

**The effect of absenteeism and its relationship
with employee motivation and culture in the
workplace**

by

Sorcha Kelly

BA Hons. Human Resources Management

Dissertation

BA Hons. Human Resources Management – National College of Ireland

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Student name: Sorcha Kelly

Student number: 03257533

Certification

I hereby certify that this material which I now submit for assessment on the programme of study leading to the award of BA Hons. in Human Resources Management is entirely my own work and has not been taken from the work of others save to the extent that such work has been cited and acknowledged within the text.

Signed: Jonoka Kelly

Date: 27/7/06

Student Number: 03257533

Abstract

The Small Firms Association announced in May 2006 that Absenteeism from work costs small business €692 million per annum.

The above statement proves that workplace attendance and absenteeism are of fundamental importance for business survival and it is never too soon to think about how to encourage it. Absenteeism effects all organisations whether they are public, private, large or small.

This dissertation will look at what causes absenteeism, the need for organisations to measure attendance and its relationship with culture and motivation in the workplace.

Finally, this dissertation will then be presented to Senior Management upon where it will be anticipated that a formal absence control process will be inaugurated into GlaxoSmithKline.

Acknowledgements

I would like to express my sincere thanks to a number of people who contributed to the completion of this dissertation in one way or another.

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My colleagues in GSK and the class of E4, thank you for all the kind words of support throughout the last year.

To Simon, my friends and family who have let me off the hook on so many occasions but have continued to be a constant support and source of entertainment along the way.

Finally, I have included a quote from Mark Allen below which I find very inspiring. There were times when I did not think it was possible to continue in my course of study but every time I felt like this I would read this quote below to give me the piece of courage to continue on.

"Unless you test yourself, you stagnate. Unless you try to go way beyond what you've been able to do before, you won't develop and grow. When you go for it 100 percent, when you don't have the fear of 'what if I fail', that's when you learn. That's when you're really living."

(Mark Allen)

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Introduction

There are a number of reasons why people need to take time off work; the majority of which are genuine and these absences need to be handled sensitively and fairly through carefully managed procedures. However if reasons are not found to be genuine it can be demoralising for those who do attend work regularly if the absence is not tackled and others are seen to “get away with it”.

It is therefore essential to understand the absences that occur in the organisation I work for and ensure that they are managed correctly. As if it is not managed correctly and in a timely manner it can be very costly to the organisation and also disruptive to employees.

According to Patricia Callan, Director of the Small Firms Association, “small firms with less than 50 employees are less likely to have workers absent on sick leave than larger firms”

Working in a multinational organisation has both its advantages and its disadvantages. While the advantages could include monetary rewards and employee stability that smaller organisations might not be able to deliver, whereas the disadvantages of working in a multinational organisation employees can be made feel like just a number and that they are replaceable within days. This could happen due to the type of culture that is in an organisation and as a result of thinking this employees may feel de-motivated and start being absent from work. This could be only the start of what could be an ever increasing absenteeism or turnover rate that could eventually spiral out of control

This dissertation will look at the trends and causes of absenteeism in GSK but also inform Senior Managements. Although there will never be a 0% absenteeism rate in GlaxoSmithKline there is no harm in trying to reduce the level of absenteeism and continue to work on reducing the level.

Chapter one will provide an introduction to absenteeism including the causes of absenteeism on an individual and organisational level, and examine the different roles involved in dealing with absenteeism. It will then look at factors that are associated with absenteeism such as the cost of absenteeism, how to measure absenteeism, the links between motivation and culture in relation to absenteeism. At the end of this chapter I will present an industry analysis of the Pharmaceutical industry.

Chapter two will provide an overview of the research methods used in this dissertation. I will base my primary research on questionnaires sent out randomly to employees in GlaxoSmithKline. Although the organisation has never had a history of attendance problems, there have been a number of long term absences and quite a few short term absences. To date, neither management teams have viewed absenteeism to be a costly affair to the organisation but more like a burden on the line managers.

Chapter three will analyse the research and present the research gathered.

Chapter four will provide recommendations to GlaxoSmithKline with reference to the literature reviewed in chapter one.

Literature Review

Absenteeism is one of those stubborn problems for which there is no clear culprit and no easy cure. The issue of absenteeism is endemic; it pervades all organisations public, private, large and small. Despite efforts to reduce the incidences of absence from work, little in the way of sustained progress has been made.

The definition of Absenteeism & the different types

- IBEC 2004

Absenteeism can be defined as

‘an unscheduled disruption of the work process due to days lost as a result of sickness or any other non-statutory leave’.

Included in this definition absenteeism would include:

- Sick Leave
- Excused time off (bereavement leave, exam and study leave)
- Unexcused time off

Absenteeism would not include:

- Annual Leave
- Public Holidays
- Absence on protective leave
- Days lost due to strikes
- Lay offs/Redundancies

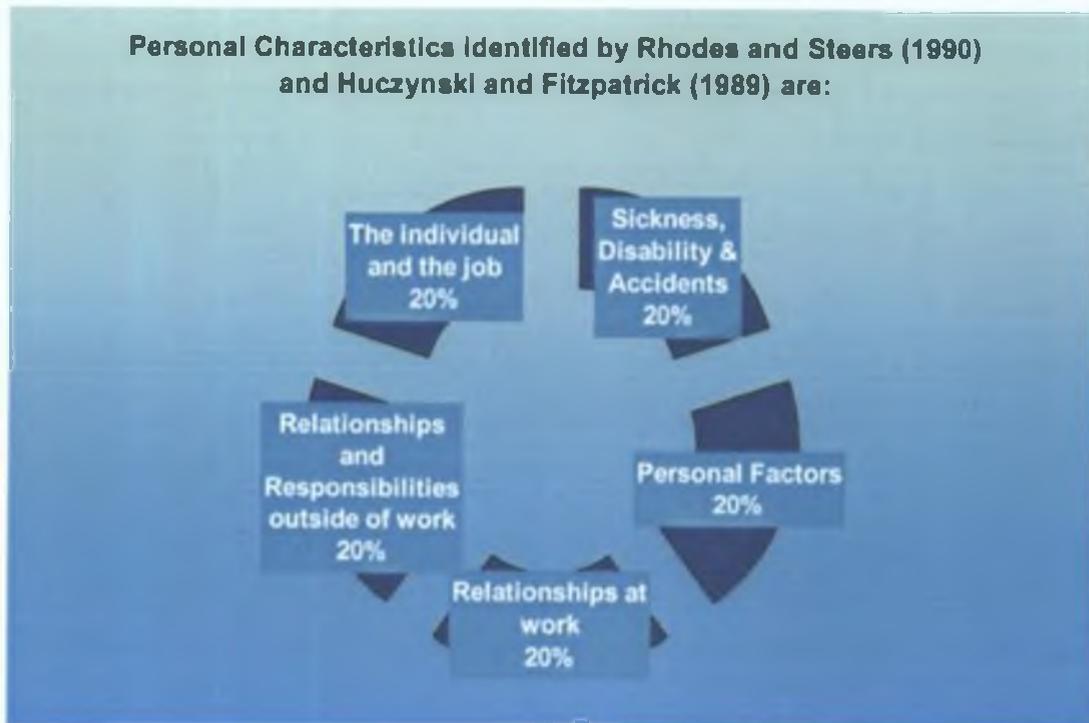
Causes of Absenteeism

Any effective programme of absence control needs to start by analysing the causes of absence in order to create appropriate policies and start managing the area.

As per Evans and Walters “If absence is seen by employees to be tolerated by management and carrying few consequences, employees are likely to adjust their behaviour accordingly”. Along with this employees expect rewards for their efforts, this brings into the situation of pay and benefits forming part of any absence control strategy.

There are a number of factors that contribute to the non-attendance of an individual. The nature and causes can be specific to the individual, or be due to the nature of the job, be in response to organisational factors or be influenced by the environment either internal or external to the organisation.

The Influence of Individual Context



Length of service:

Length of service is linked with age. This has typical influences on absence. The longer the employee is in service with the organisation the longer the absence tends to be.

Age:

Older people have fewer short spells but are absent longer in each spell, especially after the age of 50 (Huczynski and Fitzpatrick, 1989), whereas younger people tend to have more frequent short spells of absence. It is the frequent short spells of absence are often seen to be more disruptive.

Gender:

The general pattern is that females have a higher absence rate than males. However, there is evidence that female absence falls as the number of dependent children rises (ibid, 1989). This would lead to an indication that some female absences results from a woman's role as carer in the family, involving the consequent need to take time off to look after sick children.

Personality:

A result of personality testing is that those who demonstrate personality characteristics of anxiety and emotional instability are more likely to be absent than those who are more introverted and emotionally stable (Huczynski and Fitzpatrick, 1989). Stress is also a factor in absence, and people's abilities to cope with it vary according to personality characteristics – a key one being 'locus of control'.

Past Absence Behaviour:

One of the strongest indicators of future absence behaviour is past absence behaviour and moreover, that absence frequency has been found to be a stronger predictor than total number of days lost (Rhodes and Steers, 1990).

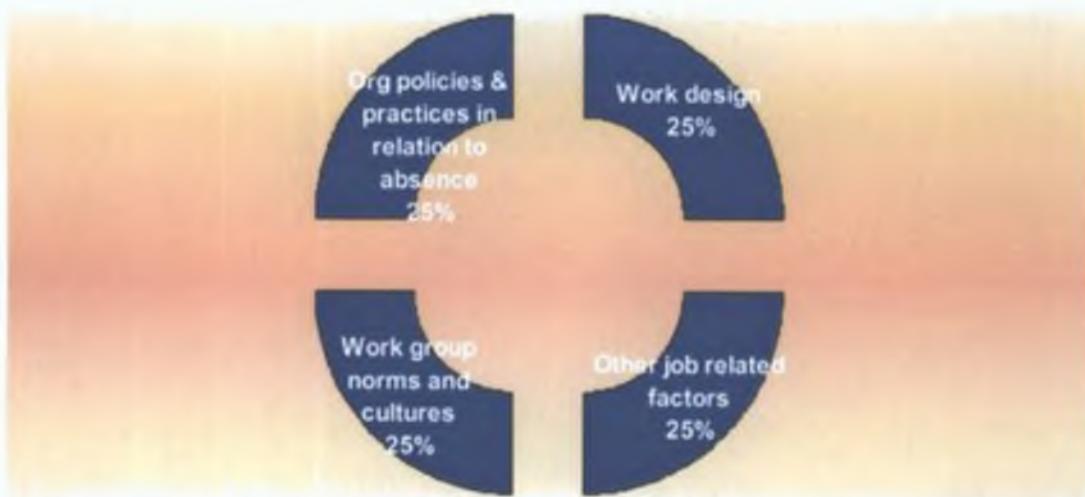
Employee attitudes, values and expectations:

Attitudes, values and expectations will in part be influenced outside the workplace as a result of family, education, community, class and other influences in people's upbringings. Where family responsibilities, hobbies or other non-work interests take precedence, it might reasonably be expected that this will be conducive to higher absence (Rhodes and Steers, 1990).

The Influence of the Organisational Context

The influence of the organisation as a cause of absence may be seen as 4 difference perspectives:

Organisational Characteristics which may influence causes of absence



Work Design:

The 'Scientific Management' approach to the design of work has tended to predominate in the twentieth century and is based on the principles of a high degree of division of labour and specialisation, with the general result that many work roles consist mainly of

simple, fragmented, routine and repetitive task. Such ideas are popularly associated with F.W. Taylor (1911).

To reduce absence in organisations, it is pertinent to find out the potential effects of traditional approaches to work design on absence.

Other job related factors:

Huczynski and Fitzpatrick (1990) have identified that other job related factors have an influence on absence.

Stress:

Callan of the Small firms of Association commented that “Stress has arisen as a key cause of absence from work, replacing back pain, as the most commonly cited problem on medical certs”.

Without going into too much detail in this area, stress can affect all levels in the organisation. A study ‘Mental Health at Work (1988)’ suggested that 40% of absence from work through illness could be attributed to mental and emotional problems.

There are varying types of stress:

- ✚ Conditions in which a job is performed
- ✚ Shift work
- ✚ Work overload/work underload
- ✚ Role ambiguity & lack of clarity
- ✚ Career development
 - (i) Overpromotion – difficulties in coping
 - (ii) Underpromotion – lack of status or recognition

Frequency of job moves:

Work fulfils social needs for many people. There is evidence that where employees are required to move frequently within their workplaces to meet the needs of flexibility, the negative effect of this on people's social needs can result in higher absence.

Organisation and work group size:

National surveys of absence have consistently shown that total work days lost through absence rise fairly consistently with the total number of people employed. With smaller organisations employees are more visible and multi-skilled and less easily covered during absence.

Work Group Norms and Cultures

The influence of work group norms on behaviour has been recognised since the famous Hawthorne experiments of the 1920's and 1930's (Roethlisberger and Dickson, 1939). New employees on arrival to a company quickly learn what behaviour is appropriate. With the case of absence they learn by observation the absence behaviours of the group and their consequences if any.

Organisation policies & practices in relation to absence

With organisations sick pay policies and absenteeism, there tends to be a higher absence in organisations where there are generous sick pay policies. Research has also shown that employee's organisation's not covered by sick pay tend to have a lower level of absence. However it is important to note that organisations should not take away sick schemes because it encourages absence but it should however try to reduce the mistreatment of such policies.

The Role of the Manager

Involving line managers in absence management

It is becoming more essential in devolving responsibility for absence management to the line. Line Managers roles are imperative with absence, be it directly or indirectly to reduce the levels in their department and in turn in the organisation.

At the most basic level, line managers are increasingly the principal people in the collection of absence statistics, partly due to managers being the first point of contact with employees. Quite often line managers are the only people who are aware of the fact that a certain employees is absent from work.

Despite the importance of Line Managers role in absence management, research has shown that only 40% of Line Managers are trained in skills needed to deal with absence management.

Line Managers need to have good communication skills with their employees to establish a friendly and open place to work. The line manager is one of the main influences on an individual's view of the company attitude to absence. It is therefore important that the actions, and words, of the line manager support the company's position.

If an employee has a problem/underlying issue it is imperative that he/she may feel that they can approach their Manager to discuss the issue. For this to happen, line managers need encouragement and guidance but more importantly training.

Organisations need to empower line managers to manage their staff, within the guidelines set by Human Resources. HR should have non-interventionist approach until such a stage where disciplinary meetings are needed.

Providing sickness absence information to line managers

For Line Managers to assist in tackling absence levels they must be skilled appropriately and secondly given appropriate tools in gathering information regularly on their employee's absence levels.

This would ensure that the line manager is proactive in recording details about the nature of the employee's illness, to ascertain the likely date of return and whether the employee is able to undertake alternative duties, identifying any patterns of absence which cause concern and in turn notifying Human Resources.

The Role of the HR Manager

The role of the HR Manager is not in the everyday management of absence; that is the domain of the line manager. The HR Manager should be taking a more strategic view and, ultimately, overall control of absence management. It is HR's responsibility to devise the strategy in line with the company's objectives.

Human Resources need to play a major role in developing appropriate policies and procedures. It is also their responsibility to evaluate the overall effectiveness of the overall strategy. With this in mind, Line Managers need to provide continuous feedback on the effectiveness of the day to day procedures.

HR will not be directly involved in the recording of absence but will be expected to receive all absence records from the line managers. These records will need to be analysed in order to identify any patterns of absence or problems occurring.

As a result of this analysis a clear view of what is happening throughout the company should be obtained. Any subsequent changes to strategy should be informed by this analysis.

Another area that HR should look after in relation to absence management is to ensure that all procedures are being carried out in a fair and consistent manner across the whole organisation. Line managers who interpret or apply the policy in a very lenient way will cause problems for those who apply the procedure correctly. It is therefore the responsibility of HR to ensure that all line managers have a full understanding of the policies and procedures in relation to the organisations absence management.

Measuring absence & Monitoring Absence

Measuring absence is not only about being aware of your absence level, but also what it looks like: whether it is short – or long term, age or gender-related, restricted to certain departments or individuals, more likely to occur on certain days of the week or months of the year.

Individual patterns of absence

If an individual's absences fall into a particular pattern, e.g. they are attached to holidays or weekends, or perhaps occur when a particularly unpopular task has to be done, then this can be discussed with the employee and an explanation sought.

It may reveal that the individual concerned may have an underlying medical condition which needs further exploration or that it may be the anniversary of an unpleasant experience. Whichever the case, further exploration would be needed to help establish and identify what if anything can be done to help resolve it.

Absence level triggers

Some employers have schemes whereby employees are interviewed formally about their absenteeism when they hit certain triggers for example;

- After 10 days of continuous absence in the last 12 months or
- After four spells of absence in the last 12 months

By having absence level triggers it provides consistency across the organisation in terms of when management initiate formal interviews to discuss attendance, the downside is that it also provides a level of absenteeism which employees can reach without fear of formal challenge.

a. How is it measured?

One way of measuring absence is by using the formula provided in the IBEC survey.

The formula used is as follows:

| | |
|---|-------|
| $\frac{\text{Number of Days Absence in XXXX}}{\text{Total number of Employees X Total Number of Workdays Available}}$ | X 100 |
|---|-------|

* Workdays = 365 days minus Saturdays and Sundays (unless part of the working week) minus annual leave, minus public holidays, minus any other days the organisation is closed.

Research has proven that combating short-term sickness return to work interviews are the most effective while for long-term sickness occupational health professionals are seen as the most effective tool for managing long-term absence.

b. Frequency of absence and calculating the 'Bradford Score'

'If frequency is the issue then the Bradford approach allows policies to be triggered on this basis rather than the more normal so many days in so many months'.

Because short term absences can be more disruptive, a frequency index may be a better measure of the overall impact of absence on your organisation than purely total time lost. It also lends itself to weighting through analyses such as the *Bradford Factor*, an approach devised at the University of Bradford. This approach focuses attention on the frequency of an individual's absence by awarding points in a weighted way which emphasises spells of absence. The full equation is:

$$\text{Points Scored} = (S \times S) \times D$$

S = Number of spells of absence over a period (typically 12mths)

D = Total days off in the same period

While the Bradford is useful for deciding what policies to adopt and when to implement different stages, for the purposes of benchmarking using pure time lost is most appropriate.

Motivation in relation to absence

Motivation plays a pivotal role in absence management. We have seen a dramatic change over the last few years within Irish organisation's who continue to move away from the traditional command and control style management to current best management practices which focuses on coaching, facilitating and motivating staff. Since the 1980's, we have seen an increase in the popularity of 'high performance' work practices which incorporate aspects such as:

- Total quality management
- World class manufacturing
- 'Learning organisation'
- Team working

The focus on these work processes have emerged as extremely important within Irish organisations and now have a strong impact on determining their success within the Irish and International markets.

The concepts, values, mission and role in society of any organisation will play a major part in the motivation and drive of the institution and its individuals. The challenge facing Irish organisations is to create an environment in which people are motivated about their work and the success of the organisation. We still see, too often, organisations who fail to pay attention to the essential aspects of employee relations, communications, recognition and involvement issues that are important to the everyday working life of individuals'.

Organisations ultimately need to create an environment where they are meeting the needs of the organisation and its customers. Studies have found that many employees continue to feel that they don't have the tools necessary to do their jobs in an effective and efficient manner, they don't know what is expected of them and their managers fail to really listen to them. Overall, a lack of motivation in organisations can cost an employer

millions every year, along with the additional finding that unmotivated and uninterested employees miss more days of work and have an overall lack of loyalty to their organisation.

The quality and quantity of skills and development training can be the key to motivation within any organisation. Training and development can range from 'Induction' training about the organisation, to introducing a 'teambuilding' programme to bringing in a new computer system. An effective 'Induction' training programme can provide a fundamental understanding of the individuals' position and how they fit into the organisational structure. The more background knowledge the new employee has about the organisation and its goals / objectives, the more impact they will have on their role, department and the organisation in general.

The ongoing sense of mutual influence is the bases of the interaction that occurs between the organisation and its employees. How an organisation treats its staff, the type of management and authority structures that are used and the kinds of values and objectives that are the aim of the organisation simultaneously affect the motivation and behaviour of individuals'. However, it is also argued that the motivation for people to work effectively and generate enthusiasm for the aims and goals of the organisation is dependent on two factors:

- Individual's expectations of what the organisation will provide them with (pay, benefits, training, development etc.) along with what they will provide the organisation with in return.

The extent to which these two psychological agreements match, will determine the extent of giving and receiving of both the individual and the organisation.

- The nature of what is exchanged in relation to this agreement – i.e., an opportunity for training, growth and development in exchange for creativity and hard work.

However, this type of agreement does not necessarily guarantee the retention of the employee or their overall effectiveness of the organisation.

The commitment and effectiveness that any individual will provide to their organisation will ultimately be based on three separate agreements:

- Coercive – where the organisation uses threats and punishment in order for the individual to provide commitment and effective work practices. The relationship is really more about employment through force rather than a voluntary agreement between the organisation and its employee.
- Using rewards, benefits and incentives as an exchange for commitment and performance.
- Using symbolic rewards, recognition, prestige and respect to create a ‘moral’ commitment from the employee.

Steers and Rhodes developed a model of employee attendance which consisted of two variables: ability to attend work and the motivation to attend work (see appendix 1).

Motivation theory examines the process of motivation. It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. It also describes what organisations can do to encourage people to apply their efforts and abilities in ways which will further the achievement of the organisation’s goals as well as satisfying their own needs.

Motivation at work can operate in two ways. People at work can motivate themselves by seeking, finding and doing work which lead to motivation or secondly people can be motivated by management through methods such as pay, promotion and praise.

These two types of motivation are called:

Intrinsic motivation – these factors include responsibility, freedom to act, scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement and growth.

Extrinsic motivation – these factors include what is done for people to motivate them. This includes rewards such as increased pay, praise or promotion and punishments such as disciplinary action.

The intrinsic motivators tend to have a long lasting and deeper effect. This is because they are inherent in individuals and not imposed from outside. Whereas the extrinsic factors might have an initial powerful effect but it will not last long.

Motivation Strategies

Motivation strategies aim to create a working environment and to develop policies and practices which will provide for higher levels of performance and attendance from employees.

These strategies should look at areas where motivational practices need to be improved. They should ensure that employees feel valued and that can develop behavioral commitment.

Absenteeism levels should measure if motivation strategies have been implemented core

In effect, the level of trust that exists between the organisation and the employee will determine the extent to which the employee will commit to the organisation and ultimately result in increased organisational effectiveness.

Costs of absence

There are direct and indirect costs to absenteeism. Companies tend mainly to cite the cost of sick pay when calculating the cost of absence, followed by overtime and employee replacement costs. However, companies can underestimate the cost of absence because of the calculation difficulties.

The average cost of sickness absence per employee in this year's survey is €882 a year.

According to the 2003 CIPD absence survey, over 90% of their participants consider sickness absence to be a significant or very significant cost to their organisation, but less than half monitor its cost.

One way of getting Management to take note of tackling absence is to present them with the direct and indirect costs to the organisation associated with absence.

“The overall cost of absenteeism could be in excess of €1 billion” commented Callan of the Small firms Association.

Checklist for calculating the cost of absence:

1. Direct costs of Absence (Annual)

- Occupational Sick Pay
- Continued payment of fringe benefits during absence
- Overtime payments for those filling in for absentees
- Overtime payments for employees later down the line which arise out of absence
- Excess cost of temporary staff (e.g. employment agency fee)
- Overstaffing to cover for absence (weekly wage plus employment cost x number of extra staff x 52)

2. Indirect costs of Absence (Annual)

- Cost of recruiting and training extra staff
- Cost of management/supervisory time devoted to dealing with absence-related

- Reduced productivity from being done by less experienced/more tired employees, from returning workers operating at lower point in learning curve.
- Lower product quality of work due to replacement of staff

Work Culture

Culture can be defined as “A groups pattern of shared taken-for-granted basic assumptions that a given group has invented, discovered, or developed in learning to cope with integration” (Edgar Schein)

The above definition refers to a set of values held by individuals in an organisation. These are values that make up an organisations culture and are often taken for granted. They are basic assumptions made by employees rather than being written in a book or being explicitly written.

Creating the right Culture in an organisation can work if the environment which it is created is conducive to performance improvement and the management of change. It will not work if there are barriers which include resistance to change and an overall lack of commitment.

Culture and Strategy

It can be said that culture and strategy are interdependent. Strategic choices on such matters as growth, motivation, product-market development, human resource development will shape behaviour and progressively change values and norms therefore it seems that culture follows strategy. But the culture of the organisation could equally help to shape its strategy for example if a company has an open and flexible culture in the organisation it is more likely to adopt this approach.

Management Style

Management style describes the way in which managers set about achieving results through people. It is how managers behave as team leaders and how they exercise authority.

Managers can be autocratic or democratic, tough or soft, demanding or easy-going, directive or laissez-faire, distant or accessible, destructive or supportive. How they behave will depend partly on themselves, their natural inclinations, partly on the example given to them by their managers and partly on organisational values and norms.

Managers empower the members of their teams not by giving up control but by changing the way control is exercised. They have to learn to delegate more and to allow individuals and teams more scope to plan, act and monitor their own performance.

Having said that they still need to provide guidance and support their staff as required. They must also help them to develop the skills and competences they need to function effectively in an empowered organisation.

Job Design

It has been said that Job Enrichment and Job Design can lead to improvements on absenteeism levels. However, if not implemented correctly both could lead to high levels of absenteeism due to overall poor job design.

- **Job Enrichment**

Job enrichment aims to maximise the interest and challenge of work by providing the employee with a job that has certain characteristics that would include the employee possessing almost-full responsibility for their own piece of work which would include a variety of having decision-making responsibility and as much control as possible in

carrying out the work. The positive outcome in this approach can be seen to relieve boredom in an employee's job.

- **Empowerment**

“Empowerment” is the process of giving people more scope or ‘power’ to exercise control over and take responsibility for their work.

It provides employees greater space to use their abilities by enabling and encouraging them to take decisions close to the point of impact.

The advantages of empowerment not only increases productivity and reduces operational costs for the organisation, but employee's feels more valued, trusted and can gain a greater sense of achievement from their work.

Both Empowerment and Job Enrichment are so similar that they can appear indistinguishable.

Management controls and inputs

There are several ways in which managers can try to reduce and control absenteeism in their company but these methods should be administered on an ongoing basis rather than on a reactive or once off basis.

The use of records is an essential part of absenteeism control. Before management can control a problem they must first know what the problem is.

The return to work interview should be used by management on an ongoing basis, as if employees are aware that their absence is being heavily monitored, they will be less likely to be absent as much. It has to be decided who in the organisation is responsible for these interviews be it the line manager or the personnel department or a rep of both. It is also essential that whoever conducts these interviews be trained in handling absenteeism.

The use of disciplinary system is another area where there can be a control exerted over the absenteeism. Discipline would be one of the most essential elements in reducing absenteeism but it is a long and sometimes difficult path to follow. If a discipline procedure is in place they can act as a means of clarifying standards to the employees. The disciplinary procedures may only act as a fear factor but it communicates to the employees the degree to which the organisation views absenteeism as being serious.

Sergent (1989:7) describes communication as having an enormous part to play in absence control. Discussing attendance directly with the employees or individuals or in a group will help them become aware of the importance of the absence issue.

The operation of a bonus scheme can act as a good incentive to be absent from work and there is also the psychology that rewarding staff for their good as much as disciplining them for that they do wrong will increase their employee relations in the org. There are several methods of applying a bonus scheme be it a financial bonus, time off work, draws

for employees with a low absence rate or using absence as a method for selection for promotion.

Encouragement of a healthy lifestyle could also have an impact on the rates of absenteeism. For example the setting up of a sports and social committee as part of extra curricular activities would create a positive and fun place to work. It would also increase the staff morale and build up good employee relations.

Organisational effectiveness

With the ongoing evolvement of management organisation and development systems, there continues to be various criteria emerging to ensure the overall achievement of organisational effectiveness. In today's increasingly global society, the concept of creating organisational effectiveness has grown in line with organisations and industries within Ireland who are continuing to become internationally competitive companies and global industries.

There are a number ways of modelling an organisation, with the ultimate aim of creating organisational effectiveness. These models and criteria generally deal with the form and structure of the organisation as it stands, along with its functions and operations, which will ultimately define how the organisation manages its people and productivity. Some theories suggest that organisational effectiveness means doing the right thing as well as doing things right!

Bowditch & Buono state that there are four unitary approaches to evaluating organisational effectiveness:

- Goal accomplishment approach – the extent to which the organisations output or productivity meets its specified goals ('outputs' rather than 'inputs'). However, this approach is only appropriate where the goals and objectives are very clear and measurable, which is not necessarily the case in many organisations.
- System resource approach – the extent to which the organisation is able to acquire the resources required in order to reach its goals ('inputs' rather than 'outputs') – this approach provided a very limited 'input only' view of the organisation by focusing on the organisations ability to obtain the resources required.
- Internal Processes & Operations – focusing on the 'health' of the organisation, cooperation between departments, internal harmony and an effective use of

resources. This approach encourages team building, morale and effective management of people, time and money.

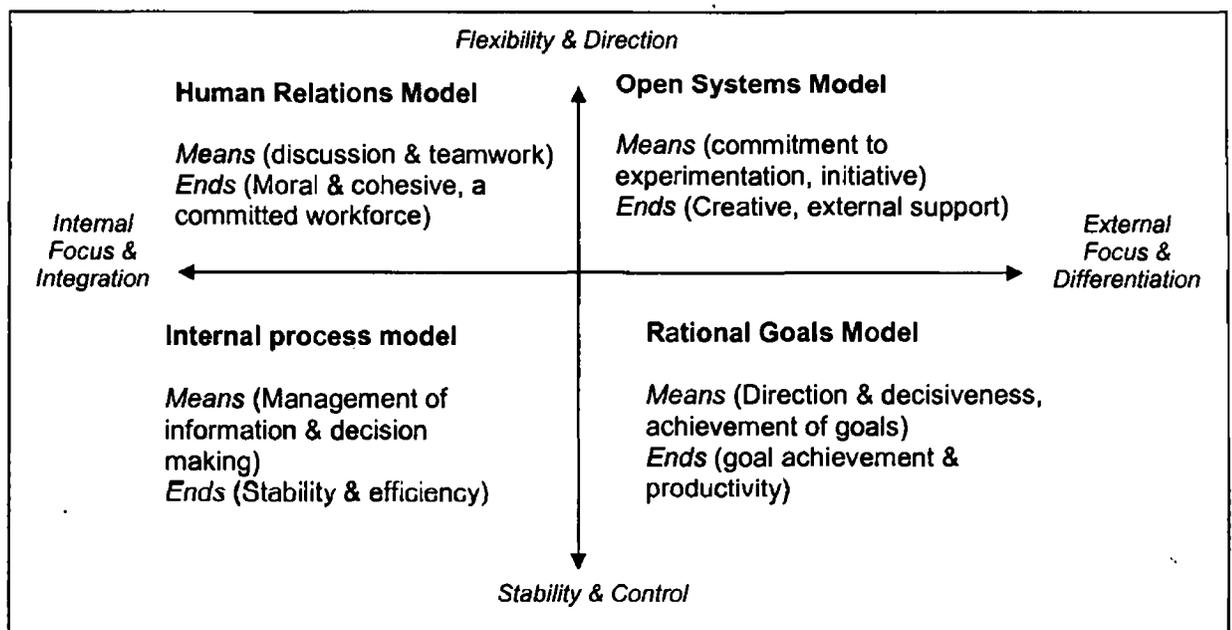
- Strategic Constituencies – takes into account the ‘stakeholders’ of the organisation and the extent to which they are satisfied with the organisations response to demands and expectations. This ultimately determines the effectiveness of the organisation.

However, according to Baker & Branch (2002), one of the most widely used tools for assessing the effectiveness of an organisation is the Malcolm Baldrige Quality Award (1999), which uses ‘performance criteria’ – leadership, strategic planning, customer service and market focus, information analysis, human resources focus, process focus and overall business results, resulting in the analysis of critical management functions in assessing organisational effectiveness.

With these various approaches in mind, it is hard to see how the analysis of one single approach accurately measures how effective an organisation really is. The ‘competing values approach’ (Quinn & Rohrbaugh, 1983) noted the use of multidimensional techniques in creating four different models of organisational effectiveness:

- The ‘human relations’ model
- The ‘open systems’ model
- The ‘rational goal’ model
- The ‘internal process’ model

Figure 1.3



While the organisation will want to be adaptable and flexible, it will also want to maintain stability and control. These four quadrants are often seen as conflicting to each other – whereas, in truth, they should be used by managers in conjunction with each other to create a caring (human relations) & a demanding (rational-goal) model and ultimately create a greater understanding of both managerial and organisational structure.

Industry Analysis:

The Pharmaceutical Industry

Ireland is a major global centre for the Pharmaceutical Industry. Nine out of the top ten are based here. Over 120 overseas companies employ 20,000 people and export \$32 billion annually. (In addition to the 20,000 people directly employed in the industry it is estimated that an additional 20,000 are employed in industry linkage area in companies whose business is heavily reliant on the sector) This represents over 29 per cent of our total exports and makes Ireland one of the largest exporters of pharmaceuticals and fine chemicals in the world.

Pharmaceutical plants in Ireland compete equally with their counterparts worldwide on quality and reliability. The industry in Ireland is a highly sophisticated one incorporating advanced manufacturing technology, state of the art equipment and stringent quality control.

Some 24 pharmaceutical plants are approved by the US Food and Drugs Administration (FDA). This approval is one of Ireland's main selling points. The total investment by overseas pharmaceutical sector in Ireland has been estimated at 12 Billion. The sector on Ireland is a diversified one. Investment in fine chemicals plants producing bulk active materials was followed by new investment in finished product pharmaceuticals operations.

The pharmaceutical Industry has achieved a critical mass in Ireland and the infrastructure is in place to meet the companies exacting demands. Many of the companies in Ireland have also set up customer support, telemarketing, shared services and e-commerce activities in addition to their manufacturing operations.

According to the IDA, global pharmaceutical companies are attracted to Ireland for a wide variety of reasons. These include the combination of high quality available science

graduates and the generous tax incentives offered which complement the overall low operating costs.

The result is that the pharmaceutical and chemical sector is one of the strengths of the Irish economy. It's remarkably resilient, strong on exports, virtually recession proof and continues to expand with increasing activity by indigenous companies.

Overall the pharmaceutical manufacturing sector comprises about 150 companies. Of these around 40 are smaller indigenous firms. Irish owned companies are very successful in the various sub sectors of the pharmaceutical products market. In human pharmaceuticals over 80% of exports are to Britain. The whole sector is characterised by strong growth patterns about 11 percent a year and strong commitment to research and development investment, about 12 percent of annual sales revenue well ahead of other sectors.

Methodology

The purpose of this chapter is to outline the research methodology that was employed for this dissertation.

Compiling and Collating the Data:

For the purpose of analysing absence across 3 departments an absence monitoring spreadsheet (appendix 2) was designed and formulated by Human Resources and sent to department administrators. The department administrators agreed to collate all absence in the first half of 2006 (Jan – June incl.).

Once all spreadsheets were collated, they were sent back to Human Resources for analysing and comparing the two companies against each other.

Survey:

Rationale for use of the Survey

At the outset, it was decided to use a survey mechanism, in the form of a questionnaire in order to assess the attitudes of individuals in the organisation, regarding absenteeism – the effects and causes.

The survey also acted as a valuable tool, when it came to devising question themes to be used in the semi-structured interviews with line managers.

The advantages of the survey method also include the fact that it can illustrate the attributes of a very large populace and the authoritative perception which it maintains. It allows the researcher considerable flexibility with regard to setting questions and also, because the questions are standardised, measurement is more exact.

The disadvantages to the survey method in that they rarely offer any deep and consequential insight into the particular phenomenon under discussion. I tried to overcome this disadvantage by asking “Likert Scale” questions at the end that could fire

up a discussion around some of the areas questioned with Senior Management. The data collected may not be as wide-ranging as that deciphered from qualitative research. Surveys do not provide any significant information on contextual variable or constructs.

40 questionnaires were drafted out to a heterogeneous sample of employees. Only 20 of these questionnaires were received back. This is most likely due to the sensitivity of the subject.

However, receiving 20 completed questionnaires was enough to compile and collate the data to display the types of absence in GSK. The data usually which is in a questionnaire format is standardised to allow easy comparison and can also be easily understood.

Types of questions used in the questionnaire:

There are different types of questions that can be used in a survey. I chose the following questions to try and help compile the information I was looking for.

Demographic questions: These questions are an integral part of any questionnaire. They are used to identify age, gender, race, income etc...

Dichotomous question: The Dichotomous question is generally a 'Yes/No' type of question. It can be helpful when trying to branch into groups. Once separated different questions are offered to the groups.

Multiple choice questions: These types of questions consist of three or more exhaustive, mutually exclusive categories can ask for single or multiple answers.

Likert scale: This assesses a person's feelings about something. Likert scales attempt to measure on an interval level most commonly the 1-to-5 rating. Most of my questions were based on the Likert scale.

Open ended questions: These seek to explore the qualitative, in-depth aspects of a particular topic the change to respond in detail.

Interviews with Line Managers:

Rationale for use of semi-structured Interviews

“An interview is a purposeful discussion between two or ore people” (Kahn & Connell, 1957)

Due to the sensitivity of the subject matter it was decided that interviews only would take place with the line managers and employees would be asked to respond to surveys.

An interview can offer many advantages that would not be found using other methods of research. They provide an “essential source of case study evidence since most case studies are about human affairs” (Yin, 1994).

Cooper and Emory (1991) suggest three conditions that can help the interview to be a success:

1. The researcher must ensure that the respondent has the relevant information and it willing to disclose it. This was ensured prior to confirmation with the line mangers. The interviewee’s were also provided with a list of interview themes prior to the interview.
2. It is vital that the respondent understands their role and keeps the information divulged within the scope of the research topic. In order to do this, I explained why and what I was researching this topic.
3. The respondent must be somewhat motivated to facilitate the research. Thankfully, those who I contacted were ore than willing to participate and extremely helpful, due to their own responsibility with the topic.

Semi-structured interviews were decided in an effort to use some of the themes, which has arisen in the questionnaires and therefore, get to the heart of the matter at hand.

According to Wass and Wells (1994), semi-structured interviews may be useful to explore and explain themes that have emerged from the use of one's questionnaire.

Prior to interviewing the individuals, I made a list of question themes, relating to the constructs under investigation. For the purposes of not getting into a conversation at this early stage of absence monitoring closed questions were asked. See Appendix 4 for list of questions. And although the questions were very broad, the questionnaire was designed more to give an opportunity to open a discussion around absenteeism in their particular department.

In view of this fact, I gave each interviewee the questionnaire prior to our interview in order to allow him/her think about topics we could discuss. This also gave managers a chance to focus in on the information, which they felt they needed to provide.

After organising the data, interviews were set up with the 3 line managers to look over the results formulated from the employee questionnaires. It was explained again to line managers that the purpose of this exercise was to assist in identifying any absence trends in their department and how best to tackle them.

As there are 8 departments in each company, 3 depts were chosen to use as an example in the first case. The 3 departments chosen were departments where absence may seem slightly higher than the average.

Each topic was not covered in the same amount of detail with each interviewee as only parts were relevant to each manager. However, some of the inherent problems with this type of in-depth interviewing, according to Brannick are as follows:

- Stimulation for new ideas comes from the interviewer
- It is a very time consuming approach
- "Interviewer fatigue and boredom are problems when many individual interviews are needed" (Brannick 1997:22)

Any problems encountered during this project were not encountered in the analysing but in the collating of the data. The gathering, organising and inputting of the data accounted for approximately 65% of the workload, all preparation for the eventual analysis. I also found that I was a little eager to collate the most up to date information in the organisation in relation to absence. In hindsight I should have collated data for Jan – May only and not include June. By including June, I was put under enormous pressure to try and finalise all this data both accurately and timely.

Also, one minor recommendation is that each department strive to be more disciplined in the recording of absences so that absence rates can be trusted entirely and calculated as accurately as possible. As the report notes, it is quite difficult to critically analyse the data when rates are so low, however noticeable trends are commented upon when identified. For example see Consumer Sales and Pharma Commercial.

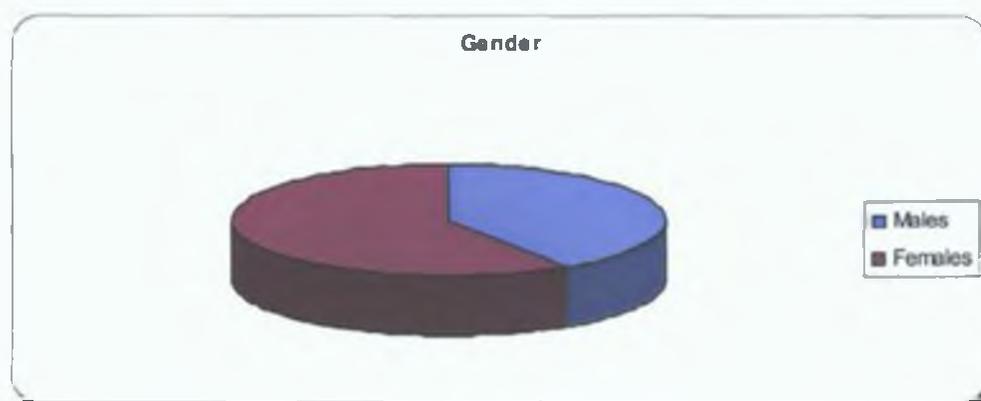
Research & Findings

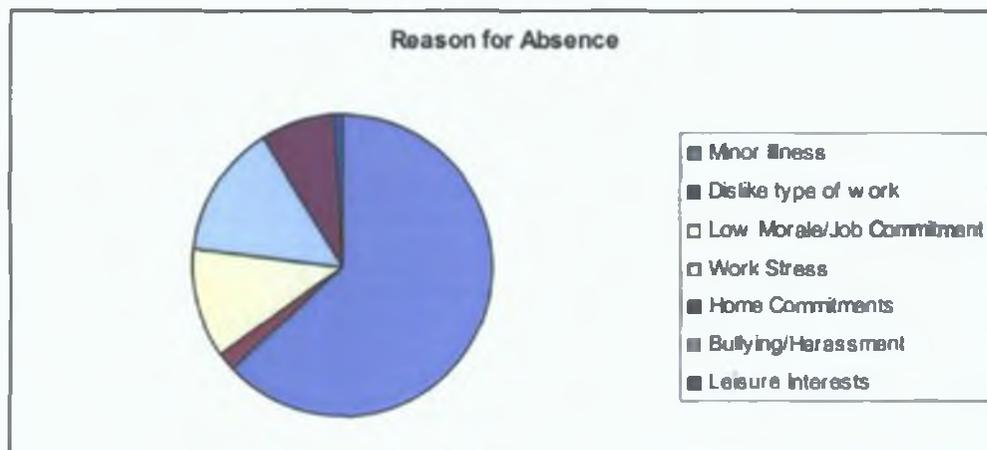
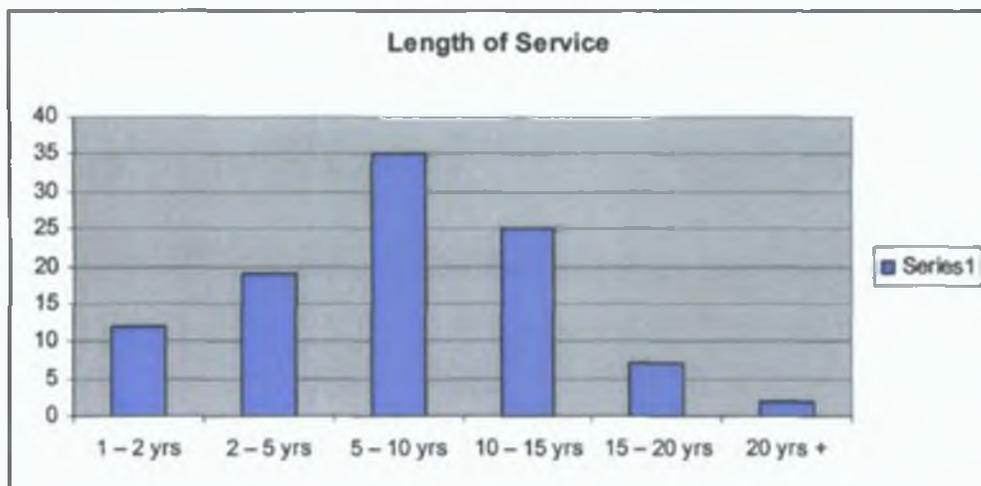
The purpose of this chapter is to present the research findings of the study. It will begin by presenting descriptive statistics from our completed questionnaire. For the purposes of this dissertation I could not present all the answers to the questions asked in the questionnaire (37 questions in total) so I decided to present the Likert Scale questions as they assisted me forming my interview questions for the line managers.

I will then analyse the absenteeism data by department and giving a brief discussion that department. This data should also fall in line with the above statistics.

Following this, the interview data will be assessed further to understand the resultant data and probe any particular areas if necessary. However, due to the length restrictions, for the purposes of this dissertation the results from the interview will not be revealed. It will be further revealed to both Senior Management Teams to work towards creating a best company to work for in Ireland.

Employee Questionnaire demographics





The individuals who responded were generally from professional/specialist (26%), administration/clerical (64%) roles. 10% of the professional/specialist roles did not respond to my questionnaire.

Results from Strongly agree & agree below:

I have a great social relationship with my work colleagues
 I have plenty of time to talk to my work colleagues during my working hours
 I often meet up with my work colleagues by way of arrangement outside working hours
 The people I work with would stick up for me if I had trouble with my supervisor
 I like this organisation better than any other firm I have worked with
 The work I do is important to the firm
 If I were to begin working again in the same occupation I would choose this firm
 I am proud to work with this organisation
 If I have a complaint to my supervisor he/she will do something about it
 Management show appreciation for good work and extra effort
 Management recognises honest mistakes as part of doing business
 Management genuinely seeks & responds to suggestions and ideas
 Management involves people in decisions that affect their jobs or work environment
 This is a physically safe place to work
 This is a psychological and emotionally healthy place to work
 Our facilities contribute to a good working environment
 I am able to take time off from work when I think its necessary
 People are encouraged to balance their work life and their personal life
 Management show interest in me as a person, not just an employee
 We have special and unique benefits here

| PH | CH |
|-----|-----|
| 59% | 78% |
| 40% | 79% |
| 50% | 70% |
| 63% | 68% |
| 63% | 78% |
| 54% | 72% |
| 71% | 74% |
| 61% | 79% |
| 52% | 74% |
| 58% | 66% |
| 55% | 87% |
| 43% | 83% |
| 36% | 56% |
| 67% | 60% |
| 53% | 70% |
| 63% | 66% |
| 44% | 66% |
| 67% | 68% |
| 57% | 72% |
| 60% | 78% |

As you can see from the above statistics that the Pharma company seem to have lower findings than our Consumer group. I will discuss later in the recommendations chapter how we can correct the above PH statistics to bring in line with Consumers more positive findings.

When the data is analysed and measured correctly, an organisation can assess if it has a problem with absence, the extent of the problem and the best way to tackle it.

Department Analysis

Using the correct data, Managers can use it to identify particular patterns of absence within departments and underlying causes of absence i.e. the management style of a particular manager or an increase in workloads.

By comparing absence ratings it allows each department head to view the comments and figures for their respective department in a straightforward manner. Although this report has not gone to extraordinary lengths to offer a carefully scrutinized examination of each department, it has instead provided the essential absence rates and a brief analysis under the topics discussed earlier in the literature review.

As already stated, there are two companies under the organisation GlaxoSmithKline. Consumer Healthcare whose main portfolio includes nutritional healthcare drinks and oral healthcare products and Pharmaceuticals who have a broad range of prescriptive medicines in their portfolio. With both companies having the same departments, it's useful to compare and analyse different trends across the organisation.

Absence has been broken into 3 areas: Permitted Absence (PA), Certified Sick Leave (CS) (absence for more than two days) and Uncertified Sick Leave (US).

This area looks at the different absence trends in the two companies, and to identify the dominant area and the causes around the absence.

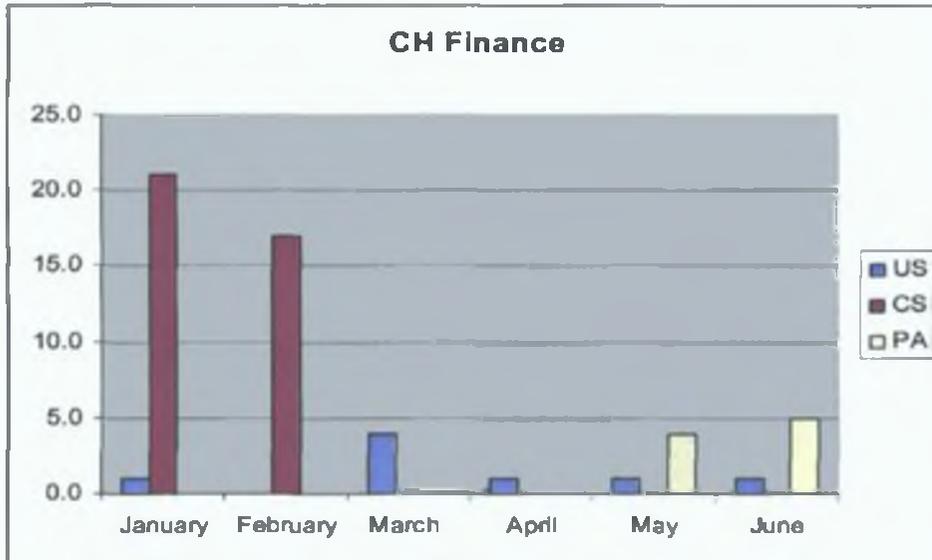
High levels of absenteeism might point to inconsistencies between the two companies and therefore might require the organisation to rethink its absenteeism strategy in terms of performance appraisal, discipline and rewards.

The national average absenteeism rate for a medium sized firm is 4.9% or 11 days in one year and the industry average is 3.3%.

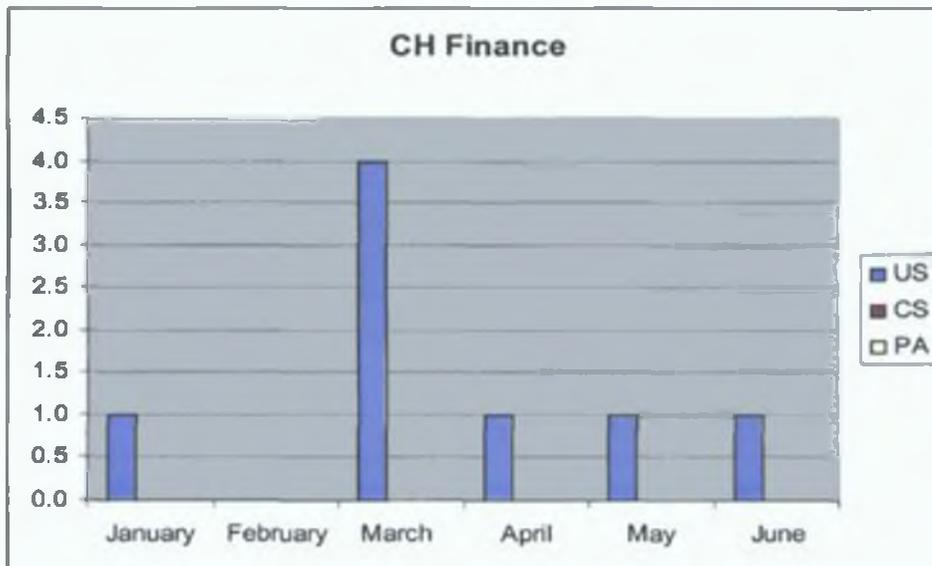
Points to Note: It is important to note that the graphs shown below have different scales on the Y axis – each department should be compared only by their trends and not by the height of their bars, as each graph's scale differs depending on the number of employees.

Analysis of Absenteeism H1 January – June 2006

CH FINANCE Rate of absence: 3.6%



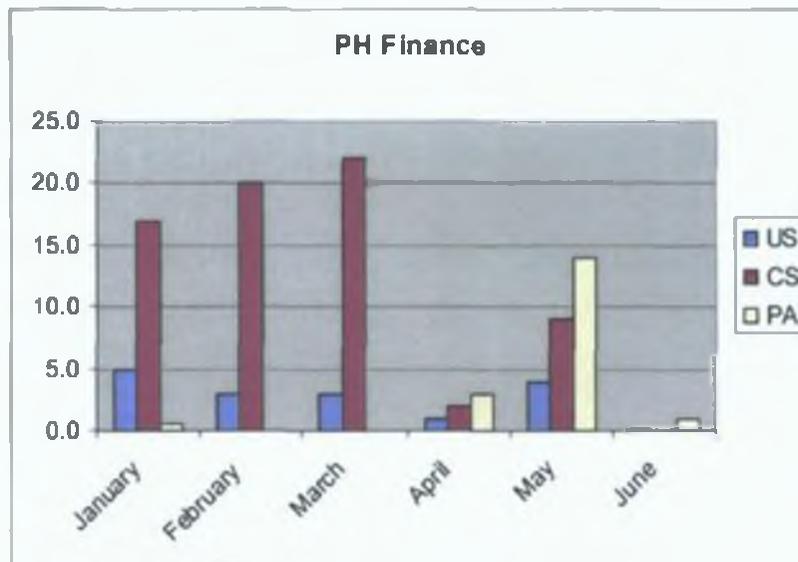
- High rate is mainly due to the long-term CS of one employee – if we ignore this absence, the rate drops from 3.6% to 1.1% (it drops even further to 0.5% when PA due to accountancy exams is ignored)



- The second graph above therefore shows the department absence, irrespective of one employee's CS and accountancy exams (note that graph B has a different scale to Graph A and should therefore only be viewed simply for the trend and not the bar heights)
- Graph B therefore shows that there has been 1 US in each of the last three months of H1 2006

PH Finance 2006

Rate of absence: 5.6%



- The rate of 5.6% initially seems high but when permitted absence and the long-term absence of 1 employee are taken out, the rate falls considerably
- 92% of permitted absence in Finance was due to study leave (accountancy exams) – when PA is not included, the rate falls from 5.6% to 4.6%
- One employee was absent for all of Q1 2006 – if this absence is ignored, the rate falls further from 4.6% to 1.6%
- So the rate of 5.6% is slightly misleading when the department is being viewed as a whole, due to the skewing effect of one employee and the high level of study leave required for accounting professionals

- US and CS were zero for the month of June, which indicates a good start for H2 2006
- PA should remain low for the rest of the year because exams have now been completed

SUMMARY OF BOTH DEPARTMENTS:

The **Consumer** side shows one uncertified sick day each month during the months of Jan – March. March’s month portrayed 5 days of uncertified sickness. Comparing this to the **Pharma** side of the business where there was more uncertified absence during these months (looking at 5 days in Jan and 3 days in Feb & March). Neither line managers tackled the uncertified sicknesses in their departments. This runs a risk of uncertified sickness days increasing as the accepted culture and norms shown by the line managers might make the employees deem it acceptable and therefore might increase the uncertified sickness days coming into H2.

With **Consumer** for the month of Jan and Feb there was an employee absent from work on certified sickness due to a stress related illness. Patricia Callan, of the Small Firms of Association has stated in the latest report “stress has arisen as a key cause of absence from work replacing back pain, as the most commonly cited problem on medical certs”.

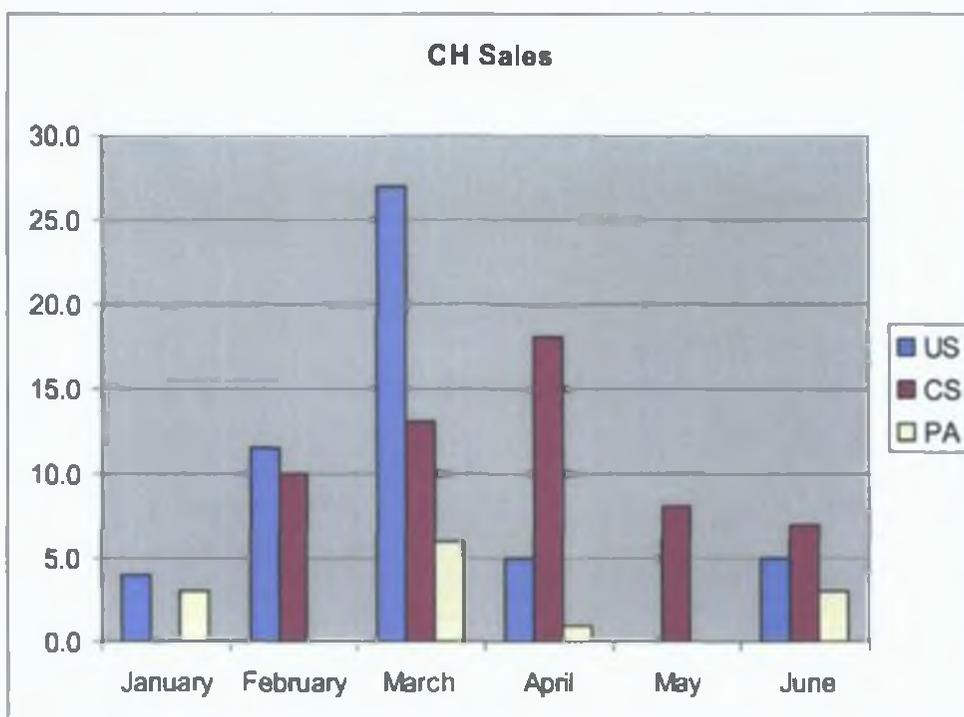
With this sensitive case, the line manager monitored the absence, keeping in close contact with the particular individual. Even though the line manager was trained adequately to deal with absent management, this situation was different as stress can lead to a less productive workforce, faulty decision-making and ultimately the possibility of legal action being taken against the company for negligence or constructive dismissal.

The line manager played a pivotal role in helping restore the morale in the department by keeping the communication channels open. By also having a multitasked department it means the absent employees’ work was completed by the employees in the department without any haste towards the employee on sick leave. On the employee returning to work, the line manager redesigned the employee’s job and reduced her working week from a five day to a four day week. This is currently working well in the department.

On investigating the **Pharma** side, the employee that was absent for all of Q1, this particular absence transpired that the line manager did not monitor absence and in turn the morale in the department lowered. It became clear that the line manager had not been trained and felt uncomfortable trying to establish a return to work date from the employee. The particular absent employee is an employee with long service with the company and with time pressure on other areas in the line manager's workload he did not pursue the absence.

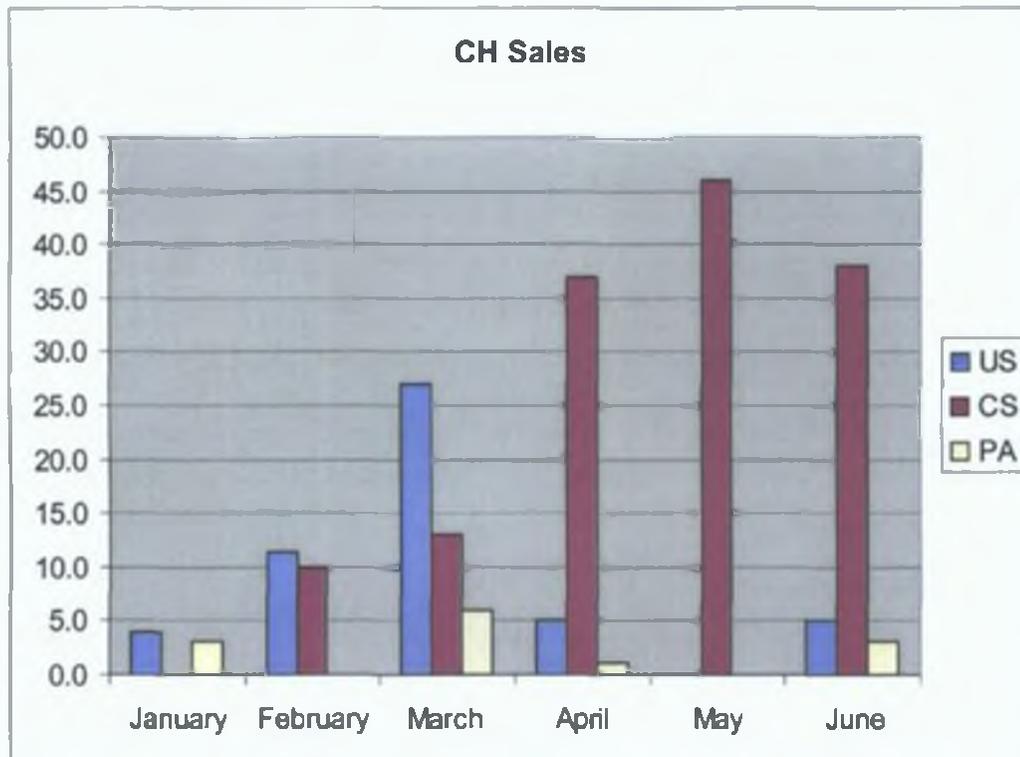
Currently both line managers seem happy with their absence levels and see no reason to bring it to their department's attention. Short spells of absence are more disruptive.

CH SALES Rate of absence: 1.9%



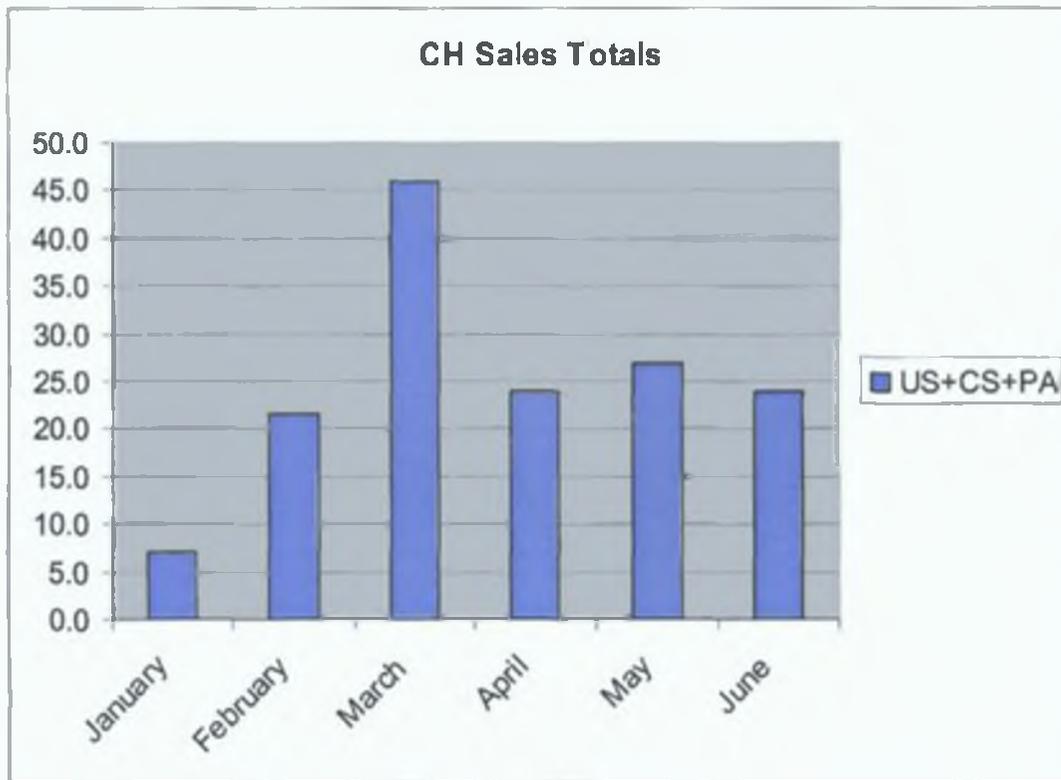
- The trend emerging from H1 into H2 is worrying – US is low but CS has increased dramatically from Q1 into Q2
- This rise in CS can mainly be attributed to 2 members of the Northern Ireland Sales Force – the second graph shows the trend if their long-

term CS is ignored. One of these reps has now returned to work but the other is still on leave, so CS will remain high moving into H2.

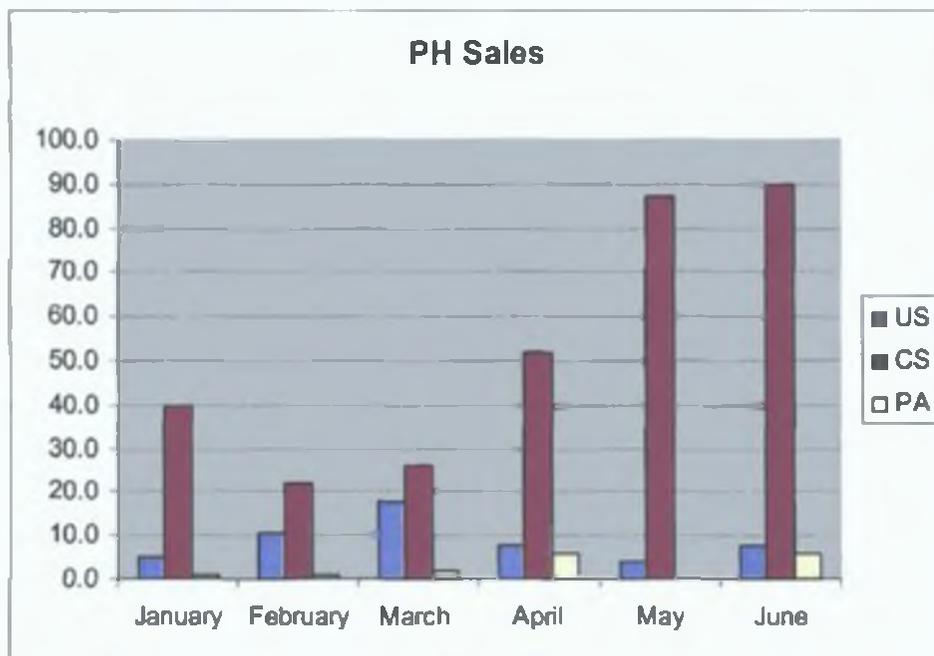


- A further look at the individual teams and departments within CH Sales give us a better understanding of the absence rates within this large unit
 - The NI Sales Team has a high rate of absence of 10.2%, due mainly, but not entirely, to the long term CS of 2 employees. Ignoring these 2 employees gives a rate of 1%
 - The southern field sales manager's team had no absence at all – even though there were 18 employees working on the team at one stage during H1 2006

- The western field sales manager's team also had a very low rate of absence of 0.5% - even lower if PA is ignored (0.4%)
 - The eastern field sales managers team had a rate of 0.9% (0.7% if you ignore PA)
 - The midlands field sales managers team also had a rate of 0.9%
 - The only worrying rate among the sales teams in the Republic was that of the Dublin team – it had a rate of absence of 2.3% (1.9% excluding PA)
 - The Sales Training and Development team registered a rate of absence of 0.3% (only 1 US day among 3 employees in H1)
 - The Retail Business team had a rate of 2.2% but this was due to the CS and PA of just 1 employee (out of a total of 5)
 - The rate of absence of the Sales Director and his direct reports was quite high at 2%
-
- The following graph gives the best indication of what absence levels to expect in H2 2006. It shows the total absence levels for H1, excluding one employee who is on long-term CS leave (excluding this employee gives a better indication of future levels)
 - From the graph, it is clear that although total absence remains high, it has remained fairly stable during Q2.



PH Sales Rate of absence: 4.9%



- This high rate of 4.9% drops to 2.1% (still high) when the skewing effect of long-time CS is taken into account.
- 6 reps (9% of total number of reps) account for 70% of the total CS figure.
- When PA is omitted, the rate drops further to 1.9%
- Of this remaining figure of 1.9%, 36% of absence is US (ratio of US:CS is 1:1.8)
- It should be noted that absence of field based staff will inevitably be higher than that of office based staff
- A trend is the fact that while US and PA remain low, CS is rising steadily moving into H2 2006 – overall absent days for the month of June exceeded 100.

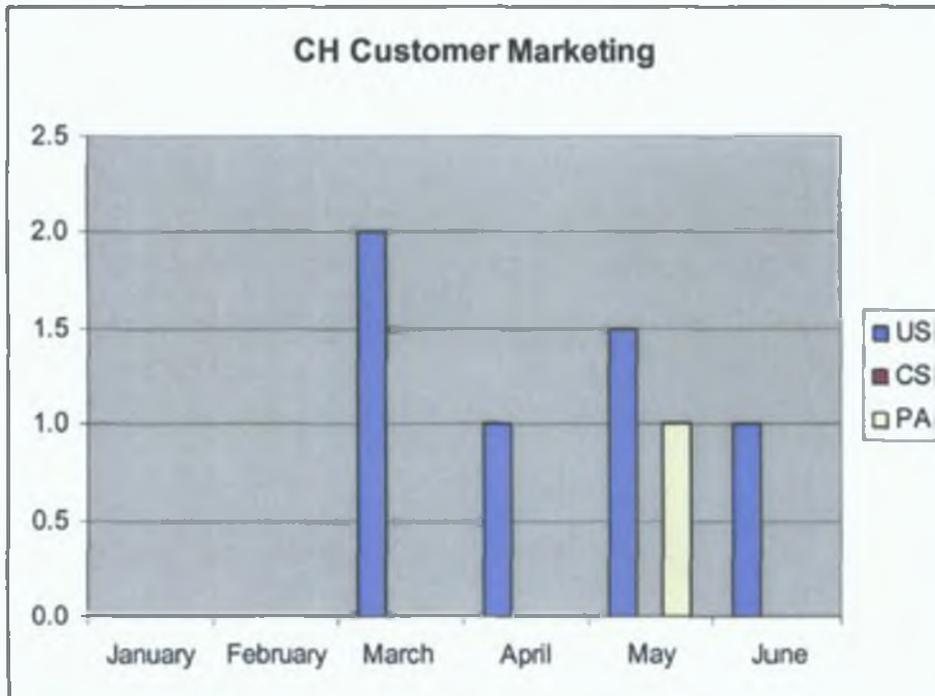
SUMMARY OF BOTH DEPARTMENTS:

Consumer NI Sales has had two employees on certified absence (long term sickness). However, while one employee returned to work (employee X), the other employee is still out on sick leave (employee Y). Employee Y has over 30 years service with the company and is in his mid-fifties. On researching this department it appears that the line manager has not had much communication with employee Y as it transpires that the department administrator has been liaising with employee Y on monthly basis collating the sickness certificates. This line manager has been trained on dealing with absence management but he felt that approaching absence management with his employees was too time consuming and he felt pressurised with concentrating on sales target levels. It is vital here that this line manager uses his skills he's learned on absence management.

Pharma similar to Consumer has the highest level of sickness in the field compared to office employees in the department. 70% of field based employees are on certified sickness throughout the H1 period. Worryingly this is rising steadily into H2. Training is badly needed for the line managers in sales.

Neither line managers tackled their absence in the departments. This is worrying as if this is seen to be the normal behaviour by the manager, employees will observe this and there would be a potential for absence to rise higher.

CH Customer Marketing Rate of absence: 0.6%

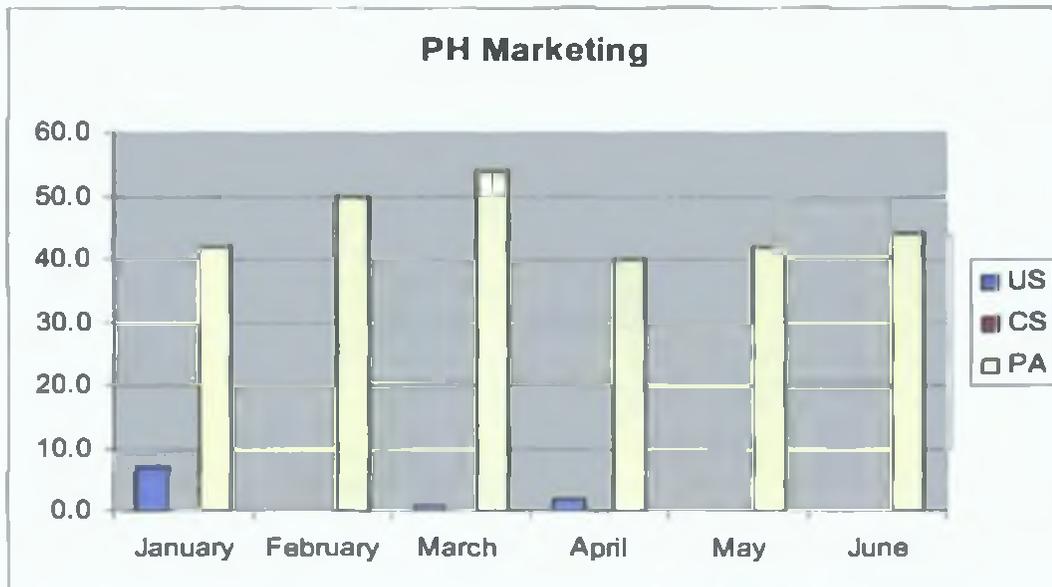
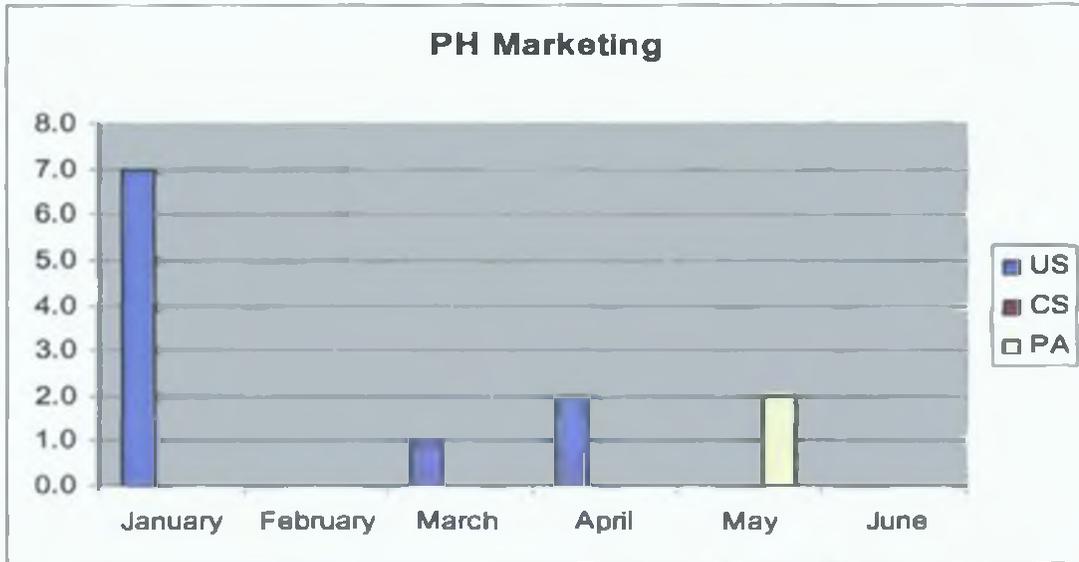


- There was no CS for this department for all of H1 2006 i.e. there was no absence for more than 2 days.
- 4 out of the 9 employees were not absent at all.
- Unusually, there was no absence at all in the months of January and February.
- H2 2006 is likely to continue at this very low rate as there was only 1 US day in June.

PH Marketing

Rate of absence:

0.5%



- PH Marketing has one of the lowest rates of absence in the Pharma business, way below the company average.
- 2 out of 6 months were completely absence free and there was no certified absence whatsoever in H1 2006.

- However, if legal absence were to be included in PA, the high rate of maternity/parental leave for this department would push the overall rate for H1 to 11.5% and the graph would look more like Graph B.
- 15 % of all employees in PH Marketing were on maternity/parental leave at some stage during H1.
- This gives a better picture of the cover that has been required in the dept over H1 but it does not reflect on the absence rates of its employees.
- 5 out of an average of 19.9 employees account for 25% of all absence (US+CS+PA).
- The ratio of US:CS is quite high; 5:1.

SUMMARY OF BOTH DEPARTMENTS:

Consumer has a very low absence rate. The morale is also quite high in this department and good communications take place between the line manager and his department.

Pharma also has a low certified & uncertified absence rate, although permitted absence is quite high in this department. It should be noted that although the certified sickness and uncertified sickness rates remain low heading into H2, preparations should be in place should certified sickness and uncertified sickness take place.

With so much permitted absence taking place, a great deal of work needs to be offloaded from the employee taking permitted absence and the individual taking on the new workload (be it an existing employee or a new employee to the business). Care should be in place with so much movement in one department as low department morale can take shape quite suddenly. For example, if an existing employee is taking on extra workload it is important not to de-motivate an employee by over promoting their abilities and not rewarding same. A good initiative would be to have an award recognition system in place for the employee taking on the extra workload.

Recommendations

Fitzpatrick and Huczynski suggest “that careful assessment and analysis of absence problems is essential for effective solutions”. This involves characterisation of the absence problem within an organisation and identification of the causes before designing and implementing strategies suited to the organisation.

Linking in with the literature review in chapter one, this section will outline a number of recommendations per department also general recommendations as a means of improving absenteeism problems in GSK.

Assessment and analysis of absence problems per department:

Consumer

In the Finance Dept. training has been provided and it is proving useful. Neither productivity nor morale has been affected.

However, uncertified sickness days are deemed to be acceptable in this department. This should not be the case. It should be brought to the employee’s attention collectively that it is not acceptable, perhaps at monthly department meetings, an overview of the previous month’s absence levels may be communicated and then at a team level work on reducing this absence. There is good team spirit in this department so it is essential not to damage this while bringing uncertified absence days to their attention.

Immediate recommendations per company: Pharma

Absence Management training for line managers has not been carried out in the Pharma business. This should be carried out like the Consumer side so all line managers are competent in dealings with situations and avoid any future situations like the Finance dept had with their employee out on long term sick leave. As mentioned before, only 40% of line managers are adequately trained in dealing with absence management. If the line manager had been upskilled on dealing with the employees out on long term absence

he would have been competent managing the absence. The line manager's confidence would develop and therefore he/she would approach the area with an affirmative outlook in bringing the employee back to work.

In the marketing department caution needs to be exercised with regards to work design in the department and the possibility of work overload. A good reward system should be in place should an existing employee take on extra workload in the case of permitted absence e.g. Maternity leave.

General Recommendations for both organisations

Motivation

Motivation is about building a repertoire of skills as a manager that can be used on a daily basis. The kernel of motivation is using 10 key principles of motivating others.

1. Clarity of Goals
2. Recognition
3. Feedback
4. Value Individuals
5. Delegate
6. Tools & Resources
7. Contribution
8. Positive Attitude
9. Allow Mistakes
10. Raise Expectations

Motivating others must also take account of the psychological contract that exists in a work domain.

Take a minute to think what happened to your highly-motivated and enthusiastic new recruit? Line managers are the linchpin for motivation. Good motivators encourage employees to retain the vitality and enthusiasm they first brought to the job. They should give direction, support and enable staff so they can meet their objectives.

Other ways of improving absenteeism are listed under the following headings:

- Introduction of an Absence Management Policy
- Record Keeping
- Return to work interviews
- Employee Assistance Programmes & Employee Wellness Strategies
- Work Life Balance and Flexible Working
- Day care facilities/Home Working

1. Introduction of an Absence Management policy

There is no absence management policy in GlaxoSmithKline. There is however a paragraph stating sick pay entitlements to an employee should they be on absence leave. An absence management policy should be introduced with the main objective of the absence policy to really encourage employees to want to come to work when they would rather be at home. Due to the complexity of the subject there is no universal panacea to managing absence so it should be written by the HR department stating how the company's managing attendance at work

A clear policy should include:

- The purpose of the policy/procedure
- The Scope – who does it apply to
- What is the procedure – this should be very clear including what happens after the expiry date of sick pay and the trigger interventions eg: meeting with the Occupational Health Advisor (if any).
- The procedure given

2. Recording Absence

With the help of administrators I managed to introduce a monthly absence tracker to collate every department absenteeism levels. Going forward this method should be continued for obvious reasons one of which would include having data like below readily available for line managers.

Without putting in place measures to record and monitor absence, companies will not know if a problem exists, or indeed the magnitude or cost of any such problem.

Understanding the dimensions of an absence problem is essential. By monitoring and recording absence, companies should be able to answer questions such as –

- Who is absent?
- Why is he/she absent?
- How often has he/she been absent?
- Is the absence certified or uncertified?

3. Return to Work Interviews

Carrying out return to work interviews helps line managers start off a dialogue with staff over any underlying issues, which might be causing the absence when they return to work. By using return to work interviews for short term absence can ensure problems are identified at an early stage.

But the question must be asked if it is feasible to carry out an interview every time an employee returns to work from being out sick for a day or two? The answer perhaps would be to establish a cut off time whereby after that length of time a “return to work interview” must be carried out i.e. one week of being absent. This option should be included in the absence management policy.

Most Managers have pressure on their time and it may be tempting to overlook these interviews but it is imperative for the organisation to keep it consistent across the company and there should always be some written record of the interview.

The role of the line manager plays two important roles in absence management, the monitoring of absence figures and the implementation of absence policies. Line Managers need to manage their staff with a hands-on approach and in line with the guidelines prepared by the HR dept. This makes Line Managers the key players in the collation of absence statistics in the organisation.

So therefore, it is critically important that the organisation have Line Manager's "buy in" and their full understanding for the return to work interview's to take place.

In Consumer sales there were two certified sicknesses in H1. Here a return to work interview would be appropriate with the employee returning to work to establish with the employee any underlying causes of the absence.

While return-to-work-interviews are regarded as the most effective way of managing short-term sickness. Supervisors and Managers must be appropriately trained in conducting these interviews in order to ensure consistency is being achieved.

One of the difficulties in most organisations is ensuring the return to work interviews actually happen.

4. Employee Assistance Programmes & Employee Wellness Strategies

As competition for staff heightens amid unprecedented demographic changes, smart organisations will recognise the added value of 'wellness' and its capability to enhance corporate success at a relatively cost.

Over the last number of years the introduction of EAP's has become widespread in Organisations. The introduction of EAP's is to assist the employer assist the employee as a duty of care'.

There are two types of EAP programmes, a full 24/7 service or a part time service. The purpose of a company offering this service to their employees is to eliminate any areas that may lead to absence from work.

Another alternative is Employee Wellness Strategies. Wellness concerns an individual's state of physical and mental health. An organisation that genuinely embraces the importance of wellness will have a continuing and proactive concern for the entire workforce.

As we are all aware organisations are increasingly introducing these programmes as a reactive tool in employee welfare but the difference with Employee Wellness is that Wellness tools and techniques aim to make proactive interventions leading to more effective coping strategies.

5. Work Life Balance and Flexible Working

New research reported by the Industrial Society indicates that flexible working patterns can help to reduce absenteeism. *Managing Attendance*, the Industrial Society's recent survey report on absence, shows that absence rates fell from an average of eight days per employee to 6.5 days during the last 18 months among almost 300 firms surveyed' (HRM Guide, Pg: 1).

Management should look at introducing a 'Work Life Balance' approach to the company. 'Work Life Balance' is about the ability to balance or integrate work into people's lives. It is also about adjusting working patterns. Everyone should be able to work with other responsibilities whatever your age, gender or race etc... There are many advantages of offering 'Work Life Balance' options that companies can offer the employee with an important one being, Flexible Working.

"Flexible working can reduce sickness absence, according to new research. Flexible hours, homeworking and special leave have helped to cut absence in both the private and public sectors, the report 'In Sickness and in Health' has found" (Julia Griffiths, CIPD).

By introducing Flexible Working to organisations it will improve productivity, motivation, commitment, create loyalty and aid employee retention being just some of the positive outcomes to an organisation if an employee feels their organisation is taking an interest in their life.

6. Day care facilities/Home Working

This would reduce the likelihood of mothers taking time off for their children's illness or lack of childminders. If the company were to subsidise the cost of employees minding in a specified day care facility close to the workplace this would greatly reduce the likelihood of mothers being absent from the workplace.

Companies should also implement family friendly programmes such as job sharing. If employees job share then mothers can do hours around their children's schooling or times when someone else is available to look after them. It leaves no extra expense to the company and it would most likely reduce absence rate.

Conclusions

As like most companies, GlaxoSmithKline have never calculated the cost of absence and also to date a comparison on the causes of absence has never been carried out between the two companies. From looking at the cost of absenteeism to companies in the Small Firms Association report, both are strongly recommended.

However, if GlaxoSmithKline decides to calculate the cost of absence it must be done so correctly to get the real benefit. Huczynski suggests “companies underestimate the cost of absence by around a 100%”. He suggests that once the direct costs have been calculated, that these should be doubled to; get the real cost. The cost per employee is estimated at €882 per annum. When calculating the cost of absence it is important to include the direct and indirect costs.

The absence tracker has not only proven a useful tool for each company but also to have an analysis on the causes of absence in their areas has been more useful to learn from one another especially in the cases of motivating employees.

It is an unusual situation that there are two companies under the one organisation, this should be seen as an advantage to identify any trends across the two companies and to tackle them together. While there are shared policies and procedures within the organisation, the training function seems to have separated the two companies and one seems to be more update on training line managers in absence management. The results appear in the analysis where training has been provided that the line manager has tackled the situation working with the HR function and maintaining a good morale in his/her dept.

When interviewing the line managers in Consumer, where training had taken place in almost every department, line managers seemed to be more proactive in requesting training as a priority for their department. In the Pharma side, line managers had not

been proactive as they felt it was more a HR issue and did not see their role as line manager to tackle their absence in the department. Training should be organised immediately for the Pharma business for all line managers, with management stating attendance on the course to be mandatory.

Going forward training should be given to all departments with both sides of the business attending. The structure should change to both finance departments attending the courses together as ideas could be shared across the training room.

Overall there does not seem to be a problem with absenteeism but Management should not ignore this area. The demographics have changed over the years from a young workforce and is nearing towards a more family orientated workforce. With this in mind the company should look at ways of introducing some of my recommendations to assist with a more family friendly workplace.

By putting new measures in place to accommodate our workforce it should reduce the absenteeism levels for our employees somewhat and to pre-empt that absenteeism will not spiral out of control in GlaxoSmithKline.

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Appendices:

Appendix 1: Rhodes and Steers' Model of Employee Attendance

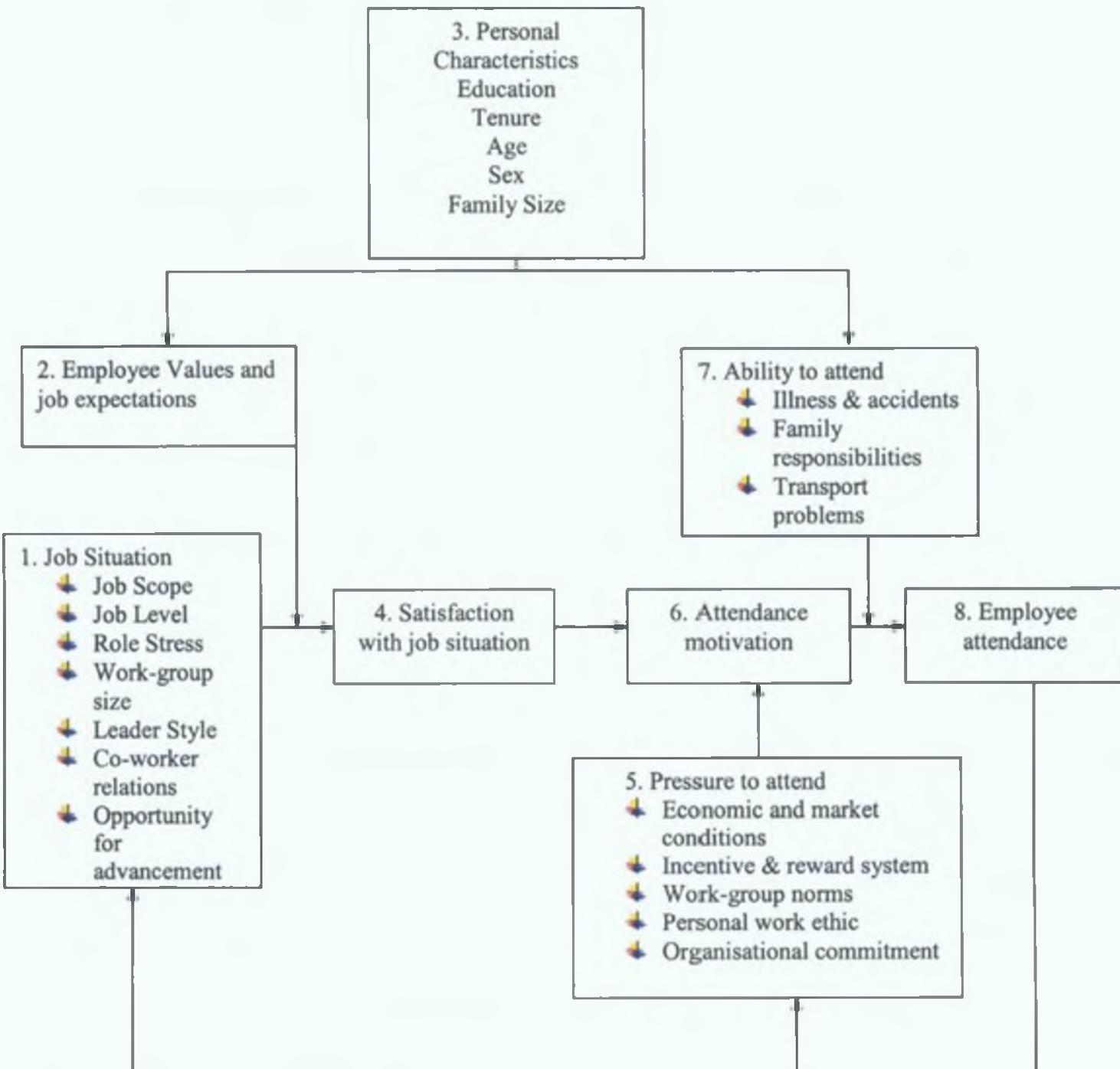
Appendix 2: Copy of Absence Tracker sent to Administrators

Appendix 3: Questionnaire sent out to Employees for completion

**Appendix 4: Questionnaire sent out to Line Managers pre HR
Interview**

Appendix 1 - Rhodes and Steers' Model of Employee Attendance

Source: Steers and Rhodes (1990)



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| 12/05/2006 | fri | | | | | | | | |
| 15/05/2006 | mon | | | | | | | | |
| 16/05/2006 | tue | | | | | | | | |
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| 22/05/2006 | mon | | | | | | | | |
| 23/05/2006 | tue | | | | | | | | |
| 24/05/2006 | wed | | | | | | | | |
| 25/05/2006 | thu | | | | | | | | |
| 26/05/2006 | fri | | | | | | | | |
| 29/05/2006 | mon | | | | | | | | |
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| Total Holidays taken ytd | | 0 |
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| 07/06/2006 | wed | | | | | | | | |
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| 23/06/2006 | fri | | | | | | | | |
| 26/06/2006 | mon | | | | | | | | |
| 27/06/2006 | tue | | | | | | | | |

Appendix 3

Absenteeism Questionnaire

As part of my dissertation for my final year in college I am researching the types of absence and causes of absence in GlaxoSmithKline.

As part of completing this report I have to collate department absenteeism findings, and in order to do so I have a few questions to ask you to find out more about the causes of absenteeism in GlaxoSmithKline.

I would really appreciate if you would take the time out to complete this questionnaire.

Please note that these answers are going to be confidential & anonymous and this information will be kept in Human Resources at all times.

*Thank you for completing this questionnaire
&
Your co-operation is really appreciated!*

General Questions

1. What is your age group?

< 25

25 - 35

35 - 45

45 - 55

55 +

2. How long have you been employed by GSK?

1 - 2 yrs

2 - 5 yrs

5 - 10 yrs

10 - 15 yrs

15 - 20 yrs

20 yrs +

3. Are you full time or part time?

Full Time

Part Time

4. What is your marital status?

Single

Married

5. Are you Male or Female

Male

Female

6. Are you a member of a union?

Yes

No

7. How long have you been employed with GSK?

- < 2 Years
- 2 – 5 Years
- 5 – 15 Years
- 15 – 25 Years
- > 25 Years

8. What is the highest level of education you have reached?

- a. Primary School
- b. Secondary School
- c. Third level

9. What age did you finish full time education?

Absenteeism Levels

10. Why would you stay out of work?

- Minor Illness
- Dislike type of work
- Low Morale/Job Commitment
- Work Stress
- Home Commitments
- Bullying/Harassment
- Boredom
- Leisure Interests

11. What do you think about the way sick pay benefit is used here?

- Excellent
- Very Good
- Good
- Average

Don't know what it is

12. Are there specific measures taken to discourage absenteeism in your firm?

Yes No

If yes what are they?

13. Does your firm have a target absence rate?

Yes No

14. Approx how many days have you been absent in the last –

Six Months _____

Three Months _____

One Month _____

15. How many days have you been late to work in the last month?

16. Which of the following modes of transport do you use?

Car

Bus

Train

Motorcycle

Bicycle

17. What distance do you live from GSK?

1 mile or less

2 – 5 miles

5 – 10 miles

10 – 15 miles

15 – 20

20 + miles

18. On Average how long does it take to get to work?

- 5 minutes or less
- 5 – 15 minutes
- 15 – 25 minutes
- 25 – 35 minutes
- 35 – 45 minutes
- 45 – 55 minutes
- 55 + minutes

19. Please rank in order of importance which of these are most important to you and your job?

- Pay
- Job security
- Friendship

20. I have a great social relationship with my work colleagues

Strongly Agree Agree Disagree Strongly Disagree

21. I have plenty of time to talk to my work colleagues during my working hours

Strongly Agree Agree Disagree Strongly Disagree

22. I often meet up with my work colleagues by way of arrangement outside working hours

Strongly Agree Agree Disagree Strongly Disagree

23. The people I work with would stick up for me if I had trouble with my supervisor

Strongly Agree Agree Disagree Strongly Disagree

24. I like this org better than any other firm I have worked with

Strongly Agree Agree Disagree Strongly Disagree

25. The work I do is important to the firm

Strongly Agree Agree Disagree Strongly Disagree

26. If I were to begin working again in the same occupation, I would very likely choose this form

Strongly Agree Agree Disagree Strongly Disagree

27. I am proud to work with this organisation

Strongly Agree Agree Disagree Strongly Disagree

28. If I have a complaint to my supervisor he/she will do something about it

Strongly Agree Agree Disagree Strongly Disagree

29. Management show appreciation for good work & extra effort

Strongly Agree Agree Disagree Strongly Disagree

30. Management recognises honest mistakes as part of doing business

Strongly Agree Agree Disagree Strongly Disagree

31. Management genuinely seeks & responds to suggestions & ideas

Strongly Agree Agree Disagree Strongly Disagree

32. Management involves people in decisions that affect their jobs or work environment

Strongly Agree Agree Disagree Strongly Disagree

33. This is a psychological and emotionally healthy place to work

Strongly Agree Agree Disagree Strongly Disagree

34. Our facilities contribute to a good working environment

Strongly Agree Agree Disagree Strongly Disagree

35. I am able to take time off from work when I think it's necessary

Strongly Agree Agree Disagree Strongly Disagree

36. People are encouraged to balance their work life & their personal life

Strongly Agree Agree Disagree Strongly Disagree

37. Management show interest in me as a person, not just an employee

Strongly Agree Agree Disagree Strongly Disagree

38. We have special & unique benefits here

Strongly Agree Agree Disagree Strongly Disagree

Appendix 4

Line Manager Absenteeism Questionnaire

Line Manager Interview Questions

I am conducting a report for both management teams on absenteeism in GlaxoSmithKline.

As part of completing this report I have to collate department absenteeism findings, and in order to do so I have a few questions to ask you to find out more about absenteeism in your department.

Please note that these answers are going to be confidential & anonymous and this information will be kept in Human Resources at all times.

Have you any questions before we begin?

