

GET BETTER SOON



The Management of Sickness
Absence in the WA Public Sector

Performance Examination

Report No 5 - August 1997



A U D I T O R G E N E R A L

Western Australia



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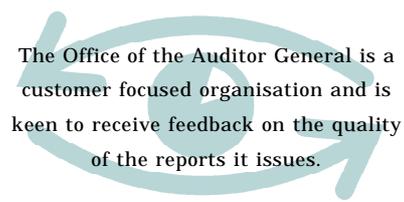
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Performance Examination

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WA Public Sector

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AUDITOR GENERAL

Western Australia

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

**THE PRESIDENT
LEGISLATIVE COUNCIL**

**PERFORMANCE EXAMINATION — GET BETTER SOON – The Management of
Sickness Absence in the WA Public Sector**

This Report has been prepared consequent to examinations conducted under section 80 of the Financial Administration and Audit Act 1985 for submission to Parliament under the provisions of section 95 of the Act.

Performance examinations are an integral part of my overall Performance Auditing Program and seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, thereby identifying opportunities for improved performance.

The information provided through this approach will, I am sure, assist Parliament in better evaluating agency performance and enhance Parliamentary decision making to the benefit of all Western Australians.

A handwritten signature in blue ink, appearing to read 'D D R Pearson'.

**D D R PEARSON
AUDITOR GENERAL**

August 27, 1997

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Executive Summary

Background

The Western Australian public sector employs the equivalent of about 90 000 full time staff in more than 300 agencies at an annual salaries and wages cost of about \$4 billion.

Sick leave entitlements are set out in numerous awards and agreements. Most government employees can claim at least ten days per year on full pay, accumulating unused entitlements. Over a 40 year career, a government employee could be absent on paid sick leave for a total of about two working years, of which half could be without a medical certificate.

Almost all staff claim some sick leave at some time. Such unscheduled absences are conventionally classified into two kinds:

- *involuntary and unavoidable* – caused by illness or injury sufficiently severe to render the employee unfit for work; and
- *voluntary and avoidable* – the traditional ‘sickie’ when employees take time off although they are not medically unfit.

Many studies of sick leave have been undertaken all over the world. It is commonly estimated that as much as 40 per cent to 50 per cent of sick leave may be avoidable in organisations with high levels of absence. The keys to reducing sick leave are:

- understanding and addressing the *general causes* of avoidable sick leave, often associated with job dissatisfaction and lack of commitment to the organisation; and
- identifying and *managing individual employees* who may be taking avoidable sick leave.

Overall conclusions and findings

The key conclusions and findings are:

- the annual expenditure on paid sick leave in the WA public sector is in the order of \$80–100 million;
- few agencies actively monitor sick leave levels, investigate their causes and take action aimed at reducing sickness absence; and

Executive Summary

- more effective management could reduce the annual cost of paid sick leave by about \$20 million.

The cost of paid sick leave and potential savings

Information about sick leave in the WA public sector is incomplete and of suspect accuracy at some agencies. However, the data available suggests that about 2 per cent to 2.5 per cent of scheduled working time was lost to sick leave in 1994–95 and 1995–96. The annual wages and salaries cost of this unproductive time was about \$80–100 million.

There are wide variations in sick leave between whole agencies, between similar groups of staff at different agencies and between different groups of staff within the same agency. Only some of these differences will be due to factors completely beyond management influence.

Sick leave is very unevenly distributed across the public sector. About one per cent of the workforce accounts for 15 per cent of all sick leave. In contrast, in any one year about a third of all employees record no sick leave.

Many agencies and private sector organisations report average sick leave of no more than four days per employee per year. If all agencies with higher levels of absence could achieve this lower but commonly achieved level, the annual cost of paid sick leave would reduce by about \$20 million.

The need for improved sick leave administration

At most agencies, sick leave is regarded as a matter to be administered rather than managed. In practice, the administrative effort generally serves little useful purpose, can be poorly controlled, may be inefficient and sometimes fails to meet central government information requirements:

- *sick leave entitlements are complex and varied* – most staff take less than their entitlements, hence the effort required in administering the complex rules only adds to the cost of sickness absence;
- *sick leave recording has weak controls at many agencies* – there may be significant under-reporting and some payments beyond entitlements;
- *some processing methods are inefficient* – sick leave claims for many employees still rely on laborious and error-prone clerical methods;

Executive Summary

- *the capacity to produce management information is poor* – manual sick leave processing systems are virtually useless for producing summary information and many computerised personnel systems are poorly developed for this purpose; and
- *obligatory reporting requirements are not met* – minimum obligatory information returns on sick leave (and other human resource matters) are still incomplete and inaccurate for a large proportion of the government workforce more than two years after the requirements were specified by the Public Sector Management Office.

The need for improved sick leave management

With some exceptions, the management of sickness absence is widely neglected in the WA public sector. Senior management teams are often unaware of sick leave levels and costs. Most line managers are neither expected nor empowered to do more than ensure entitlements are correctly administered. Agencies need to shift from the administration of sick leave entitlements to the management of people and costs. Key elements of improved practice are:

- ensuring that costs and levels of sick leave are reported to senior managers;
- analysing sick leave data to identify patterns of sick leave that might indicate avoidable absence;
- undertaking further research and consultation with employees into the causes of high levels of sickness absence;
- benchmarking with other organisations and actively seeking effective management practices to reduce sick leave;
- providing supervisors and line managers with information about the sickness absence of the staff they manage;
- assigning responsibilities and designing protocols for managing individuals, particularly those taking long periods of sick leave or frequent short spells of sick leave; and
- determining what general health promotion and health and welfare support services should be available.

Executive Summary

Recommendations

Agencies should prepare action plans to meet the aims presented below.

Administering sick leave

Policy and procedures

- **Agencies should publish clear policy and procedures on all aspects of sick leave administration.**

Entitlements

- **Agencies should seek to contain and reduce the variety, complexity and cost of administering sick leave arrangements.**

Notifying and recording

- **Agencies should design complete and accurate sick leave notification and recording systems.**

Information

- **Agencies should have the capacity to produce reports on sick leave and ensure easy and flexible access to information systems for senior and line managers.**
- **Agencies should meet the whole of Government human resources minimum obligatory information requirements.**

Managing sick leave

Policies and procedures

- **Agencies should publish clear and comprehensive policy and procedures on all aspects of sick leave management.**

Understanding the causes

- **Agencies should undertake quantitative and qualitative research into the causes of sickness absence.**

Executive Summary

Promoting 'organisational health'

- **Agencies should prepare strategies to minimise avoidable sickness absence by improving job satisfaction and organisational commitment.**

Managing individual staff

- **Agencies should assign responsibility for the management of sick leave for individual staff, supported by appropriate information, action protocols and human resources or health and welfare services.**

Introduction

Background

The Western Australian public sector employs about 105 000 staff, corresponding to about 90 000 full time equivalents (FTEs). These staff work at more than 300 agencies. The largest employers are Education, Police and the Health Sector which together account for over 52 000 FTEs. In contrast, about 50 agencies employ 20 or fewer staff.

The costs of paid sick leave and, where necessary, relief staff are substantial. Additional adverse effects of sickness absence include delays, interruptions to normal services and loss of service quality.

Sick leave arrangements for public sector staff are set out in numerous awards and agreements. The most common entitlement is ten days absence on full pay and five days on half pay. All unused sick leave carries forward to the next year. Police officers have a standard allowance of 168 days of sick leave on full pay but are not covered by workers' compensation. Administering these arrangements can be a significant clerical undertaking.

There is an important distinction between the administration and management of sickness absence. Administration involves recording sick leave and processing claims correctly according to the entitlements. Management involves monitoring sick leave, understanding its causes and taking appropriate action at the organisational and individual level.

Advice on the causes, costs and management of sick leave has been published by the Department of Productivity and Labour Relations (DOPLAR) in *Managing Absence and Labour Turnover* and the Public Sector Management Office (PSMO) in *Effective Sick Leave Management*. Both documents stress the connection between sickness absence and 'organisational health', and outline strategies for reducing sick leave.

The PSMO advice opens with the warning: "*Absenteeism is like a fungus. It thrives in dark corners. The more you leave it the more it spreads.*" Numerous research reports from around the world confirm that sickness absence is not a simple matter of unavoidable illness, to be administered rather than managed. Job satisfaction and commitment to the organisation are widely

Introduction

seen as the key factors influencing sickness absence. Many successful initiatives have been reported addressing job design, the working environment, health promotion and other matters.

Research elsewhere suggests that good management can lead to reductions of 40 per cent to 50 per cent in sick leave at organisations with high levels of absence.

Examination objectives and methods

The objectives of the examination are to inform Parliament about:

- levels and patterns of sickness absence in the WA public sector;
- potential savings in the cost of paid sick leave; and
- current practices and opportunities for improving the administration and management of sick leave.

The principal methods used in the examination were:

- liaison with PSMO, including the analysis of sick leave returns from agencies;
- detailed enquiries at the Education Department, Health Department, Police Department, Main Roads of WA, Westrail, Ministry of Fair Trading and AlintaGas; and
- a postal survey of 40 other government agencies.

The responsibility for identifying and addressing avoidable sickness absence ultimately rests with Chief Executive Officers as part of their duty to ensure that public funds are used efficiently. It was not an examination objective to diagnose precise causes or to propose specific remedies at individual agencies. However, this examination seeks to help agencies by giving guidance on how to identify avoidable absence and suggestions for improved administration and management.

Can the cost of sickness absence be reduced?

Conclusions

- ***The annual cost of work time lost to sickness absence is about \$80 to \$100 million.***
- ***There is strong evidence that sickness absence in the Western Australian public sector can be reduced.***
- ***If sick leave can be reduced to levels already achieved at many agencies, the annual cost of paid sick leave would fall by about \$20 million.***

Sick leave in the WA public sector and elsewhere

Public sector staff take sick leave equivalent to between 2 per cent and 2.5 per cent of scheduled working time. The cost of sickness absence is estimated at between \$80–\$100 million based on the annual payroll cost of approximately \$4 billion. However, the full cost of sickness absence is higher because of the need to pay relief staff for many types of work. For example, over \$8 million was spent on relief teachers in 1996–97.

Comparisons with other public sectors

WA sickness absence levels are similar to those elsewhere in Australia, according to the limited data available on public sector sick leave (Table 1). Sick leave for the State government workforce may already be slightly lower than the all Australia average, but that does not exclude the possibility of further improvements. South Australia provides an encouraging example that savings can be made. A three year campaign to reduce absence produced a fall in the average sick leave claimed from 6.3 to 5.4 days.

WA sick leave is about the same as other Australian public sectors...

Can the cost of sickness absence be reduced?

	South Australia ¹ 1991-92	South Australia ¹ 1994-95	All Australia ² 1996-97	Western Australia ³ 1995-96
Average sick days per year	6.3	5.4	6.8	6.1

Table 1: Public sector sick leave comparisons

Comparative data should be treated with caution. Methods of reporting, the employee groups included and even the conversions between working hours and days can all differ significantly. However, uncertainties about the true levels of sick leave in WA and elsewhere do not invalidate the main proposition in this report that significant savings opportunities exist in the WA public sector.

Comparisons with the private sector

Australian private sector industries report lower sick leave than the WA public sector (Table 2). The average of about four days a year in the non-manufacturing sector is a target the WA public sector might reasonably seek to achieve.

*...but higher than
sick leave in the
private sector*

	Lower quartile days per year	Average days per year	Upper quartile days per year
Manufacturing ²	3.9	5.5	6.8
Finance & Insurance ²	3.5	4.5	5.0
Pharmaceutical ²	3.1	3.8	4.1
Service & Other ²	1.2	3.7	5.6
WA Public Sector³	3.5	6.1	6.2

Table 2: WA public sector and Australian private sector sick leave

There are reservations about some of the sick leave data submitted to PSMO for 1995-96 and hence the published overall average of 6.1 days or 49 hours. Even if the true WA figure is lower than reported, it seems likely that private industry has less sickness absence.

¹ South Australian Workforce Information, June 1995

² Cullen Egan Dell, 6 June 1997

³ Profile of the WA State Government Workforce, 30 June 1996, PSMO

Can the cost of sickness absence be reduced?

Overall sick leave levels in the WA public sector

Average sick leave varies widely for large agencies...

Sick leave by agency

Significant variation exists in average sick leave across agencies. Amongst 50 of the largest agencies the range was from less than 20 hours per annum at six agencies to more than 70 hours at four. In general, large agencies (Figure 1a) have substantially higher sick leave than agencies of medium size (Figure 1b).

Because of changes in the structure of the public sector not all of the agencies shown in Figures 1a and 1b will continue to report as they did in 1995–96.

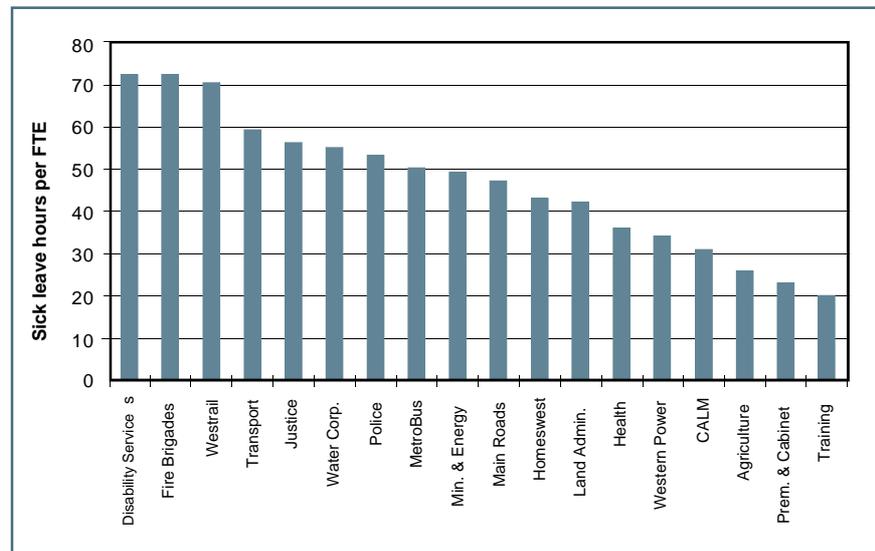


Figure 1a: Sick leave in 1995–96 at agencies with 500 or more FTEs

About half of the largest agencies report averages of more than 50 hours (or 7.5 days) sick leave per year, while some report less than 32 hours (or four days).

Source: PSMA Profile, June 1996

Can the cost of sickness absence be reduced?

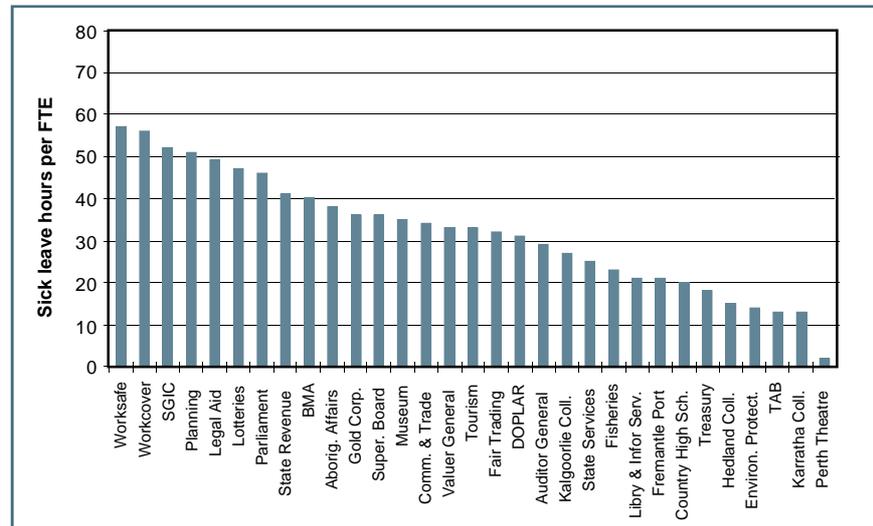


Figure 1b: Sick leave in 1995–96 at agencies with 100 to 499 FTEs

Medium agencies typically report about 32 hours (or four days) average sick leave per year. Few report the 50 hours common at large agencies, and about one third report averages of 24 hours (or three days) or less.

Source: PSMO Profile, June 1996

Potential reductions in the cost of paid sick leave

There are strong indications that WA public sector sick leave can be reduced...

The preceding sections indicate strong opportunities for significant reductions in sick leave in the WA public sector:

- private sector organisations in Australia are able to achieve lower levels of sick leave than the WA public sector average;
- several agencies are already reporting averages of less than four days sick leave compared with the whole of government average of about six days; and
- South Australia has set a useful precedent in tackling sick leave, achieving a reduction of more than 10 per cent.

Further evidence of the potential for reducing sickness absence includes:

- success at AlintaGas, where a sickness absence management initiative has been associated with significant reductions in sick leave for managerial, professional and operative staff over three years;
- the current lack of attention to the management of sickness absence in much of the WA public sector (discussed in later in this report); and

Can the cost of sickness absence be reduced?

...perhaps saving \$20 million a year in the cost of paid sick leave.

- other research into sickness absence suggesting that a reduction of 40 per cent to 50 per cent may well be realistic in organisations with high levels of absence.

If sick leave could be reduced to 30 hours (as already attained or bettered by 16 of 50 agencies with more than 100 FTEs), the annual cost of paid sick leave in the public sector would fall by about \$20 million.

Indicative savings from reductions in sick leave from the 1995–96 levels to 30 hours per FTE are shown for some larger agencies in Table 3. These savings do not include the benefits of lower relief costs and improved service quality. Significant savings may be possible at agencies not listed. For example, a reduction of half a day in the average sick leave per teacher would be worth about \$2 million. The Police Department has also been omitted because of the different entitlements for police officers, but there may be scope for bringing down average sick leave from the 1995–96 level of 53 hours.

Agency	FTEs at June 1996	1995-95 sick hours per FTE	Savings if sick leave reduced to 30 hours per FTE
Health Sector	21 968	36	\$3.0 million
Justice	3 640	56	\$2.1 million
Westrail	2 358	70	\$2.1 million
Disability Service	1 622	72	\$1.5 million
Fire Brigades	1 005	72	\$0.9 million
Water Corporation	1 605	55	\$0.9 million
Main Roads	1 641	47	\$0.6 million
Transport	854	59	\$0.6 million

Table 3: Indicative estimates of savings in paid sick leave if 1995–96 averages were reduced to 30 hours per FTE

Some agencies would significantly reduce annual paid sick leave costs if they could achieve an average of 30 hours sick leave per FTE⁴. The total savings across the public sector would be about \$20 million⁵

Source: PSMO Workforce Profile and OAG

⁴ Based on an estimated average annual cost of employment of \$40 000 and a 225 working day year

⁵ Based on a sick leave reduction of 15 hours for each of 60 000 FTEs

Identifying sickness absence problems

Conclusions

- ***Sick leave levels and patterns for different staff groups vary between and within agencies. Awareness of these differences is necessary to identify and manage causes of sick leave.***
- ***Major factors associated with differences in sick leave include agency, occupation, age, sex and salary level.***
- ***Wide variations may exist in the sick leave taken by similar groups of staff in different branches or districts of an agency, affording opportunities for benchmarking.***

Background

Detailed analysis of sick leave data is needed to identify sickness absence problems.

Average sick leave only gives a general indication of the potential for reducing sickness absence. This chapter presents a closer look at sickness absence data illustrating variations in sick leave levels and patterns. Similar analysis by agencies would help to ensure that the causes of sickness absence are discovered. Few agencies consulted during the examination have looked closely at sick leave patterns for different staff groups.

Whole of government sick leave by occupation, age, sex and salary

Average sick leave varies by occupation...

Sick leave by major occupation group

An overall average sick leave can conceal wide variations. For instance, the whole of government average does not show that of eight Australian standard occupation groups, drivers and operators record about 75 per cent more sick leave than managers and professionals (Figure 2). Further analysis, by job or other factor, might highlight unusual levels or patterns of sick leave in more precisely defined employee groups.

Identifying sickness absence problems

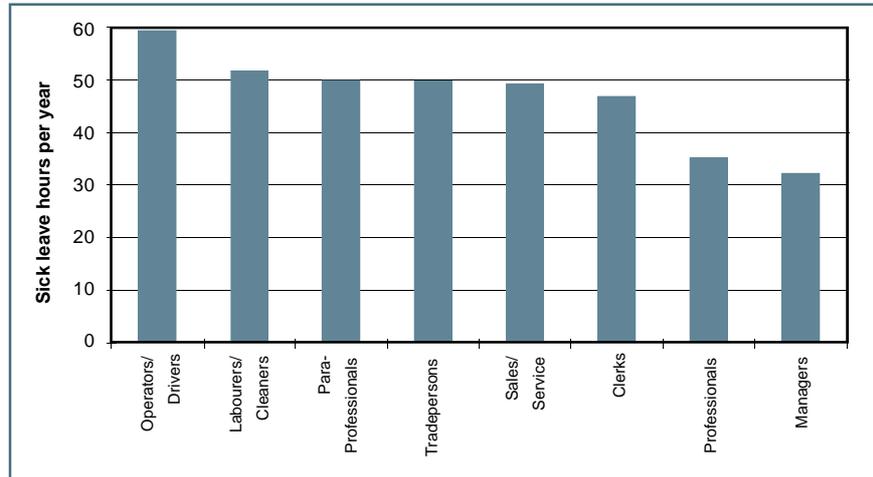


Figure 2: Average sick leave by ASCO major occupation group
The average sick leave taken by drivers/operators is about 75 per cent higher than managers/administrators.

Source: HR MOIR data, July to December 1996

...by salary level...

Sick leave by salary

Recorded sick leave in the WA public sector decreases as salary increases (Figure 3). About two thirds of public sector staff earn between \$20 000 and \$40 000 and this group has the highest average sick leave. Public servants with the highest salary levels record minimal sickness absence.

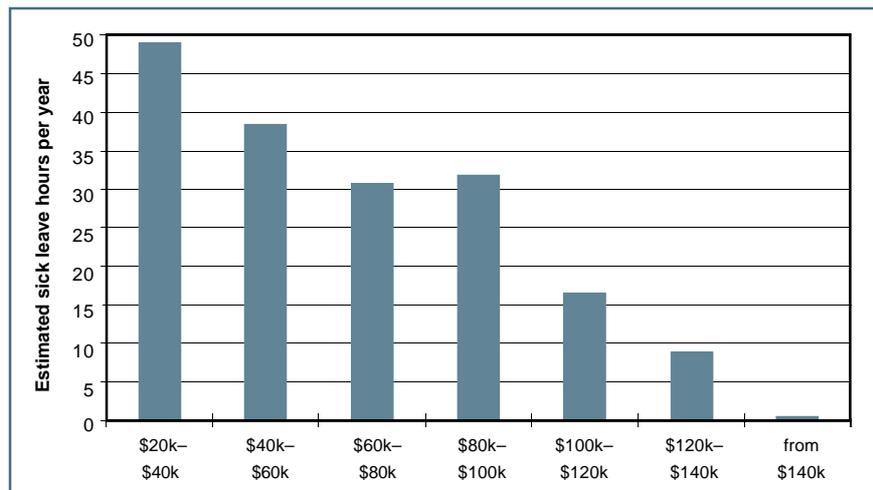


Figure 3: Estimated sick leave by salary
Recorded average sick leave per employee falls dramatically as salary increases.

Source: HR MOIR, July to December 1996

Identifying sickness absence problems

Sick Leave by age and sex

...and by age and sex...

Sickness absence varies with age and sex. Figure 4 indicates that in the age ranges of 22–34 and 44–53 the average sick leave for women is always higher than for men. This pattern breaks down for the ranges 35–43 and 54–65.

Within an agency, any differences in sick leave for males and females should be interpreted with caution. It remains the case in the WA public sector that women tend to be employed in lower paid and often less rewarding jobs. These are factors known to be associated with higher levels of sickness absence.

Women are more likely to be involved in family care, and some of the absence will be to look after sick dependents. Several agencies have a separate category of family care leave.

Long term sickness is more likely among older employees. Until the age of about 50 there is no indication of sick leave increasing with age. However, staff in their 50s, and particularly in their 60s, record significantly higher levels of sickness absence.

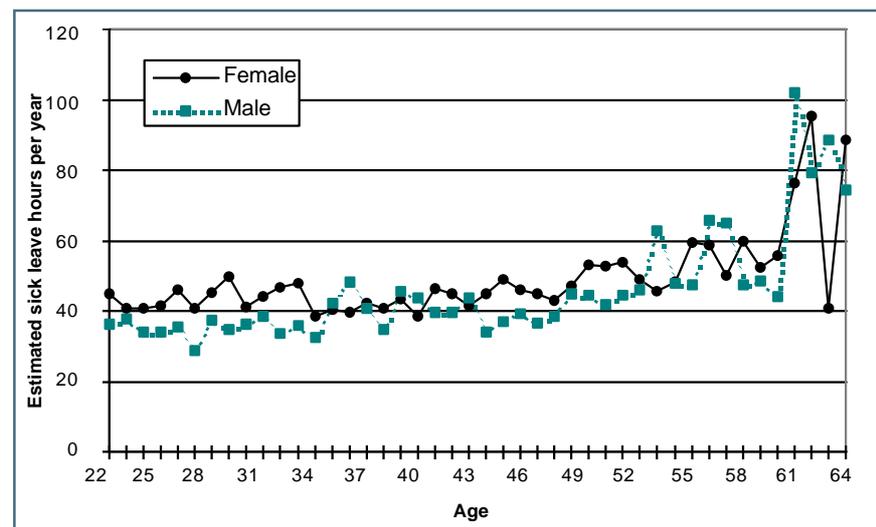


Figure 4: Estimated sick leave hours by age and sex

Sick leave is higher for women than men at most ages between 22 and 53. Sick leave is unaffected by age for staff under 50, but then increases sharply.

Source: HR MOIR, July to December 1996

Identifying sickness absence problems

Sick leave variations between and within agencies

Similar staff take different sick leave in different agencies.

Average sick leave for similar jobs at different agencies

Staff in similar occupations record different amounts of sick leave according to where they work. Figure 5 shows the sick leave for clerks at some agencies with more than 100 staff. The average levels vary by a factor of more than nine to one. In some agencies the averages may be distorted by a combination of low staff numbers and some exceptionally long absences, but all the higher figures invite further investigation. Wide variations in average sick leave per agency occur for all major occupation groups.

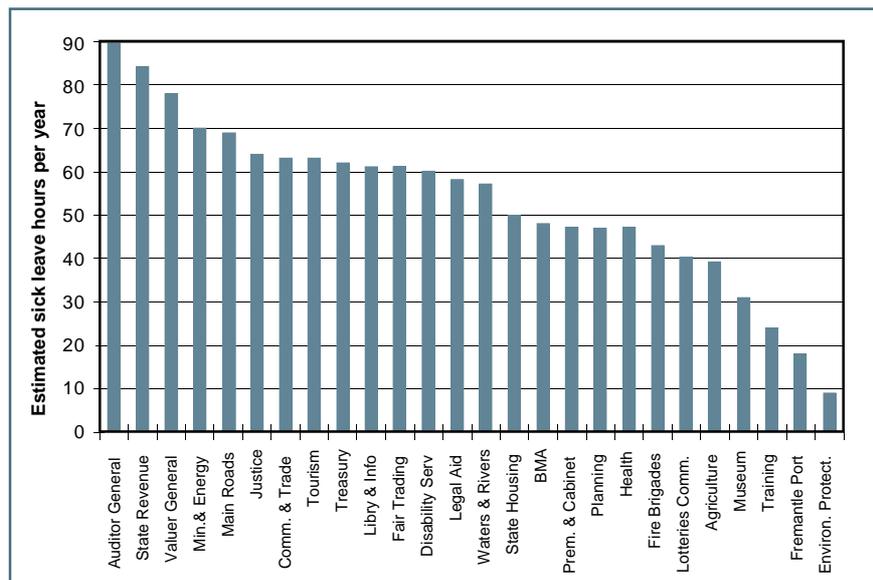


Figure 5: Average leave for clerks at larger agencies

The average sick leave for clerks varies by a factor of more than nine to one.

Source: HR MOIR, July to December 1996

Sick leave varies widely for different jobs within the same agency.

Sick leave patterns for different occupations at the same agency

Different groups of employees within the same agency may report very different sick leave patterns, suggesting a variety of causes and the need for different management responses. For example, amongst selected health

Identifying sickness absence problems

occupations, 56 per cent of dental practitioners claimed two or more days sick leave compared to only nine per cent of general medical practitioners. In the same period, 32 per cent of dental nurses took at least five days sick leave, whereas no general or specialist managers recorded more than five days sickness absence (Figure 6).

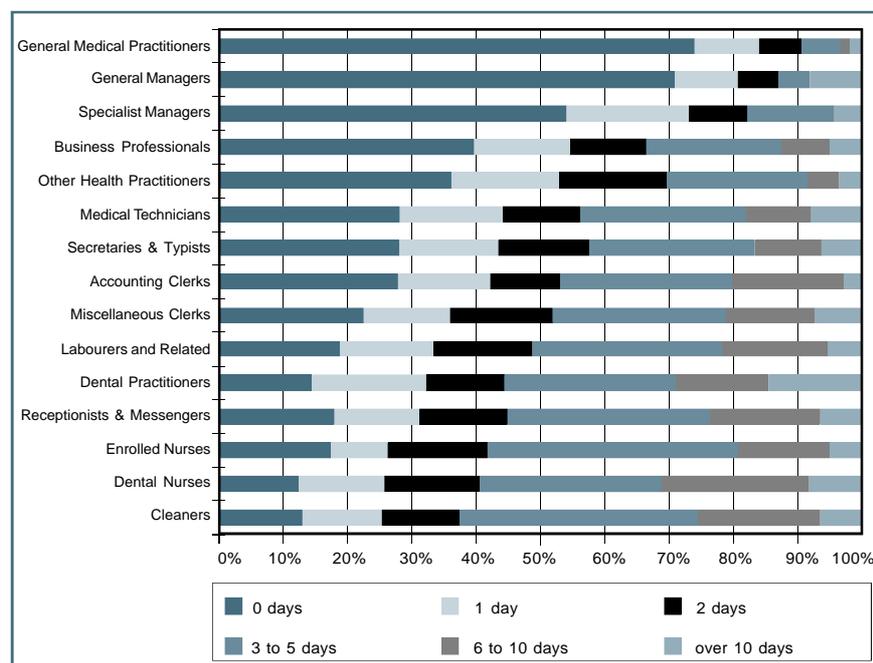


Figure 6: Sick leave patterns by for selected Health occupations, July to December 1996
Health occupations record significantly different sick leave patterns. For example, 13 per cent of cleaners but 73 per cent of general medical practitioners claimed no sick leave.

Source: HR MOIR, July to December 1996

Sick leave patterns by rank for police officers

Police sick leave patterns vary between different ranks.

Agencies may also find it useful to look into breakdowns of the same occupation groups because of the different patterns that might be found. Figure 7 shows both similarities and differences for police officer ranks as an example. The average sick leave is about the same for most police ranks except first class constables (high) and recruits (low). However, the average lengths of individual absences vary from about 25 days for superintendents to one day for recruits. Different strategies will be required to deal with the numerous short absences for junior ranks, and the fewer but generally much longer absences for senior ranks.

Identifying sickness absence problems

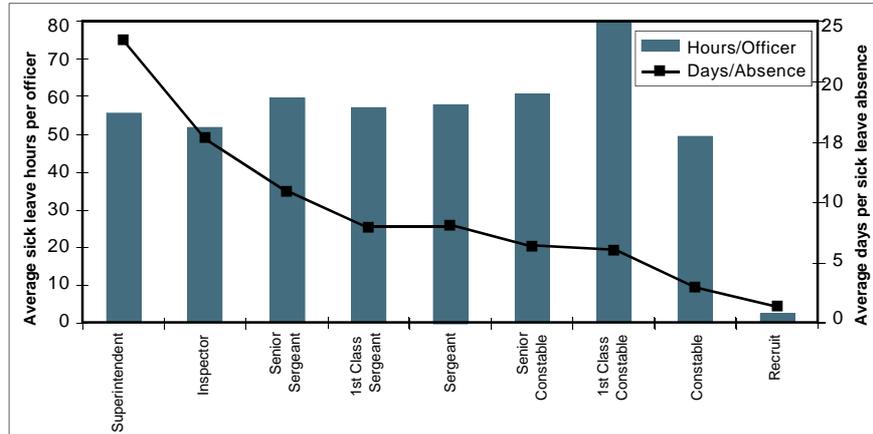


Figure 7: Average sick leave and days per absence by police rank
 Most police ranks have similar average sick leave, except first class constables (high) and recruits (low). The more senior the rank, the longer the average duration of a spell of sickness absence.

Source: Police HR Information for 1995–96

Some staff groups take frequent short absences, others are absent less often but for longer periods.

Duration of sick leave occurrences

Staff groups vary in their tendency to take short, medium or long periods of sick leave. Looking more closely at police data, less than 10 per cent of constable absences but nearly 40 per cent of senior sergeant absences lasted more than five days (Figure 8). The causes of these disparate patterns need to be understood if the most appropriate action is to be taken.

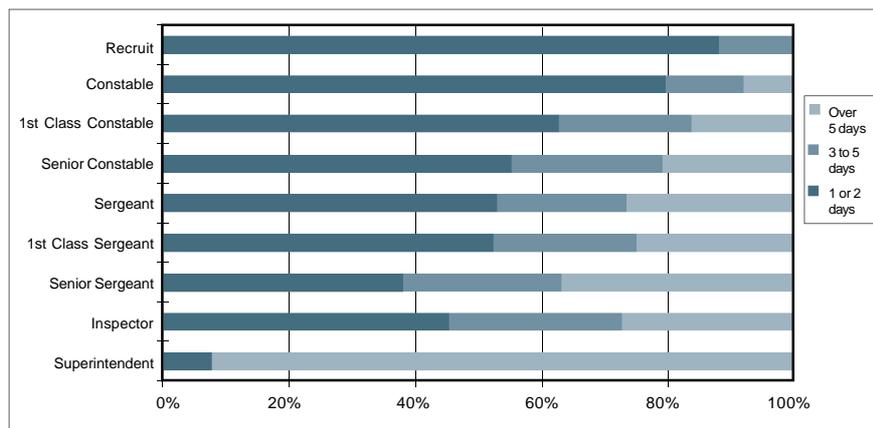


Figure 8: Sick leaves by duration for police ranks
 Patterns of short and long spells of sick leave vary significantly between police officer ranks.

Source: Police HR Information for 1995–96

Identifying sickness absence problems

Sick leave can vary widely by region or work unit.

Variations in sick leave by work unit or district

Agencies such as Education, Health, and Police have units or districts providing similar services. Internal benchmarking is possible by comparing sick leave for selected staff groups. Low sickness absence might be the result of good management practices that could be disseminated throughout the agency. Figure 9 gives one such example, showing sick leave for teachers by school district, and revealing a variation of more than four to one. The analysis could be extended to individual schools, teacher subjects or grades, or any other factor. Similar comparisons could be made for nurses within hospitals and health services, police officers by branch or region, and so on.

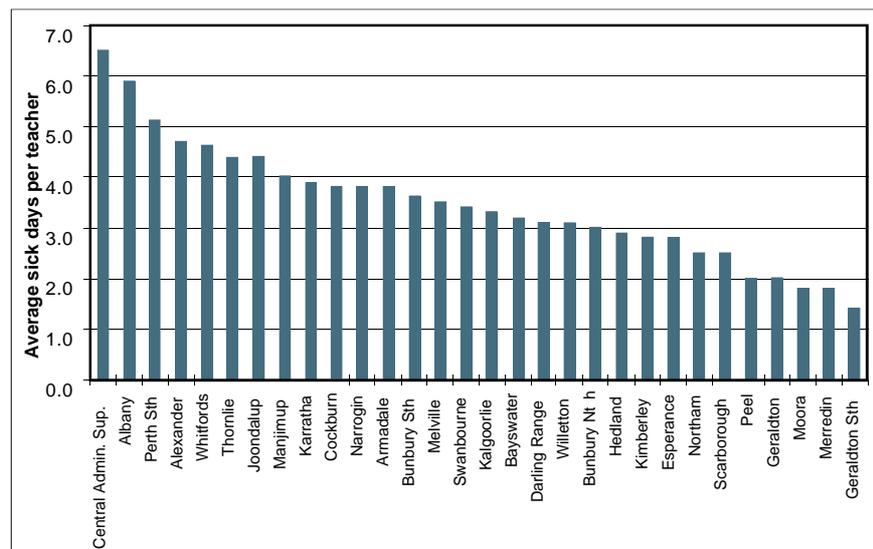


Figure 9: Teacher sick leave by school district, January 96 to April 97
Teacher sick leave by district varied by a factor of more than four to one.

Source: Education Department P2000 project

Other analyses, such as sick leave by day of week, are worth performing.

Other useful sick leave analyses

Other sick leave analyses may be illuminating. For example, higher sick leave on Mondays or Fridays may indicate an abuse of entitlements. Few agencies had undertaken this analysis, and several were unable to do so when asked as part of the examination. AlintaGas and Minerals and Energy are two agencies where single day absences by day of week are routinely monitored. Neither has significantly higher sick leave just before or after a weekend.

Identifying sickness absence problems

In all cases it is useful to report trends over a number of years, both to detect the emergence of new problem areas and to evaluate the effects of actions aimed at reducing sickness absence.

All the preceding illustrations relate to sickness absence patterns for groups of staff. Their purpose is to direct research and action at groups where avoidable sickness absence may be indicated. In addition, there is a need to monitor sick leave for individual employees so that cases requiring individual management intervention are identified.

The administration of sick leave

Conclusions

- ***Sick leave is administered via a large number of complex and varying entitlement schemes. The effort is largely unproductive as most staff take sick leave well within their entitlement.***
- ***Methods of recording sickness absence vary. There may be significant under-reporting at some agencies and some payments in excess of entitlements.***
- ***Some of the sick leave processing systems used by agencies are laborious to operate and unsuited to producing useful management information.***
- ***Whole of government sick leave data is incomplete and of doubtful accuracy. The intended benefits to government and agencies from this information have not yet been fully realised.***

Entitlements–background

Minimum sick leave entitlements are defined by statute.

The *Minimum Conditions of Employment Act 1993* sets out minimum sick leave entitlements for public sector employees. Detailed sick leave provisions are specified in awards and an increasing number of enterprise bargaining agreements, workplace agreements and individual contracts. Agencies such as large hospitals may have to administer at least 20 arrangements, all with some variations in their sick leave terms.

Most entitlements have some common factors...

Most sick leave entitlements have a common core including:

- at least ten days cumulative sick leave on full pay per year;
- up to five days uncertificated absence in a year; and
- no entitlement for absence caused by employee misconduct or neglect.

...but many minor variations.

Sick leave arrangements vary in numerous ways. All the variations impose different and sometimes difficult administrative tasks. Variations include:

- whether entitlements are expressed and processed as days, hours or dollars;
- the schedule of issuing new sick leave credits;
- additional half pay entitlements and options for conversion to full pay;

The administration of sick leave

- terms for borrowing against future sick leave credits;
- the relation between sick and other leave, such as family care; and
- conditions for claiming sick leave while on annual or long service leave.

Police officers are a major exception.

Police officers have entirely different sick leave provisions. The standard allowance is 168 days per year, and this can be extended in approved cases. Police officers are not covered by workers compensation, but receive reimbursement of medical expenses whether or not resulting from work-related sickness absence.

Entitlements—do they serve a useful purpose?

Entitlements benefit staff and limit Government liability.

Sick leave entitlements give some protection to staff from periods of absence through illness or injury. On the other hand, Government accepts a limited contingent liability for any individual employee at any time, determined by the sick leave credits that have accumulated.

Entitlements have little or no effect on the majority of staff ...

The entitlements have no limiting effect on the large majority of public sector staff in any period and often throughout their working lifetimes. In the period July to December 1996 more than 50 per cent of the workforce recorded no more than one day of sick leave. About 85 per cent of staff claimed less than five days (equivalent to the minimum annual entitlement of ten days). Less than 10 per cent of teachers claimed ten days or more in the whole of 1996, almost all of these remaining well within their credits.

...are arguably unfair...

Whether pay is received for sickness absence depends on an employee's credits at the time. Sick leave balances cannot normally be overdrawn and paid back in future years of good health. New appointees to the public sector are particularly vulnerable, especially those who receive their entitlements in instalments over the first year. Previously accumulated credits are normally lost if taking a break of more than one working week between different public sector appointments. Appointees from outside the public sector do not receive any credits for their previous attendance record.

The administration of sick leave

...and might be over-generous in the long term.

The total sick leave entitlement during a public sector career is considerable. Over 40 years an employee receives credits of at least 400 days of sick leave on full pay. This is almost two whole working years when annual leave, public holidays and long service leave are taken into account. Half of this could be taken without any medical certificates.

Should sick leave entitlements be fundamentally reviewed?

Public sector sick leave entitlements have evolved from a simple minimum provision to a proliferation of similar agreements distinguished by a mass of complex detail. A minority of staff might consider the entitlements as rights to be claimed rather than privileges to be enjoyed at times of genuine need.

Simpler and more generous entitlements do not automatically lead to escalations in sick leave. Police Department sickness absence of 53 hours in 1995-96 is only marginally higher than the public sector average of 49 hours. This is despite virtually unlimited sick leave and higher personal risk and stress levels for police officers than many jobs. Police sick leave also includes absences that would qualify for workers' compensation in other agencies.

Changing established sick leave arrangements would be a sensitive exercise. However, where sick leave provisions are to be renegotiated, it may be appropriate to consider simpler schemes. Where practical there should be a shift of focus from largely unproductive administration of entitlements to more constructive management of human resources.

Entitlements—are they administered well?

There are four key administrative requirements.

Good administration of whatever sick leave arrangements are in force requires four main elements:

- clear policy and procedures;
- complete and accurate recording of sick leave occurrences;
- efficient and accurate processing of sick leave data; and
- production of information for agency management and government.

The administration of sick leave

Policies and procedures vary.

Policies and procedures

In addition to the documentation of entitlements, most agencies publish guidelines concerning the administration of sick leave. Matters covered commonly include:

- who should be notified and when;
- responsibilities for completing and checking sick leave applications;
- rules concerning the provision of medical certificates; and
- types of absence that are not eligible for sick leave.

Agency policies and guidelines vary. Some agencies require staff to notify their absences as soon as possible, while others warn that failure to give notification within a specified period will invalidate a sick leave claim. None of the guidelines seen gave examples of what types of 'misconduct' and 'neglect' would invalidate a claim.

Some sick leave recording is poorly controlled...

Sick leave recording

Complete and accurate sick leave recording is necessary to ensure that entitlements are being correctly administered and to provide the source data for management purposes.

The most secure sick leave recording systems involve personal work diaries and checks that the diaries, plus any appropriate leave applications, are complete and correct. Waged employees generally require countersigned evidence of attendance for their pay to be calculated. Salaried staff normally receive their standard pay by default. Even where there is detailed time recording, separate sick leave application forms are used by most agencies.

Some agencies have good controls to ensure that all notified absence is recorded. Others have less secure methods that may lead to under-reporting:

- staff groups who are not required to document attendance and absence;
- staff whose diaries are not checked by a supervisor;
- incomplete reconciliation of sick leave applications with work diaries;
- return of sick leave forms by supervisors to staff with no check that they are then submitted and processed; and
- long delays in forwarding sick leave forms for processing.

The administration of sick leave

...with a likelihood of under-reporting...

There is evidence of under-reporting at some agencies where cross checks are possible. For instance, at an agency with work diaries and sick leave forms, sick leave applications covered only 60 per cent of the hours booked as sick leave on timesheets over a six month period. In this case, the reconciliation procedures ensured that appropriate adjustments were made later.

The lack of controls over sick leave recording at some agencies makes it highly likely that some absence is under-reported. The examination has not attempted to estimate the scale of under-reporting. However, if this is a significant problem, the overall sickness absence rates in the public sector and the scope for savings would be higher than indicated by the published sick leave data.

...and a risk of paying beyond entitlements.

A consequence of under-reporting is that some staff will show sick leave credits where none should remain. It seems certain that some entitlements are being overdrawn. The examination has not attempted to estimate the value of sick leave payments to which staff were not entitled.

Sick leave processing

Some sick leave processing methods are laborious.

All agencies have systems for processing sick leave claims. Ideally, the system will require the sick leave data to be entered once followed by automatic processing by an integrated personnel and payroll system.

In practice, some methods of sick leave processing are antiquated and inefficient, relying on separate cards for each employee and using entirely manual methods. Typically a clerk receives a sick leave claim, identifies and interprets the sick leave provisions, updates the card, and notifies payroll if any salary adjustment is needed. Such systems add to administrative cost and increase the risk of errors.

Sick leave for all schoolteachers (who account for about a fifth of the government workforce) is still processed in this way. The Education Department is introducing a completely new sick leave administration system as part of the Personnel 2000 project, covering all human resources

The administration of sick leave

policies and practices. Key best practice features of the new system, planned to be progressively implemented from March 1998, include:

- better controls by mean of full reconciliation of sick leave claims with records of teacher reliefs for sickness absence;
- prompt and automated processing of sick leave using terminals at schools and a central computer; and
- facilities to produce management information at any level of detail.

Availability of management information

Some agencies have difficulty in producing management information...

Many agencies find it difficult to produce management information about sick leave. Card systems are almost entirely useless for this purpose. Agencies are no longer required to make returns via a government-wide personnel information system. Instead, they have installed or are installing systems of their own choice. Reporting facilities in many of these systems are poorly developed or under-used.

...and were unable to meet a data request...

A standard data request was issued as part of the examination. The intention was to collect comparative information at a level of detail considered to be useful but rarely examined within agencies. This request covered average sick leave over the last five years, the number and length of periods of absence, and the amount of sick leave by month and day of week. Some agencies were not able to meet any of the request. Others produced lists of sick leave occurrences but had no immediate capacity to produce summaries from this source data.

...while other agencies have good information.

In contrast to these weaknesses, AlintaGas had the most comprehensive internal reports on sick leave. The Police efficiently met all aspects of the data request. Westrail went beyond the data request, producing summaries that revealed to them some previously unrecognised patterns of sickness absence.

The administration of sick leave

Whole of government sick leave information

Agencies are required to make sick leave returns to PSMO.

Human Resources Minimum Obligatory Information Requirements

A further administrative task for agencies, except the universities, is to meet the 'human resources minimum obligatory information requirement' (HR MOIR) defined by the Public Sector Management Office. The returns consist of aggregate data and anonymous individual employee records, including the amount of sick leave and other items, for each public sector employee.

The whole of government data has been used by PSMO to prepare *Profile of the WA State Government Workforce* reports for 1994-95 and 1995-96 covering all 105 000 employees. Previously, data was only available for about 20 000 staff employed under the Public Service Act.

The data is intended to assist Government, central and line agencies...

The intended uses of the information from the HR MOIR system are:

- *“to provide Cabinet with summary information about strategic and whole of government aspects of human resource management;*
- *to provide central agencies with information necessary for strategic, coordination and management functions; and*
- *to provide line agencies with statistics and management information that will enable assessment of their important human resource management activities against benchmarks and best practices.”*

The administration of sick leave

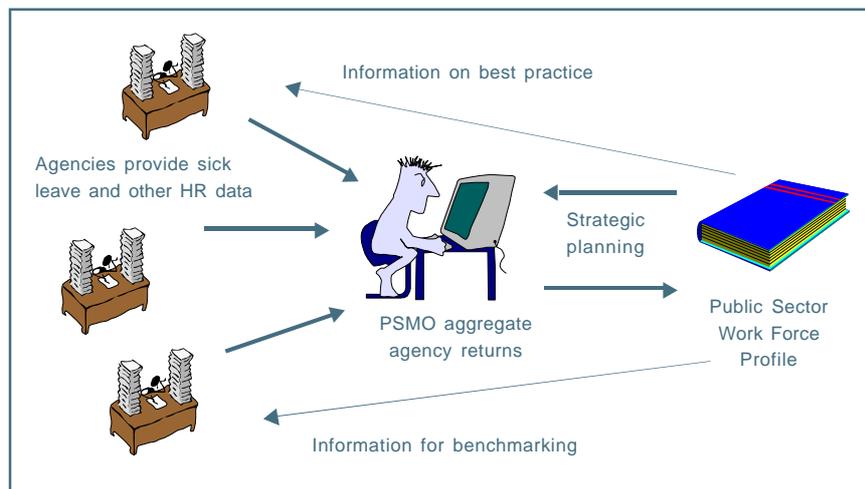


Figure 10: Whole of government human resource information prepared from agency records

The information was intended to be used by line agencies, central agencies and government.

Source: OAG

...but the data submitted is incomplete and inaccurate.

Problems with sick leave data

Agency returns to PSMO have been incomplete and inaccurate, with major omissions and flaws in the aggregate returns and the individual records. Problems with the aggregate data on sick leave published in the Workforce Profile reports include:

- Education data was reported in 1994–95 but omitted in 1995–96;
- Police data was omitted in 1994–95 but reported in 1995–96; and
- Health data was from a sample of central office staff only in 1994–95.

The first set of individual returns, for January to June 1996, was of very poor quality. Improvements were made in the next six months, but the individual employee returns for July to December 1996 were still highly unsatisfactory in many respects:

- *promptness* – many returns were made later than the due date;
- *missing agencies* – no returns were made by Education, Family and Children’s Services, Metrobus and others, collectively accounting for about one third of the government workforce;

The administration of sick leave

- *missing data* – many agencies submitted incomplete records, omitting items such as base salary, year to date salary and sick leave;
- *accuracy* – one agency reported salary and sick leave at ten times their correct levels; and
- *junk records* – some agencies included large numbers of records for casual staff who had not worked in the previous six months.

The intended benefits of this whole of government data are not being realised.

At best, the intended benefits to government and agencies of whole of government data on sick leave and other human resources matters are only partly achieved:

- there is no complete and accurate knowledge of sickness absence trends in the public sector, or the current levels and costs of sick leave;
- because of missing and defective agency data PSMO has been unable to publish supplementary reports based on the individual returns; and
- data problems have also delayed PSMO's intention to provide agencies with access to the human resources database, allowing them to undertake their own benchmarking exercises.

Details of the HR MOIR requirements were circulated to agencies in March 1995, announcing that full compliance was sought by June 1996. It is of serious concern that, despite the advance warning and clear specifications, so many agencies are still unable to provide credible and complete data on basic personnel issues.

Recommendations

Agencies should prepare action plans to meet the aims presented below. Some options that may be considered are outlined in the appended good practice guidelines.

Policy and procedures

- **Agencies should publish clear policy and procedures on all aspects of sick leave administration.**

The administration of sick leave

Entitlements

- **Agencies should seek to contain and reduce the variety, complexity and cost of administering sick leave arrangements.**

Notifying and recording

- **Agencies should design complete and accurate sick leave notification and recording systems.**

Information

- **Agencies should have the capacity to produce reports on sick leave and ensure easy and flexible access to information systems for senior and line managers.**
- **Agencies should meet the whole of government human resources minimum obligatory information requirements.**

The management of sickness absence

Conclusions

- **Many aspects of the management of sickness absence are under-developed in the WA public sector.**
- **The majority of agencies have opportunities for improved sickness absence management in some or all of the following areas:**
 - benchmarking and adopting successful practices from public and private sector organisations***
 - using statistical data to identify employee groups with high sick leave***
 - undertaking further research to establish the causes of sickness absence and propose solutions***
 - promoting employee health, providing welfare and rehabilitation services, and taking steps to recover sick leave time that would otherwise be lost***
 - clearly defining managerial responsibilities and options for dealing with individual cases of sickness absence.***

Introduction

Sickness absence is affected by individual, job, organisation and community factors...

Sickness absence has been extensively investigated by many researchers. Four main contributory factors are widely cited:

- *individual* – relating to personal characteristics, circumstances and attitudes;
- *job* – relating to the nature of the job and the satisfaction it provides;
- *organisational* – relating to organisational size, structure and culture; and
- *community* – relating to local facilities and economic conditions.

The management of sickness absence

...which can often be successfully addressed.

There are numerous examples of reported success in addressing each of the above factors, for example:

- providing counselling services, and training in matters such as stress management or anger avoidance;
- redesigning jobs to reduce boredom and allowing more flexible working;
- establishing smaller, more autonomous work units; and
- assisting with transport or child care services.

The effective management of sick leave has four key elements.

A comprehensive approach to the management of sickness absence involves four main elements:

- benchmarking and learning from other organisations;
- understanding sickness absence within the organisation;
- adopting general good practice strategies; and
- monitoring and managing individual employees.

A survey of sickness management practices was undertaken.

In addition to the enquiries made at the main participating agencies, a questionnaire was sent to the heads of human resources at 40 agencies with 100 or more FTEs.

The main enquiries and survey results indicate a widespread potential for developing sickness absence management practice in the WA public sector. This chapter combines a description of current practices with advice for the future.

Learning from other agencies

PSMO encourage benchmarking on sick leave and other human resources matters...

The Workforce Profile reports the average sick leave at most agencies. PSMO encourages benchmarking in all human resources matters, and has published other guidance, including:

- a chapter on *Effective Sick Leave Management* in the June 1993 Census report;
- a case study report of Main Roads – *What it takes to know your workforce*; and
- an advisory report – *Navigating Human Resource Benchmarking*.

The management of sickness absence

... but few agencies have approached others for good practice advice.

The PSMO sick leave data is not widely used for benchmarking. Only 8 per cent of surveyed agencies claimed to have approached other agencies reporting lower sick leave. Several human resources staff questioned the usefulness of whole of agency averages because of the different mixes of job and staff.

AlintaGas uses benchmarking, but sets targets for sick leave and other matters based on the performance of other utility companies, not on WA public sector agencies. There was a widespread view amongst human resources staff that more benchmarking should be undertaken, but only with comparable organisations and employee groups.

Understanding sickness absence within agencies

Information is the bridge between administration and management.

Information for senior and line managers

All areas of management require information to report what is happening, identify matters for attention and evaluate the effects of action. An earlier chapter gave examples of using sick leave data to identify where further investigations and action are needed. This section reports on whether agencies are progressing from administering to managing sickness absence.

Most agencies do not know the cost of sickness absence...

Sickness absence is a significant cost in the WA public sector. However, only 14 per cent of surveyed agencies report to senior managers the costs of paid sick leave. One head of human resources commented on the general need *“to shift from the administration of entitlements to the management of costs”*.

...and produce no regular management information on sick leave.

Levels of sickness absence are often not known by senior management. Of the surveyed agencies, 72 per cent replied that no regular summary reports were provided to the top management team. On the other hand, good practice is followed by several agencies where detailed statistical summaries and explanatory comments on sick leave (and other human resources matters) are routinely considered at the highest management level.

The management of sickness absence

The lack of management involvement in sickness absence is further indicated by the shortage of information provided to line managers. The survey found that only 19 per cent of agencies regularly provide line managers with sick leave summaries for the staff they manage.

Research into sickness absence

Statistical information on sick leave can at best indicate a possible problem. Further investigation is needed to identify causes and take appropriate action when avoidable sickness absence is detected.

Some special projects concerning sickness absence were reported by 34 per cent of surveyed agencies. The implication is that about two thirds of the public sector has not previously considered sickness absence to be a matter for investigation and action.

Several of the surveyed agencies reporting research into sickness absence provided supporting documentation. Much of the work went no further than the production of simple statistical summaries. No examples were given of projects that progressed to identifying causes of avoidable absence, made specific recommendations and evaluated their outcomes.

The obvious source of information, beyond statistical data, is the workforce itself. Staff attitudes, perceptions and suggestions concerning the factors contributing to sickness absence can be obtained in several ways:

- individual interviews and case studies;
- focus groups or working parties to deal with specific issues; and
- general staff surveys into matters such as morale, job satisfaction and working conditions.

The examination did not find any systematic staff-oriented research designed in whole or in part to address sickness absence.

Only a minority of agencies have conducted any research into sick leave...

...generally limited to statistical analysis of sick leave data

No examples were found of agencies researching staff attitudes concerning sickness absence.

The management of sickness absence

Some general strategies for managing sickness absence

There are several general strategies for reducing sickness absence or its effects.

In addition to addressing the organisational and job factors influencing sickness absence, agencies can use several other general strategies, including:

- health promotion and protection;
- provision of health and welfare services;
- offering incentives for low absence; and
- recovering working time that would otherwise be lost.

Health promotion

Most agencies make some direct contributions to health promotion and protection.

The promotion of general good health is not the primary responsibility of agencies. However, 64 per cent of agencies surveyed took some action to protect or promote health. Examples include:

- free or subsidised medical and sight checks;
- no smoking policies and subsidised nicotine patches for staff attempting to 'kick butt';
- 'sick building syndrome' and ergonomic audits;
- occupational health and safety reviews and training programmes;
- supply of clothing and lotions for protection against the sun; and
- free injections for influenza, hepatitis and other illnesses.

Health and welfare support

...and offer some health and welfare support

Health promotion is intended to reduce sick leave by making illness less likely. Agencies can also offer useful support when staff become ill, or have non-medical problems that might impair performance and lead to stress leave. Some large agencies have their own health, welfare and rehabilitation units. Others provide access to similar services provided by external organisations.

The management of sickness absence

A few agencies have offered incentives for good attendance...

...but caution is advised in their use.

Some time can be recovered by redeployment, home working or through flexitime.

Sick leave incentives

Cash or other incentives can be offered as a 'carrot' for reducing sick leave. Such schemes have been or still are in force at 14 per cent of surveyed agencies. The largest incentive allowed for three payments each of \$250 in 18 months for staff claiming no sick leave. Some private sector organisations distribute rewards between work teams rather than giving them individually.

Caution is advised in offering incentives for several reasons:

- it should not be necessary to make extra payments to encourage staff to attend work when in good health;
- withholding bonuses from staff who are genuinely ill or injured becomes a penalty for bad luck not avoidable behaviour; and
- incentives may drive genuinely ill staff to work to the disadvantage of themselves, their colleagues and the public.

One human resources manager reported that incentives had been considered but rejected because *"better management of people is preferable to bribing staff to come to work. The latter treats the symptoms, not the cause."*

Recovering lost time

An illness may not be completely incapacitating. The afflicted employee may be able and willing to make up lost time or accept temporary changes in working conditions. In the survey, 70 per cent of agencies said that staff were sometimes redeployed to different but manageable jobs or could work from home. Information was not sought about whether such arrangements were common, and whether they were instigated by the employer or the employee.

Full or partial recovery of time that would otherwise be lost to sick leave depends on the individual, the illness or injury and the job. For example, a police officer who is temporarily unfit to work 'on the street' may be fit enough for transfer to station-based or operations centre duties. Staff in other jobs, such as train drivers or school teachers, cannot be so easily redeployed

The management of sickness absence

None of the surveyed agencies require staff to use flexible working hours to make up for sick leave, but employees may be allowed to do so. One agency, not in the survey, has recently told flexitime staff that they will no longer be expected to claim sick leave of less than a day. Short periods of absence should in future be recovered by making up the lost time.

The management of sick leave for individual staff

The roles of line managers, human resource units and other services must be made clear.

Few agencies have protocols for managing individuals...

...leading to inaction or 'passing the buck'.

Roles and responsibilities

The preceding sections of this chapter are concerned with a framework of management practices and services relating to sickness absence. This section is concerned with the sickness absence management of individual staff. The employee, line manager, human resources unit and support services may all be involved. The first requirement is a clear understanding and acceptance of roles and responsibilities. That is, what should be done, when, by whom and how?

Most agencies have policies and procedures for the administration of sick leave, but few have clear protocols for the management of individuals. Managers are likely to be aware of options and support services, but may be given minimal guidance about when it is necessary or desirable to intervene.

The survey found that 69 per cent of agencies provided some advice or instructions to line managers about sickness absence. No documents were returned showing clear statements of what management action was expected in defined sick leave circumstances. The Police Department is preparing a set of protocols, in flowchart form, as part of its review of human resources policies, practices and systems.

Human resource staff at several of the main participating agencies commented that line managers are often reluctant to involve themselves in sickness absence issues, other than basic administration. When awkward cases are identified, they are likely to be referred straight to human resources units. This is not surprising if line managers are not provided with instructions and training.

The management of sickness absence

The first and most direct responsibility should lie with the line manager.

The initial and most direct responsibility for managing sick leave should be invested in the line manager. Understanding how to get the best from staff with different physical and mental qualities, maintaining morale and protecting staff from unnecessary stress are all part of the management art. A manager who is unwilling to be involved in matters concerning a subordinate's health and mood is, arguably, ill-equipped to fill a managerial position.

Staff should know that sick leave is monitored.

Undesirable and avoidable behaviour is frequently modified for the better by the simple tactic of monitoring. All staff should be aware that line and higher managers monitor sick leave, and action will be taken. As noted earlier, 81 per cent of surveyed agencies do not routinely provide line managers with sick leave information. The combination of no information and no management protocols is a recipe on which avoidable sick leave can be expected to thrive.

Frequent short leave and uncertain long term absence are the most difficult to manage.

Much sick leave is accounted for by genuine indispositions leading to full recovery and rapid returns to work. It is at the extreme ends of the sick leave spectrum that active management is needed:

- frequent short absences, often without medical certificates; and
- long absences with uncertainty about when and if the employee will be able to return to the same job.

Short term sick leave

There are some useful strategies for short term absence.

Approaches which may prove effective in reducing avoidable short term absences include:

- making it known that all absence is promptly reported to the work unit manager;
- ensuring that a return to work interview, however brief and informal, always takes place;
- reducing the amount of uncertificated sick leave that can be claimed (for example three days in some agreements, and none for police officers);
- using protocols that formally seek explanations from staff, and issue warnings if necessary; and
- making referral to health and welfare services.

The management of sickness absence

Where abuse of sick leave entitlements is suspected, calls and visits may be arranged. One case was reported of an agency hiring a private investigator to confirm reports that an employee claiming absence for a back problem was umpiring football matches while on sick leave. Agencies are reluctant to use such exceptional and intrusive methods unless they are necessary to prove known major abuse.

Long term sick leave

***Long term sick leave
requires different
strategies ...***

A very considerable proportion of sick leave is attributable to a relatively small number of long absences. Although about 70 per cent of sick leaves are for absence of one day or less, they account for only around 30 per cent of the total time lost. In the period July to December 1996, 15 per cent of all sick leave was taken by only 1 per cent of the government workforce.

Some public sector human resources staff with private sector experience commented that government agencies were often slower and less effective in acting, getting the employee back to work or arranging retirement on medical grounds.

***...from early
involvement to
retirement on medical
grounds.***

Key features of effective management practices for long term sickness absence include:

- maintaining contact with staff from the earliest stages of a potential long term absence;
- seeking information about the condition and its prognosis, rather than merely accepting a succession of medical certificates;
- arranging independent medical assessments, particularly if there are options of redeployment or concerns that the employee will never be able to resume work;
- providing welfare and rehabilitation services; and
- accepting, as a final resort, the need for dismissal or retirement on medical grounds.

Improving the management of individual sickness absence calls for clear leadership and guidance, in the first place from chief executive officers. Because of the random nature of genuine illness and injury, line and personnel managers cannot be wholly accountable for the sick leave taken

The management of sickness absence

by employees. However, they must recognise that sickness absence is, to a significant extent, a manageable issue, and be accountable for developing and implementing policies and practices aimed at minimising avoidable sick leave.

Recommendations

Agencies should prepare action plans to meet the aims presented below. Some options that may be considered are outlined in the appended good practice guidelines.

Policies and procedures

- **Agencies should publish clear and comprehensive policy and procedures on all aspects of sick leave management.**

Understanding the causes

- **Agencies should undertake quantitative and qualitative research into the causes of sickness absence.**

Promoting 'organisational health'

- **Agencies should prepare strategies to minimise avoidable sickness absence by improving job satisfaction and organisational commitment.**

Managing individual staff

- **Agencies should assign responsibility for the management of sick leave for individual staff, supported by appropriate information, action protocols and human resources or health and welfare services.**

Appendix 1: Good practice guidelines

The suggestions outlined below relate to the recommendations and should be considered by agencies when reviewing their sick leave administrative and management practices. Not all will be necessary, practical or even desirable for all staff groups. However, each suggestion reflects basic good practice and has been effective for at least some staff groups in some organisations.

Administration of sick leave

<p>Policies and Procedures</p>	<p><i>Agencies should prepare and publish policies and procedures concerning the administration of sick leave.</i></p>	<p>Policies and procedures should include:</p> <ul style="list-style-type: none"> ■ definitions of sick leave entitlements ■ explanations of the circumstances in which sick leave may and may not be claimed ■ notification and documentation procedures.
<p>Notifying and Recording</p>	<p><i>Agencies should design complete and accurate sick leave notification and recording systems.</i></p>	<p>Methods of ensuring full notification and recording include:</p> <ul style="list-style-type: none"> ■ requiring staff to maintain work diaries accounting for all periods of attendance and absence ■ countersigning of work diaries and reconciliation with sick leave claims by supervisors ■ making eligibility for sick leave conditional upon notification of absence within the required time ■ ensuring that a reason for absence is given whether or not a medical certificate is produced.
<p>Agency Information</p>	<p><i>Agencies should have the capacity to produce reports on sick leave and ensure easy and flexible access to information systems for senior and line managers.</i></p>	<p>Access to information can be realised by:</p> <ul style="list-style-type: none"> ■ recording sick leave details in electronic rather than manual form ■ developing standard reports and ad hoc reporting facilities ■ providing managers with access to personnel systems where sick leave information is held.

Appendix 1: Good practice guidelines

Whole of government information

Agencies should meet the human resources minimum obligatory information requirements.

The main problems to be overcome concerning the ‘anonymous individual employee records’ are:

- ensuring that personnel systems (including sick leave modules) are capable of meeting the data specification
- ensuring data for individual staff is complete and valid
- removing records for employees not working during the census period
- submitting the obligatory returns by the due date.

Management of sick leave

Policies and Procedures

Agencies should publish clear and comprehensive policy and procedures on all aspects of sick leave management.

Management policies and procedures should cover:

- roles of line managers and human resources units in managing sick leave
- access to health, welfare and rehabilitation services
- rights and powers that might be exercised such as arranging independent medical examinations
- protocols to be observed by staff and managers.

Understanding the causes of sickness absence

Agencies should undertake quantitative and qualitative research into the causes of sickness absence.

Research should include:

- benchmarking with other organisations by comparing sick leave levels and comparing management practices

Appendix 1: Good practice guidelines

		<ul style="list-style-type: none"> ■ analysing sick leave data to identify differences and trends for staff groups (by job, work unit, geographical district and other factors), the number and durations of absences, and the daily and longer term patterns of absence ■ conducting research with staff into the causes of sickness absence by means such as surveys and focus groups.
<p>Promoting individual and organisational health</p>	<p><i>Agencies should prepare strategies to minimise avoidable sickness absence by health promotion and improving job satisfaction and organisational commitment.</i></p>	<p>Possible approaches include:</p> <ul style="list-style-type: none"> ■ contributions by occupational health and safety to reduce work risks and improve working conditions ■ provision of free or subsidised medical checks or incentives for staff to lead healthier lives ■ review of jobs, working and management practices to reduce boredom and increase commitment to the immediate work group and the agency as a whole.
<p>Managing individual staff</p>	<p><i>Agencies should assign responsibility for the management of sick leave for individual staff, supported by appropriate information, action protocols and human resources or health and welfare services.</i></p>	<p>Principles and approaches include:</p> <ul style="list-style-type: none"> ■ giving 'front line' responsibility to line managers, supported by instructions and training ■ holding return to work interviews, however brief and informal, after all periods of sick leave ■ making arrangements, where possible, for temporary redeployment or working from home ■ becoming involved at early stages of long term absence to provide support and rehabilitation, and consider alternative futures when the prospects of returning to the same job are uncertain.

Performance Examination Reports

Tabled

1995

Legal Aid Commission	April 5, 1995
Police Department Operations Centre	May 4, 1995
Management and Control of Minicomputer-based Systems in Western Australian Government Agencies	May 23, 1995
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On request these reports may be made available in an alternate format for those with visual impairment.