series 2013–14

Effective leadership Diverse workforce Capable organisations and workforce Employee conditions APS Values

Contact and acknowledgement information

Enquiries and suggestions about this State of the Service report or the analyses are welcome, and should be directed to:

8

Managing attendance

There has been considerable focus on employee absence in the Australian Public Service (APS) in recent years. This is not, however, a recent phenomenon. For example, in 1920, the Royal Commission on Public Service Administration considered the 'relative efficiency of male and female employment'. Among the results, it reported that women used more sick leave than men, a finding consistent with current data.[1] The Royal Commission also worked through many issues that continue to feature in today's discussion of absence, including the role of medical practitioners and medical certificates, perceptions of an entitlement culture in the public service, and the ingenuity of employees in taking unwarranted leave. The Royal Commission highlighted another persistent theme when examining absence in the public service that also holds true today:

> It should be understood these remarks do not apply to a large proportion of the Service, comprising honourable men and women who would scorn to take advantage of the departments, but unfortunately there is a proportion who do not hesitate to avail themselves of the liberality of the regulations, which were solely designed to help unfortunate and deserving officers.

Workforce absence and attendance is a complex issue that is influenced by a myriad of overlapping factors including workplace culture, employee health and wellbeing, the domestic circumstances of employees, employee engagement, job design, workplace conditions, and the quality of local leadership and management. At its core, workforce attendance is fundamental to the productivity of all APS agencies and as such deserves the constant attention of all APS managers.

This chapter examines workforce availability and its contribution to workforce productivity in the APS. In particular, it reports on the factors that influence workplace attendance, the measures used by agencies to manage attendance and absence, and the impact of workplace absence on agency productivity.

Understanding employee attendance

Attendance at work has been a focus of research interest for almost a century. Employee absence was considered to be a form of *withdrawal behaviour*—where employees chose to withdraw their labour from the workplace either permanently or temporarily. It was

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[1]   Data from the 2014 APS Employee Census showed that 26% of female respondents had taken some sick leave in the previous fortnight compared with 23% of male respondents. Similar but smaller differences were present for carer's leave and miscellaneous leave.

thought to be related to employee turnover and that the two were able to be treated in the same way. Subsequent research, however, has shown that employee absence and turnover are different, as are the consequences of each. In particular, absence is now considered to be more spontaneous than turnover and more likely to occur as a replacement for turnover when turnover is not a viable option; for example, when prevailing economic conditions lead to a tight labour market.[2]

Absence behaviour has been shown to be influenced by a broad range of factors related to both the workplace (for example, the characteristics of the job and quality of leadership in the workplace) and the employee (for example, the values and expectations of the employee and external factors such as their domestic or financial situation). From a practical perspective, an employee's attendance at work can be shown to be a function of their ability to attend work, their motivation to attend work and the attendance culture in the workplace.

Ability to attend

A range of factors external to the employee affects their ability to attend work. The two most important are health and carer responsibilities. The decision to be absent from the workplace to expedite recovery from an illness or injury, or manage an ongoing disability, or to meet caring responsibilities (for children, partners or, increasingly, parents) requires a complex decision on the part of the employee. This decision-making process takes into account the employee's personal health and consequent ability to contribute productively to the workplace, the disruption potentially caused by attending work when ill, the need of family for support, responsibilities to the workplace (including work colleagues), and personal accountability for work deliverables.

Typically, the effect of these factors on employee attendance will be largely unanticipated and provision is made for this in modern workplaces through workplace agreements. Most of these allow for some leave to be taken without the requirement to produce evidence and a persistent concern for employers is the '... perceived tendency for workers to take 'non-genuine' absences.'[3] Given this concern, it could be argued that the real focus on absence in the workplace (and the APS in particular) is this 'abuse' of leave entitlements and not the '... large proportion of ... honourable men and women...'[4] who are absent from work because they are genuinely unable to attend. The concern is rightly with those who take advantage of workplace entitlements as a result of motivation (or lack of it) to work.

Motivation to attend

Employee motivation to work has been the subject of an enormous amount of interest in both the academic and practitioner literature since the work of Elton Mayo in the 1920s. There are multiple theories of work motivation (expectancy theory, goal-setting theory, self-regulation

[2] Porter, LW & Steers, RM 1973, 'Organizational, work, and personal factors in employee turnover and absenteeism', *Psychological Bulletin*, vol. 80, no. 2, pp. 151–176.

[3] Taylor, P, Cunningham, I, Newsome, K & Scholariosu, D 2010, 'Too scared to go sick—reformulating the research agenda on sickness absence', *Industrial Relations Journal*, vol. 41, no. 4, pp. 270–288.

[4] McLachlan, DC 1920, Royal Commission on Public Service Administration, report, vol. IV, Commonwealth of Australia, Government Printer, Melbourne, pp. 1525–1620.

theory, work design theory[5]), but perhaps one of the most powerful concepts in understanding employee behaviour in the workplace is employee engagement.

Employee engagement refers to the reciprocal relationship where employees not only gain from participating in work, they actively contribute to the workplace emotionally, cognitively and physically; the latter logically extending to their attendance at work. While an employee's attendance at work is fundamentally driven by their *ability* to attend work, *engagement* with work has a critical impact—an employee's level of engagement with work moderates decisions about whether to attend work if they are unwell or have family or caring commitments.

In the APS, employee engagement is assessed using the APS Employee Engagement Model. This model considers employee engagement in terms of employees' propensity to engage with four components—the job they do, the team they work with, their supervisor and their agency. Previously, employee engagement in the APS has been shown to be relevant to a range of measures relating to workforce productivity, including intention to leave, sick-leave use and individual performance.[6]

Attendance culture

An attendance culture establishes acceptable levels of absence and grounds for absence within a workplace or work group. There is strong evidence showing that workplace culture has an impact on employee absence[7] and that a culture that promotes and supports attendance can contribute to limiting the impact of sickness and other absence on organisational productivity.[8] While developing an attendance culture is a complex undertaking it can yield very positive results. For example, in taking this approach, a public sector agency in the United Kingdom reduced its sickness absence rate by almost 50% over a period of six years; resulting in enhanced productivity through having up to 200 more employees at work each day.[9]

The Australian Public Service Commission (the Commission) provides guidance on creating an attendance culture that refers to issues that influence employee attendance at an agency, work group and individual level. This includes guidance on leadership, management and people management practices, team size and structure, and work-life balance.[10]

An attendance culture establishes a group norm that specifies and moderates the socially acceptable levels and conditions for absence from the workplace. It should be noted that an attendance culture can also operate to establish good attendance as a norm irrespective of work conditions (the 'hero' syndrome) or by establishing a group norm that supports absence as a valid response to dissatisfaction with the workplace.[11]

[5]   Muchinsky, PM 2012, *Psychology applied to work: an introduction to industrial and organizational psychology* (10th edn), Hypergraphic Press, Summerfield, North Carolina.

[6]   Australian Public Service Commission 2011, *State of the Service Report 2010–11*, Commonwealth of Australia, Canberra.

[7]   The Australasian Faculty of Occupational Medicine 1999, *Workplace attendance and absenteeism*, Royal Australasian College of Physicians, Sydney.

[8]   Robson, F 2007, 'How to ... develop an attendance culture', weblog post, 31 May, People Management, Chartered Institute of Personnel and Development, viewed 25 September 2014, <http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2013/01/29/howtodevelopanattendanceculture-2007-05.aspx>.

[9]   Black, D-C & Frost, D 2011, *Health at work—an independent review of sickness absence*, TSO (The Stationery Office), Norwich, United Kingdom, p. 59.

[10] Australian Public Service Commission 2013, *Promoting an attendance culture*, Australian Public Service Commission, Canberra, p. 11, viewed 25 September 2014, <http://www.apsc.gov.au/publications-and-media/current-publications/promoting-attendance-culture>.

[11] Nicholson, N & Johns, G 1985, 'The Absence Culture and the Psychological Contract—Who's in Control of Absence?', *Academy of Management Review*, vol. 10, no. 3, pp. 397–407.

Attendance cultures derive from two sources: the culture around work attendance in society at large and the attendance culture norms within the organisation, workgroup or subculture. The two are related with the former providing a baseline for the latter.

The Australian Taxation Office: Managing attendance

The Australian Taxation Office (ATO) Human Resources (HR) services has partnered with a number of business areas to identify leave drivers by analysing demographic information, local business intelligence and APS Employee Census (employee census) results.

For example, analysis of one business area's absence data identified that:

- APS 3 employees took, on average, double the amount of unscheduled absence days than any other APS classification
- employees aged between 25 and 29 years took double the amount of unscheduled absence days compared to employees of other ages
- 90% of employees in the business area had been in the ATO for less than 15 years
- in some months almost as much personal leave without pay (primarily unpaid sick leave) was taken as paid sick leave with employees having exhausted their personal leave credits
- three teams were identified as having workplace absence rates above both the business area and ATO average.

Additional analysis highlighted patterns of leave behaviour, for example, employees taking one to two days every month, indicating possible health or motivational drivers.

This analysis combined with local business intelligence and employee census results allowed HR and the business area's leadership to develop a tailored attendance strategy. For example, a review of scheduling processes was conducted to allow for more flexibility for employees while still meeting required deliverables. Increasing scheduling flexibility

in the business area has been a significant contributor to employees achieving improved attendance.

Examples of other initiatives recommended by this partnership included:

- intervention for compensation cases and/or complex health cases with support from corporate teams
- director-level involvement in complex health cases
- support for and development of manager capability through a manager capability review and identification of appropriate learning solutions
- targeted conversations between managers and employees with high levels of unscheduled absence to identify specific issues, implement appropriate support plans and provide early intervention.

Additionally, the business area implemented a supportive attendance portfolio holder whose role was to provide ongoing support to managers in managing attendance by:

- providing support to managers to conduct return-to-work conversations
- identifying and facilitating appropriate support
- working with stakeholders in the site to gather, analyse and report on local data
- working with the business area to continuously improve workplace attendance strategies and initiatives.

Since the implementation of these initiatives the business area has decreased unscheduled absence rates by more than two days per full-time equivalent (FTE) employee.

Attendance in the APS: Unscheduled absence

Employee attendance in the APS has been a concern for leaders for some time. This concern has largely been with the rate of employee 'unscheduled' absence. Unscheduled absence has been increasing since unscheduled absence rates were first reported in the State of the Service report in 2006–07 (when the median rate across APS agencies was 9.4 days). In 2013–14 the median rate of unscheduled absence across all APS agencies was 12.0 days per year, an increase of 0.4 days per employee from 2012–13. Appendix 7 contains a comprehensive breakdown of unscheduled absence rates by APS agency. Figure 8.1 shows the continuous upward trend in overall unscheduled absence rates and the rate of sick leave in the APS.

Figure 8.1. Median unscheduled absence and sick leave rates, 2006–07 to 2013–14   Source: Agency survey
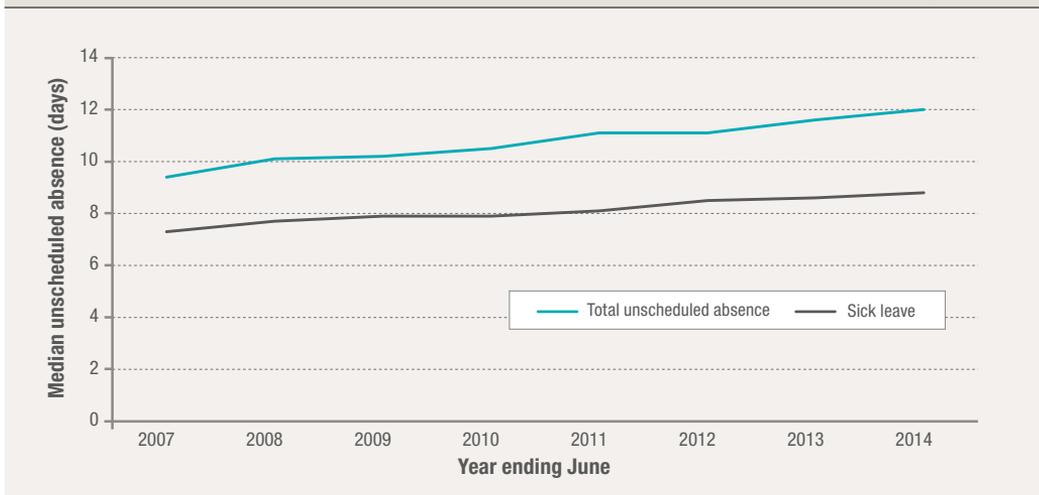
In the APS, absence is classified as 'scheduled' or 'unscheduled'. Unscheduled absence is further defined as 'involuntary and unavoidable' or 'voluntary and avoidable'. Scheduled absence includes planned leave such as annual leave, long service leave and maternity leave. Unscheduled absence includes five categories of absence: sick leave, carer's leave, compensation leave, miscellaneous leave and unauthorised absence.

Unavoidable absence is driven by factors relating to the employee's ability to attend work and is, by definition, not controllable by the employee (employees will become ill or experience family circumstances requiring their presence at home). As a consequence, the workplace can do little to influence this type of absence. Avoidable absence, on the other hand, is driven by factors relating to the employee's ability to attend work as well as their motivation and can be influenced, to some degree, by the workplace.

In managing employee attendance the key issue is identifying which absences are avoidable and which are unavoidable. While some attempts have been made to estimate the proportion of avoidable absence, there has generally been little success in this endeavour. Fundamental to this is how absence should be measured and what types of absence should be measured, particularly in relation to the productivity impacts of employee absence.

Measures of absence behaviour

There are many ways to measure employee absence, with the most common being the number of days an employee does not attend work when scheduled to do so. Other measures used include the number of instances of absence, the number of single-day absences and the number of absences on a particular day of the week (for example, Monday or Friday).

In the 2014 APS Employee Census (employee census), employees were asked to report any unplanned leave they had taken in the two weeks immediately before completing the employee census. Table 8.1 shows that most employees had not taken such leave and when taken the most frequent leave duration was one day or less.

Table 8.1. Employee reported unscheduled absence in the two weeks before employee census, 2014			Source: Employee census
Leave amount	**Sick leave (%)**	**Carer's leave (%)**	**Miscellaneous leave (%)**
None	75	90	94
1 day or less	14	7	4
1.1 to 2 days	5	2	1
2.1 to 5 days	4	1	1
5.1 days or more	1	0	0

Types of absence

Unscheduled absence in the APS is collected in various formats by the Human Resources (HR) systems used across the APS. For reporting at the whole-of-APS level, absence data is collected through the annual State of the Service Agency Survey (agency survey). The agency survey asks agencies to report unscheduled absence by type (sick leave, carer's leave, compensation leave, miscellaneous leave and unauthorised absence). Agencies' ability to disaggregate absence data to this degree has continuously improved since it was first collected and in 2013–14 only three agencies could not disaggregate their leave data by type of leave taken.

Sick leave

APS employees are provided sick leave in recognition that illness or injury may incapacitate them to the point where they become unproductive and need time to recover. Moreover, employees suffering from an infectious illness pose a potential health risk to other employees. Most APS agencies provide their employees with 18 days of sick or carer's leave. This is more than the National Employment Standard minimum requirement of 10 days. While some agencies allow an unlimited amount of leave to be taken without supporting evidence, most employ some control over leave use including the requirement to provide evidence under certain conditions.[12]

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12   For example, if the absence is greater than a particular duration or if it is taken in close proximity to a weekend or public holiday or once a certain number of sick leave days per year has been exceeded.

Employee illness, injury and sick leave affect productivity in one of three ways—when an employee is:

- sick or injured but remains at work with potentially diminished productivity
- too sick or injured to be at work and takes sick leave to recover
- not too sick to be at work (or may not be sick at all) but takes sick leave.

Analysis of responses from the employee census shows that in any two-week period half of the APS workforce are likely to attend work at least once while experiencing some form of illness or injury and more than 60% of these employees experienced some reduction in their productivity as a result of their illness or injury. Interestingly this means that almost 40% of the workforce who reported they attended work while ill or injured felt they did not lose any productivity because of their illness or injury. This result is comparable with similar data reported in last year's State of the Service report.

The productivity loss associated with employee sick leave is simply the number of days of absence as a percentage of the number of work days in a year across the workforce. A dollar figure for this loss can be calculated by converting the percentage loss into full-time equivalent (FTE) and multiplying by the average salary for the agency. Analysis by the Commission using data from the 2013 agency survey and 2013 APS Remuneration Survey shows the average productivity loss (for sick leave taken) across the APS was 3.7% which translates into a dollar value of almost $500 million. Data from the 2014 agency survey shows the average productivity lost due to sick leave across the APS increased to 5.3%.[13]

Although often described in dollar terms, the concept of a financial cost of sick leave can be misleading because a direct financial cost as a result of sick leave will only occur in circumstances where an agency provides staffing relief by engaging irregular or intermittent non-ongoing employees. This is not a typical response by agencies to sick leave and is hard to quantify. A further complication in quantifying the productivity loss associated with sick leave is the problem of unwarranted sick leave. If an employee takes sick leave because they are genuinely unwell, then there is no 'cost' to the agency *per se*. If, however, the employee is not too unwell to attend work, the sick leave is unwarranted. As such, while there is no direct cost to the agency (as explained earlier), there is scope to reduce the productivity impacts of sick leave by reducing the amount of unwarranted sick leave taken. Finally, potential productivity losses can be avoided when genuinely ill and possibly infectious employees take leave and, by doing so, do not cause others in the workplace to become ill.

Figure 8.2 shows that all components of employee engagement have small, but statistically significant links with sick-leave use as reported in the 2014 employee census. This supports the notion that sick-leave use in the APS has a motivational component and consequently may be influenced by workplace interventions aimed at increasing employee engagement.

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[13]   Remuneration data for 2014 is not yet available so no estimate of the cost of productivity loss is available.

Figure 8.2. Employee engagement and sick leave, 2014   Source: Employee census

Legend: ■ Employees who reported taking no sick leave   ■ Employees who reported taking sick leave

Y-axis: Employee engagement index
X-axis: Employee engagement component (Job, Team, Supervisor, Agency)
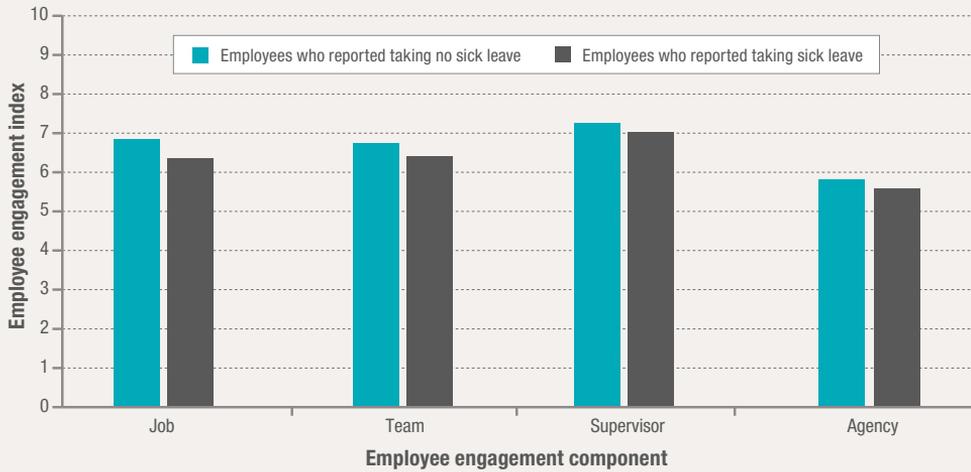
Carer's leave

As mentioned earlier, most APS agencies provide employees with up to 18 days paid leave for
sick leave or caring purposes. As a component of unscheduled absence, Table 8.2 shows that
carer's leave has shown the greatest increase from 2012–13 to 2013–14 with both sick leave and
compensation leave decreasing as a proportion of total unscheduled absence.

Table 8.2. Composition of unscheduled absence in the APS, 2009–10 to 2013–14   Source: Agency survey

	Sick (%)	Carer (%)	Compensation (%)	Miscellaneous (%)	Unauthorised (%)
2013–14	72.9	16.3	6.6	3.8	0.3
2012–13	72.6	15.1	7.4	4.6	0.4
2011–12	74.7	14.7	6.5	3.7	0.4
2010–11	75.0	15.4	5.9	3.4	0.3
2009–10	76.3	13.9	5.6	3.8	0.4

The provision of leave for caring purposes reflects the changing nature of the APS workforce
and the work-life balance issues employees face. Employee census data shows that caring for
parents is an increasing responsibility faced by APS employees, with almost as many employees
reporting caring for their parents (7%) as caring for children under 5 years of age (8%).

Importantly, data from the employee census shows while carer's leave is significantly linked
with employee engagement the relationship is weaker than that with sick-leave use, reinforcing
the idea that carer's leave is more likely to be determined by factors other than motivation to
attend work and may be less likely to be influenced by management action.

Compensation leave

Overall, compensation leave made up less than 7% of all unscheduled absence in 2013–14. Compensation leave can, however, have a disproportionate effect on unscheduled absence rates of small agencies. Even for larger agencies, a small number of employees on long-term convalescence leave can increase overall unscheduled absence rates substantially.

Two factors complicate the role of compensation leave in determining the productivity impacts of unscheduled leave. First, in many cases employees take sick leave as a result of workplace injury that will subsequently form the basis for an accepted claim and hence any sick leave will be reclassified as compensation leave. Second, any compensation leave in the APS is funded by Comcare (the APS workplace insurer) as part of an accepted claim and, as such, there is no cost to the agency. There is, however, a cost to the Australian Government and the agency may face higher Comcare premiums when claims are funded by Comcare.

Comcare: Realising the health benefits of effective return to work

Australian medical experts are clear and united in their support of the health benefits of work. The Royal Australasian College of Physicians and the Royal Australian College of General Practitioners advocate the positive relationship between health and work and the negative consequences of long-term work absence and unemployment.

Recent compensation data across the APS highlights that employees with claims for workplace injury or illness are staying off work for longer. We know that early return to a well-managed workplace improves mental and physical recovery from illness and injury. Early intervention is key—the sooner action is taken the better the chances are of an employee making a full and speedy return to work.

The role of the general practitioner (GP) is critical in the return of employees to work. The GP is the gatekeeper in the injury compensation system and their advice is pivotal when employees are deciding whether to return to work.

In 2013–14, Comcare began work with the ACT medical community in partnership with ACT Medicare Local, Department of Veterans' Affairs, ACT Government and other insurers in the ACT, to develop and implement a certificate of capacity ('fit note') and support for GPs to participate in return to work.

Rather than have a focus on a traditional concept of a sick note and a simple GP statement that says, 'incapacitated for work', Comcare is reaching out to GP practices in the ACT to focus on certifying capacity for work rather than incapacity, recognising there may be residual incapacity but focusing on what employees can do rather than what they cannot do.

Introducing one certificate of capacity for use in the ACT will reduce the administrative paperwork for GPs and give them back time to focus on supporting recovery and return to work of patients.

Compensation leave clearly has an impact on workplace productivity for agencies, however, the relationship is complex. Agencies have a considerable role to play in managing injuries in the workplace and the effective return to work of injured employees. Given that time out of the workplace is the primary driver of the costs associated with workplace injuries, effective return to work is the main factor in reducing compensation premiums. To this end a Deputy Secretary working group was established to focus on reducing compensation premiums in the APS. Comcare has also invested substantial resources in improving return-to-work outcomes for the APS including research and support for managers.

Comcare: Helping managers to provide flexible work modifications

Simple adjustments can enable employees to remain or return to work safely following ill health or injury. When an employee with a compensable condition is undertaking a rehabilitation programme, Section 40 of the _Safety, Rehabilitation and Compensation Act 1988_ requires employers to take all reasonable steps to provide suitable employment.

Data from the 2013 APS employee census shows that a significant proportion of the reasonable adjustments APS employees with a medical condition, illness or injury, or disability require are working hours (35%) or duties (11%). APS workers' compensation experience, however, shows that managers can struggle to find suitable employment for those with psychological injuries.

In 2013–14, Comcare ran focus groups across the APS with rehabilitation case managers, line managers, injured employees and treating practitioners to capture best practice, common-sense approaches and practical work modifications to provide suitable and safe return to work for psychological injury. This resulted in _Working for Recovery_—a new supplementary guide to suitable employment for return to work following psychological injury.

Available at: <http://www.comcare.gov.au>.

Miscellaneous and unauthorised absence

The final two types of leave captured for the APS are miscellaneous leave and unauthorised absence. Miscellaneous leave includes leave for bereavement or compassionate purposes or for unexpected emergencies. It accounts for a small proportion of unscheduled absence in the APS (3.8% in 2013–14) with only five agencies averaging more than one day of miscellaneous leave per employee. Unauthorised absence is an absence not supported or approved by management. It accounts for less than one-half of one per cent of unscheduled absence in the APS and less than one-quarter of APS agencies recorded instances of unauthorised absence in 2013–14.

Comparisons with the private sector

A regular question asked of the APS in respect to unscheduled absence and many other issues in the workplace is how the APS compares with the private sector. Comparisons such as this, however, are very difficult to make. First, there are substantial differences in the nature of the two workforces that make comparisons difficult. For example, the public sector has fewer part-time employees, fewer employees with manual duties and more professionally qualified employees. Secondly, there are substantial differences in the quality of data available in the

APS and the private sector which make comparisons difficult. One of the best known private sector workplace absence surveys in Australia is conducted by Direct Health Solutions[14] and in 2013 this survey received responses from 108 organisations covering 450,000 employees, or 3.9% of the Australian workforce.[15] Consequently, it is impossible to determine how representative the reported data is of the entire private sector. In comparison, the data reported in the State of the Service report for the equivalent year was based on data obtained from every agency in the APS.

Comparisons are further complicated by different data collection methods. Sick-leave data compiled in the State of the Service report is drawn from agency HR systems. The data reported in the Direct Health Solutions report is based on respondents completing a survey. In 2013, the Direct Health Solutions survey was completed by 108 organisations, 84% of which were from the private sector and 16% from the public sector. In this case 'public sector' could include survey responses from Australian Government, state/territory or local government organisations. Consequently, direct comparisons with the data collected exclusively on the APS are difficult to make.

Statistics Canada: *Understanding public —private sector differences in work absences*

A 2013 Statistics Canada report—*Understanding public–private sector differences in work absences*—demonstrated the complexity of comparing the public and private sectors.[1] Data showed that, in 2012, the overall difference in the average number of days of sick leave taken by private and public sector employees was 4.1 days (12.4 days in the public sector versus 8.3 in the private sector). If private sector employees had the same age profile, however, along with a similar share of women, similar union coverage and were distributed across occupational categories the same way, would they still differ from public sector employees?

When age and sex differences also were accounted for, the number of days lost to personal absences among private sector employees rose to 9.4. Furthermore, when union differences were also accounted for, the number of days lost in the private sector rose to 11.6 suggesting that if private sector employees had similar union, gender and age characteristics as their counterparts in the public sector, the private–public difference in the number of days lost would be 0.8 instead of 4.1, explaining about 80% of the gap.

Because occupational differences contributed very little to private–public sector differences, the larger number of absences in the public sector was therefore mainly associated with greater union coverage (accounting for about 55% of overall difference) and a larger proportion of women and older workers (about 25%).

1   Uppal, S & LaRochelle-Côté, S (eds) 2013, *Understanding public–private sector differences in work absences*, cat. no. 75-006-X, Statistics Canada, Ottawa, Ontario, viewed 7 October 2014, <http://www.statcan.gc.ca/pub/75-006-x/2013001/article/11862-eng.htm>.

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14   Direct Health Solutions 2013, *Absence Management and Wellbeing Survey*, Direct Health Solutions, Sydney, viewed 25 September 2014, <http://www.dhs.net.au/insight/2014-absence-management-wellbeing-survey/>.
15   The seasonally adjusted figure for the Australian Labour Force in January 2013 was 11,549,100. Australian Bureau of Statistics 2013, *Labour Force, Australia*, cat. no. 6202.0, Australian Bureau of Statistics, Sydney, viewed 25 September 2014, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6202.0Main+Features1Jan%202013?OpenDocument>.

Managing attendance

The management of employee attendance is a complex but important activity for APS managers and leaders which is made more acute by the steady increase in unscheduled absence. APS agencies actively engage in a wide range of activities to help manage employee attendance, as shown in Figure 8.3.

Figure 8.3. Agency strategies to manage employee attendance, 2013–14   Source: Agency survey
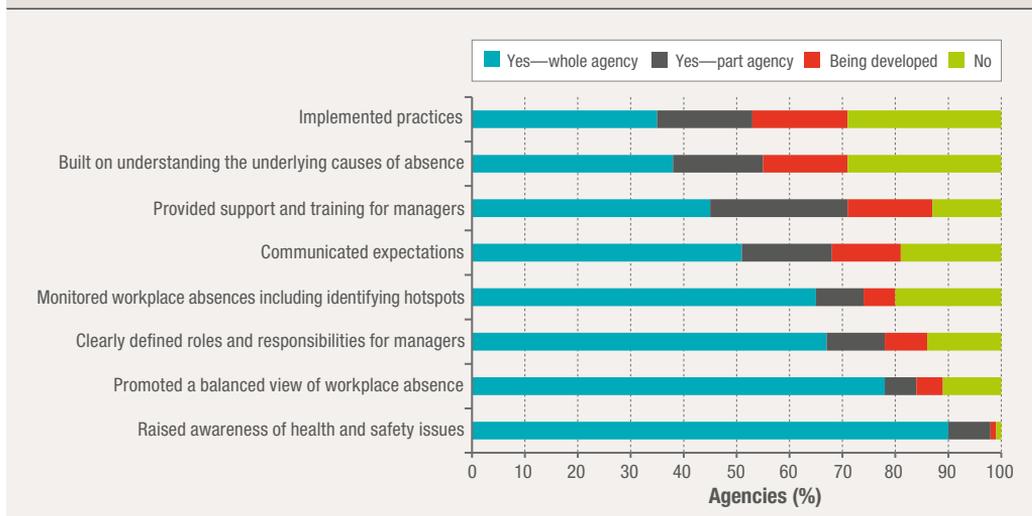
The most common activities engaged in by agencies largely focused on educating employees and managers about absence and their responsibilities as well as agency expectations for employee attendance. A number of agencies also engaged in more active initiatives such as providing support to managers (45%, covering 90% of the workforce), actively researching the causes of unscheduled absence (65%, covering 95% of the workforce) or, building on this, implementing short or long-term practices designed to address the underlying causes of unscheduled absence (35%, covering 85% of the workforce).

What is the experience of agencies in managing attendance?

Recent work by the Commission working with agencies to improve attendance management has included consultation through the APS HR Leaders Forum and the ACT Small Agencies HR Forum to refine understanding of the strategies used in APS workplaces. These consultations were designed to identify successful and unsuccessful initiatives and canvas strategies that had not been used. Results from both consultations reinforced that absence behaviour is context-dependent with the same or similar strategies being identified as successful and unsuccessful in different agencies.

To investigate this further, in late 2013 the Australian Public Service Commissioner, after consultation with the APS Secretaries Board, wrote to the heads of large and medium-sized agencies with high or rising unscheduled absence rates to seek their advice on their approaches

to addressing this. The APS Absence Management Working Group was subsequently established comprising representatives of more than 20 agencies. Its terms of reference focus on identifying good practice in absence management in the APS and making these practices available as widely as possible to APS agencies. Working group members participated in a workshop on behavioural economics approaches to managing workplace absence organised by the Department of the Prime Minister and Cabinet and featuring academics from Harvard University.

The working group has developed an online absence management toolkit which includes good practice absence management initiatives found to be effective in various contexts. These are organised into three broad categories: initiatives aimed at agency level; initiatives relevant to line managers; and initiatives relevant to line managers and employees. Toolkit strategies are listed in Figure 8.3.

The toolkit is available to all APS agencies through the Govdex website. It was designed with two key principles in mind: first, to provide a wide range of resources to agencies without being prescriptive, and second, as an interactive resource. While the toolkit was originally developed by the Absence Management Working Group all APS agencies have been invited to contribute content to it. The toolkit's efficacy will be evaluated concurrently by four agencies in conjunction with the Commission.

Across the APS: Absence management toolkit

The online absence management toolkit includes almost 20 strategies agencies have contributed that they have found effective in efforts to improve management of employee absence. Tools are divided into those that can be used at agency level and those that can be used by line managers. They include:

- an outline of a workplace attendance strategy
- a tool to assist in analysing gaps in managers' skills and knowledge related to attendance management

- a conversation template for managers to follow when contacting an employee who has been absent for an extended period
- a checklist of manager responsibilities when an employee is absent
- a checklist of employee responsibilities
- a guide for employees to assist them to recognise problems with attendance and how to handle them.

Monitoring and reporting absence

One of the more common approaches to improving the management of attendance in the workplace is monitoring and reporting of absences. As mentioned earlier, one of the strengths of the APS as a workplace is the quality of reporting of workplace absence with all agencies required to report to the Commission on this through the annual agency survey. This data is taken from agency HR systems which typically allow agencies to disaggregate absence data and report internally in a number of ways including on:

- physical location of leave takers—49% of agencies (covering 84% of the workforce)
- classification level of leave takers—47% of agencies (covering 87% of the workforce)
- days of the week leave was taken—43% of agencies (covering 69% of the workforce).

The wide range of reporting processes include the type of information reported and the level to which it is reported in the APS. Monitoring and reporting is useful, specifically because:

- it raises awareness with managers and employees that absence is an important issue
- it highlights trends and hotspots requiring immediate attention
- monitoring at local level is part of a manager's normal duty of care to employees.

Having a sound understanding of employee absence is key in managing employee attendance. While this capability is still developing in many APS agencies, some have developed a sophisticated understanding of absence behaviour in their agency.

Department of Human Services: Unscheduled absence—busting the myths

As part of a range of activities and initiatives to address unscheduled absence in 2013–14, the Department of Human Services (DHS) sought to develop a clearer evidence-based understanding of the key drivers of unscheduled absence, in particular key influences on the rise in unscheduled absence rate in the department since 2012.

DHS managers had postulated a range of theories about factors influencing unscheduled absence patterns, rates and behaviours. As part of a stronger focus to improve the management of unscheduled absences, DHS undertook an analysis against a range of hypotheses to stimulate discussion and assist in determining the key areas in which to focus action.

The hypotheses fell within three categories:

- enterprise agreement and leave-taking factors
- workplace and environmental factors
- other factors.

The results confirmed that the key drivers of changes in the unscheduled absence rate since 2012 resulted from:

- changes in the enterprise agreement, especially around carer's leave
- level of employee engagement
- increase in workers' compensation leave over the period.

The importance of the analysis lay not just in its confirmation of certain key drivers, but in its ability to eliminate others and bust many myths pervading manager's perceptions of unscheduled absence. Myths included:

- employees take more workplace absences after a public holiday
- the rate of carer's leave is higher during school holidays
- higher levels of unscheduled absence are driven by higher workloads
- employees who work large amounts of overtime have higher levels of unscheduled absence.

The analysis has assisted to target and focus the department's actions on the elements shown to have significantly influenced increases in unscheduled absence in recent years.

What does this tell us about the state of the service?

Employee attendance is a fundamental part of workplace productivity. It comprises two elements—an employee's ability to attend work and their motivation to attend work. Agencies have little control over an employee's ability to attend work. The APS provides a range of leave entitlements to accommodate those times when an employee is unable to attend work through personal illness or injury or caring commitments. APS data, however, suggests there is also a motivational component to the use of sick leave and, as such, agencies have some scope to reduce the incidence of this type of absence. Agencies have been active in developing workplace strategies to manage employee attendance.

Despite this, the level of unscheduled absence in the APS continues to increase and the reasons for this are unclear. What is clear is that employee attendance is complex and context dependent and, as a result, any attempt to improve management of attendance needs to be tailored to the specific agency. To help deal with this apparently intractable problem, APS agencies, individually and collectively, are developing and sharing good practice in absence management. Work includes better monitoring and reporting, a high-level focus on improved management of return-to-work following injury, and outlining to managers and employees their respective responsibilities for attendance.