The Well Managed Organisation

Report of the Chief Fire Officer

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1   Purpose of Report

This report informs Members of the Human Resources Committee about the recently released report from the Ministerial Task Force for Health, Safety and Productivity, and the recommendations within it.

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2   Recommendations

In light of the report it is recommended that:

a)   The monitoring arrangements/statistics be adopted by the Fire Authority after the implementation of the new Human Resources system

b)   After the implementation of the new Human Resources system update on sickness absence statistics be brought to Human Resources Committee every six months

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3   Background

Fire and Rescue Service Circular 31/2007 drew attention to a report entitled the 'Well Managed Organisation'. The report focuses on the management of sickness absence within public sector organisations and makes suggestions about the frameworks that should be in place to ensure that sickness absence is minimised. The report included three products produced by The Work Foundation aimed at different levels of the management chain:

- Guidelines for Boards
- Guidelines for HR Directors and Senior Managers of Business Units
- Diagnostic Tools for Handling Sickness Absence

The diagnostic tools and guidelines for Human Resources Directors and Senior Managers will be integrated into existing management arrangements within Shropshire Fire and Rescue Service (SFRS). The 'Guidelines for Boards' document is attached as an appendix for reference.

4   Current Absence Situation

Sickness absence statistics are collated and monitored quarterly and we are required to report annual figures for uniformed employees as part of the annual performance statistics collated and compared nationally.

Performance for the last 3 years has shown absence rates at:

	% shifts lost to sickness absence (wholetime)	% shifts lost to sickness absence (all staff)
2004-05	9.06	9.17
2005-06	8.59	9.65
2006-07	9.2	10.0

The forecast for the current year is good and we are hoping to see absence levels drop below the level of 2006-07. The figures given above do not show the distinction between long (over 28 days) and short term absence. A significant proportion of the figures shown in the table above are contributed to by a few staff with long term absence.

The management of absence is dependent upon timely and accurate management information. Such information is not available to us due to the outdated electronic Human Resources system currently in place. This makes extraction and corroboration of information difficult and extremely time consuming. Action has been taken to address this problem and the Human Resources department are currently working with Shropshire County Council to install their 'ResourceLink' Human Resources system. Not only will this allow for more accurate and timely absence information to be extracted, it will also enable the department to automate processes and report on information that was previously only ever collected and collated by hand.

With full installation expected to be complete by October 2007 we expect to begin to see the benefits in terms of managing absence data over the next reporting year 2007-08.

5   Current Absence Management Arrangements

SFRS has a detailed policy on the management of sickness absence which has recently been updated. The policy covers the management of short and long term illness as two distinctly separate areas and considers the use of modified duties and a formal monitoring and interview procedure for those returning to work from sickness absence. This includes a 'trigger' point for formal interview after 3 periods of absence.

A full Occupational Health service is provided by an external contractor, which includes a specialist occupational health nurse and doctor, and access to psychological support where appropriate.

Training is also planned for all new post-holders in the application of the policy and its associated procedures to ensure that these skills are maintained across existing and new managers.

6 Matters for Consideration

The 'Well Managed Organisation' report cites four strands of effective management of sickness absence. Each of the recommended four strands is shown below with information about the current activity within the Service in that area:

1) **Monitoring, measuring and understanding information about absence**
   Given the technology issues outlined above, timely information can be difficult as data extraction and interpretation is usually done manually. The report recommends that the following information is collected and analysed:
   - The overall number of days lost to absence;
   - The cost of absence to the organisation;
   - Absence broken down by:
     - occupational group/ grade
     - geographical location
     - gender
     - ethnicity
     - age
     - length of service
     - duration, so that a clear distinction can be drawn between long-term and short-term absence;
   - Analysis by type of absence.

   These recommendations will be incorporated into the standard reporting process for the new system and this information can then be regularly monitored.

2) **Managing sickness absence when it happens**
   As outlined at 5 above there is a robust management system in place which will be further reinforced with the imminent round of training.

3) **Promoting a healthy environment: tackling the causes of absence**
The occupational health monitoring of staff includes a medical at the point of recruitment, a regular medical after the age of 40 and annual fitness assessments carried out on station by a fitness expert. Under the new contract due from 2008, this will increase to regular medicals for everyone irrespective of age. We also intend to increase the number of specific health promotion initiatives provided for within the contract and the health surveillance for support staff

4) **Promoting a culture that encourages attendance**
The recent Investors in People re-accreditation assessment included very positive responses from staff. The recently conducted Cultural Audit has been helpful in indicating some areas for improvement such as communication. We have a Flexi-time system for non-uniformed staff in place and operational staff have regular work routines which enable them to plan their time around a structure as far as is possible within an emergency service. We also offer a wide range of training opportunities throughout the organisation.

7   Financial Implications

There are no direct financial implications to this report although the effective management of absence will reduce costs to the organisation such as sick pay and lost productivity.

8   Legal Comment

There are no legal implications arising from this report.

9   Equality Impact Assessment

This report is regarding the application of government recommendations to our organisation and therefore an Initial Equality Impact Assessment has not been completed but would be undertaken on any specific changes/initiatives introduced.

10   Appendix

The Well Managed Organisation, Guidelines for Boards.

11   Background Papers

There are no background papers associated with this report.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	
Capacity	*	Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	*
Fire Control/Fire Link		Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	

Putting Shropshire's Safety First

MINISTERIAL TASK FORCE

ON HEALTH, SAFETY AND PRODUCTIVITY
THE WELL MANAGED ORGANISATION

GUIDELINES FOR BOARDS

SEPTEMBER 2006

the work foundation

CabinetOffice

DWP Department for Work and Pensions

HSE

THE WELL MANAGED ORGANISATION - GUIDELINES FOR BOARDS

Workplace absence and productivity are highly important issues. They affect our competitiveness and productivity as a player in the global economy. They can been seen as an indicator of how well an organisation is managed. And, not least, they have an impact on individuals in the workplace – their health, well-being and motivation.

Across the public sector we need to attract, retain and develop high performing staff who can contribute to the delivery of world class services to the public.

I chair a Task Force on Health, Safety and Productivity in the public sector. Its work is closely linked to the Government's Health Work and Well-being strategy which sets out a blueprint for change to create healthier working environments while making sure that people get the help and support they need to stay in work if they do become ill. We want the public sector to lead by example in offering healthy workplaces and good quality jobs to well motivated staff.

Stakeholders have told us that securing lasting improvements and culture change needs sustained management commitment. Effective absence management is a core discipline for any well-run organisation, but it needs a "whole systems" approach - well managed organisations tend to have low levels of sickness absence and to deliver first rate services. So we want Boards, Chief Executives and HR Directors across the public sector to see absence management and staff well-being as one of their core functions.

To help senior managers across the public sector meet the challenges, the Task Force asked The Work Foundation to produce a clear profile for the well managed organisation. The approach focuses on understanding information about absence, managing sickness absence when it happens, tackling the underlying causes and promoting a culture that encourages attendance.

I hope that these guidelines will help you respond to the challenge and warmly commend them to you.

Lord Hunt of Kings Heath
DWP
Chair, Ministerial Task Force on Health, Safety and Productivity.

THE WELL MANAGED ORGANISATION

GUIDELINES FOR BOARDS

Why should you care about absence and what should you do about it?

Introduction
Why should public service organisations worry about sickness absence? Simply put:

- Absence is a cost - and a good measure of overall organisational efficiency;
- Absence affects the public reputation of your organisation;
- Sickness absence is a good indicator of the health of your organisation.
  It reflects overall levels of employee well-being.

These guidelines are intended to support boards as they try and reduce levels of sickness absence and promote healthy attendance. They are part of a "whole systems" approach, which links top level commitment to operational delivery, to tackling problems that are organisational rather than individual and to the involvement of employees and their representatives. They are supplemented by guidelines for HR managers and diagnostic tools designed to ensure that managers have the skills they need to both manage absence effectively and address the underlying causes of the problem.

Developing an absence strategy
In practice an effective sickness absence and healthy attendance strategy will have four strands:

- Monitoring, measuring and understanding information about absence;
- Managing sickness absence when it happens;
- Promoting a healthy environment: tackling the causes of absence;
- Promoting a culture that encourages attendance.

For your strategy to be successful employees need to see that you care about the quality of the working environment, want to know why staff are absent and are determined to treat not just symptoms but causes.

Taking the workforce with you
Looking beyond these elements of strategy you must also be clear that:

- The workforce understand that you are serious about reducing sickness absence;
- This is high on your agenda in discussions with trade union or other representatives of the workforce.

Monitoring, Measuring and Understanding
Good information systems are essential for absence management. To manage absence you need to understand it. An effective flow of information on sickness absence will include:

- The overall number of days lost to absence;
- The cost of absence to the organisation;
- Absence broken down by:
  - occupational group/ grade
  - geographical location
  - gender
  - ethnicity
  - age
  - length of service
  - duration, so that a clear distinction can be drawn between long-term
  and short-term absence;
- Analysis by type of absence.

In addition, you should ensure that:

- The process for collecting data is clear, simple and reliable. For instance, whether you are measuring calendar days sick, working days lost, how you are treating part timers and shift workers;
- It is clear who is responsible for recording the absence of their staff and the quality of data is assured. Best practice is usually for line managers to be responsible for absence reporting.

Once you have an effective information system in place you need to decide who will get the information and what they are expected to do with it. In particular you will need to agree:

- The information that you will consider as a Board;
- The targets that you will set for absence management reduction;
- The action that you will take if targets are not met;
- The information that is supplied to line managers;
- The action that you expect from them to deliver targets and take remedial action if they are not met.

Targets
- You must decide the level at which targets are set – corporate, team or individual?
- Targets should reflect real circumstances. You may need to differentiate targets for short-term and long-term absence and causes of absence, in particular whether the cause of absence is work related. Managers at different levels of the organisation may need different targets that reflect the composition of the workforce, the nature of the work and the mix of grades and gender. Absence in a prison may be rather different from absence in a Whitehall department.

Accountability
You must be clear about how who is responsible for the delivery of targets and to whom they are accountable. In particular you might consider whether:

- A member of the Board should be given specific responsibility for absence management?
- You give adequate attention to the risks associated with high levels of absence? Do your non-executive directors or the audit committee satisfy themselves that your policies and controls properly reflect the operational and reputational risks?
- Managers are performance managed against their absence targets?

Analysis and diagnosis
The information system should be designed so the boards and managers are able to interpret the data and identify:

- Unusual levels or types of absence;
- Where absence seems to reflect particular factors – gender, age, occupation, work organisation/job design, shift patterns, location, management unit etc.;
- Trends in patterns of absence.

While this may be useful in identifying systemic problems you also need a sense of how you are performing in comparison to other public services. You should benchmark so far as possible against:

- Wider departmental or public service targets;
- Patterns in similar organisations;
- Typical levels for grades, gender, age, location, job type etc.

Costs

High levels of absence are a cost to the organisation – resources that might otherwise be used to deliver public services. Questions that you should consider include:

- Do you know how much absence is costing you today?
- Can you break down these costs by department/operational unit?
- What action do you need to take to get a better understanding of the costs of absence?

Managing Absence When it Happens

Here are some suggestions of actions that need to be taken in managing absence when it happens:

- Ensure that staff contact their line manager on each day of self-certificated absence;
- Require an informal return to work interview after every period of short-term absence;
- Require a formal return to work interview (which is documented) where absence is over seven days in duration;
- Insist on certification if the number of short-term absences exceeds five in twelve months;
- Introduce a compulsory reference to occupational health (where possible) if absence reaches a "trigger" level in a twelve month period, to pick up early signs of longer term problems and issues;
- Check on persistent Monday or Friday absence;
- Consider pay effects for staff who fail to certificate after absences of more than five working days;
- Offer more sensitive arrangements for special and compassionate leave so that parents and carers are not compelled to take sick days to meet their domestic responsibilities – and ensure that these arrangements are properly implemented.

You also need to ensure that managers have very precise guidance, and the necessary training, to know what they are meant to do in response to sickness. In particular:

- Is it clear what questions they can and should ask about sickness consistent with medical confidentiality?
- Is it clear what assessments they are required to make, without expecting them to question medical judgements or implying that they are expressing medical opinions?
- Are the criteria clear for when they should refer a case to HR, occupational health or occupational welfare specialists?

A key reason that absence may not be tackled firmly is managers' natural reluctance to act in way that implies involvement in medical matters that are not their business.

Promoting a Healthy Environment: tackling the causes of absence

Staff need to be persuaded that you are not just interested in managing absence when it happens, but in promoting the well-being of staff. More specifically you will need to determine:

- How you will assess whether you have a systemic problem – diagnosis;
- What further action you can take to promote health in the workplace – prescription.

Diagnosis

- Are you measuring the kinds of illness that seem to be causing you a problem? What specific action can you take to reduce the incidence of such illnesses?
- Are you taking advice from occupational health specialists about action to reduce health risks?
- Is this integrated into your normal processes for health and safety risk management? Is the health of the workforce a critical factor in your strategic management thinking?

Health promotion

Employers have a duty of care to employees to minimise risks to health in the workplace. Some organisations have made a deliberate effort to promote workplace health through initiatives to reduce the incidence of:

- Smoking;
- Obesity;
- Unhealthy eating;
- Alcohol consumption;
- Stress;
- Back injury;
- Work related upper limb disorders (RSI and similar conditions);
- Sedentary lifestyle.

More specifically, employers have often considered the following in trying to reduce absence:

- Assessments of workplace comfort and the appropriateness of workstations;
- Action to make reasonable adjustments to comply with the Disability Discrimination Act;
- Action to improve the mental health of the workforce;
- Programmes to encourage health check ups and guidance on healthy lifestyles – "well man" and "well woman" clinics for example;
- Specific programmes to offer or arrange access to inoculations
  – flu jabs in the winter, for example;
- Action to make managers more aware of the factors that drive absence and the steps that can be taken to manage this effectively – especially in times of rapid change.

Promoting a Culture That Encourages Attendance

Persistently high absence rates suggest that there may be something wrong with the organisation itself. Your employees may be expressing a degree of general unhappiness with the working environment. Factors that can drive high levels of absence include:

- Employment insecurity;
- Monotonous and repetitive work;
- A lack of autonomy and job control;
- Imbalances between effort and reward;
- Procedural justice in the workplace – are employees confident that they will be treated fairly if they have a problem at work?

In practice, getting at the root causes will require you to:

- Ensure that workers have a voice in difficult processes of change;
- Give employees more varied work, potentially extend their responsibilities to make work more interesting, improve productivity and potentially increase pay;
- Give employees more control over the pace of their work and the opportunity to influence decisions that affect them directly;
- Ensure that employees get regular feedback from managers, are praised for good performance and are supported if they need to improve their performance.

It is important to understand all aspects of management style and organisational culture can affect absence levels. Set out below are some specific areas where you may wish to focus you attention, which could potentially generate much lower levels of absence

Working patterns
- Do you have a "long hours culture? What action are you taking to address this?
- Do you have flexible working arrangements that allow parents and carers to achieve a proper work-life balance, without feeling compelled to take sick days to meet their domestic responsibliities?

Time management
- Do employees believe that the time spent at work matters or are there lots of "fallow periods" during the day, so there are no adverse consequences if the employee is absent from the office for several days?
- If employees take time off sick do they understand that it will affect their own workload and the workloads of others?

Job Quality
- Have you considered how jobs can be made more interesting?
- Do you give employees opportunities to develop their skills and apply newly acquired skills?
- Are new ideas valued? Do you have a culture where all employees are confident that they will be rewarded for innovation?

Communication

- Do you inform workers and their representatives about significant changes that will affect them?
- Do you use organisational newsletters to communicate information to all employees?
- Do line managers regularly keep employees informed about new developments?
- Do you undertake a regular staff survey to evaluate the effectiveness of your communication strategies?

Performance

Do you have a culture that:

- Creates an expectation that employees should achieve high standards?
- Ensures that employees are praised when they deliver good performance?
- Supports employees who need to improve their performance?

Conduct and behaviour

Are you confident that your managers have an approach:

- That values all employees' contributions and supports a high performance culture?
- That avoids "command and control" and excessive hierarchy, which can increase levels of absence?
- That trusts employees with the greatest level of autonomy consistent with the accountability required by the organisation?

Sustaining senior management commitment

All of the above will only prove effective if:

- boards continue to treat reducing absence as a priority;
- introduce effective information systems;
- ensure that managers have the skills they need to manage absence effectively;
- address the systemic problems and the underlying causes of absence; and,
- understand that good absence management is a powerful indicator of a "well managed organisation".

The Well Managed Organisation

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