Absence rates and costs: XpertHR survey 2015

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The report includes:
  • The full article as it appears on XpertHR

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Absence rates and costs: XpertHR survey 2015

Author: Noelle Murphy

About this survey report

This summary report covers key findings from the 2015 survey on sickness absence rates and costs, and focuses on absence figures according to industry, organisation size and sector.

XpertHR’s benchmarking service has the full data on all the questions from this survey.

Latest XpertHR data on absence rates and costs is based on findings from 670 organisations across the UK, covering almost two million employees, making it currently one of the largest surveys of this type.

Our annual XpertHR survey of absence rates and costs in the UK finds that the national average absence rate stood at 2.8% of working time in 2014, equivalent to 6.5 days per employee. Below, we analyse our findings in detail - for example, by broad sector and workforce size and industry to enable organisations to benchmark themselves against their comparators. This year, we have broken down our findings by five bands of employee numbers - between 1-99, 100-249, 250-499, 500-999 and 1,000+.

We are able to provide an analysis of absence rates and movements across a matched sample of 75 employers that participated in this year’s and last year’s survey.

We also include a regional breakdown of absence rates and days to enable regional benchmarking (see map below).

Average sickness absence as percentage of working time per annum

Source: XpertHR sickness absence rates survey 2015.
**Headline results for sickness absence in 2014**

This year’s annual XpertHR survey of absence rates and costs in the UK finds that the national average absence rate stood at 2.8% of working time in 2014, equivalent to 6.5 days per employee.

When we look at the median rate of absence this figure is reduced - 2.5% of working time lost to absence (see table 1), the equivalent of 5.7 days per employee (see table 2). The median takes the exact midpoint in the range of absences, thereby reducing the impact of exceptionally high or low figures.

Another way of expressing sickness absence is to look at the results that fall within the interquartile range, which also exclude the highest and lowest figures and instead focuses on the middle 50% of findings. For 2014, the interquartile range shows absence rates at between 1.5% and 3.8% of working time lost. When expressed as number of days' absence, the interquartile range falls between 3.5 and 8.6 days' absence per employee.

Looking at the overall trend in absence rates, figures this year show a slight increase compared with 2013 - median figures for 2013 show absence rates at 2.3% and 5.2 days, and average figures of 2.6% and 6.0 days. However, as our time series graph shows, absence rates have been generally decreasing since we first started collecting data in 2006.

**Comparing 2014 absence rates with 2013 - a matched sample**

We also track absence rates and number of days' absence per employee among over time among a matched sample of respondents. This year, we match rates and days with 75 organisations, comparing data from 2013 with 2014.

The median absence rate among these 77 employers was 3.2% of working time in 2013, and remains that for 2014. When we look at the average rate, we find similar figures - 3.1% in 2013 and 3.2% in 2014.

Expressing this as number of days' absence, in 2013 our 75 organisations lost a median of 6.9 days per employee, and 7.2 days in 2014. Looking at the average, in 2013, our matched sample of organisations lost 7.0 days per employee. In 2014, this increased slighted to 7.2 days.

The figures show an overall stability in absence rates, among our matched sample, in line with our overall findings.

Having a matched sample of employers with which to benchmark absence rates enables XpertHR to track trends in actual absence patterns among these organisations year on year.
### Table 1: Absence rates by sector and organisation size 2014: percentage of working time lost per annum\(^{1,2}\)

<table>
<thead>
<tr>
<th></th>
<th>All employers</th>
<th>Broad economic sector</th>
<th>Workforce size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Private-sector services</td>
<td>M&amp;P(^3)</td>
</tr>
<tr>
<td>Lower quartile</td>
<td>1.5%</td>
<td>1.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Median</td>
<td>2.5%</td>
<td>2.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Upper quartile</td>
<td>3.8%</td>
<td>3.6%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Average</td>
<td>2.8%</td>
<td>2.8%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

1. Explanations of our calculations, averages, medians, upper and lower quartiles, and the industries covered by each economic sector can be found in an accompanying file.
2. Statistical breakdowns are shown only where the sample size is at least 10.
3. M&P = Manufacturing and production

n = 670 organisations.
Source: XpertHR.

### Table 2: Absence rates by sector and organisation size 2014: number of days' absence per employee per annum\(^{1,2}\)

<table>
<thead>
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<td></td>
<td>Private-sector services</td>
<td>M&amp;P(^3)</td>
</tr>
<tr>
<td>Lower quartile</td>
<td>3.5</td>
<td>3.1</td>
<td>3.6</td>
</tr>
<tr>
<td>Median</td>
<td>5.7</td>
<td>5.1</td>
<td>5.2</td>
</tr>
<tr>
<td>Upper quartile</td>
<td>8.6</td>
<td>8.2</td>
<td>7.5</td>
</tr>
<tr>
<td>Average</td>
<td>6.5</td>
<td>6.3</td>
<td>6.0</td>
</tr>
</tbody>
</table>

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3. M&P = Manufacturing and production

n = 670 organisations.
Source: XpertHR.
Downward trend in absence rates

Effectively managing absence rates within an organisation saves money - our own figures show that absence costs employers an average of £561 per annum. Looking at absence rates over time since 2006, we can see that employers are more proactively measuring, monitoring and managing absence with rates falling from an average of 4.0% in 2006 to 2.8% in 2014.

In terms of the number of days' absence per employee there has been a significant reduction - from 8.3 days in 2006 to 6.4 day in 2014.

Chart 1: Absence rates for all employers, % of working time per annum, 2006-14

1. Explanations of our calculations, averages, medians, upper and lower quartiles, and the industries covered by each economic sector can be found in an accompanying file.
2. Statistical breakdowns are shown only where the sample size is at least 10.

Source: XpertHR.
Chart 2: Absence rates for all employers, number of days' absence per employee per annum, 2006-14

1. Explanations of our calculations, averages, medians, upper and lower quartiles, and the industries covered by each economic sector can be found in an accompanying file.
2. Statistical breakdowns are shown only where the sample size is at least 10.

Source: XpertHR.

Absence rates by sector and industry

Different sectors of industry experience different levels of absence rates. As charts 3 and 4 below indicate, the wide variation of workforce absence among UK employers becomes even more apparent when the XpertHR findings are broken down into specific industries.

The public sector continues to experience the highest levels of absence, specifically within public health and safety organisations. Employees in this sector take 9.8 days per annum as sick leave, two days more than the industries with the highest levels of absence in manufacturing and production (food, drink and tobacco, at 7.9 days) and private-sector services (not-for-profit, at 7.8 days). This is the equivalent of 4.3% of working time lost due to sickness absence. This mirrors latest sickness absence rate data of 4.4% from the Health and Social Care Information Centre, published in July 2015, and covering NHS sickness absence rates from January to March 2015.

However, when we look at trends over time for the public sector, we can see a steady decrease. In 2006, for the sector as a whole, absence rates stood at 4.4%, equivalent to 9.4 days per employee - in 2014, this stands at 3.5% and 8.1 days.
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2. Statistical breakdowns are shown only where the sample size is at least 10.

Source: XpertHR.
1. Explanations of our calculations, averages, medians, upper and lower quartiles, and the industries covered by each economic sector can be found in an accompanying file.

2. Statistical breakdowns are shown only where the sample size is at least 10.

Source: XpertHR.

Comparing sickness absence costs

In 2014, among our respondents providing figures, the cost of absence per employee stood at a median of £367 and an average of £561 (see table 3). This compares with £693 per employee in 2013, when averaged across the whole workforce, and a median figure of £408 per head.

However, as is consistently the case with our research in this area, the majority of respondents have not been able to provide a figure. Among the 35% of employers that do, the overwhelming majority (88%) based their costs on salaries of individuals on sick leave. Very few measure overtime costs, wages of temporary staff, indirect costs or the costs arising from reduced performance.
Table 3: Cost of absence per employee in 2014

<table>
<thead>
<tr>
<th></th>
<th>Average (£)</th>
<th>Median (£)</th>
<th>n =</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employers</td>
<td>561</td>
<td>367</td>
<td>130</td>
</tr>
<tr>
<td>Broad economic sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private-sector services</td>
<td>556</td>
<td>355</td>
<td>76</td>
</tr>
<tr>
<td>Manufacturing and production</td>
<td>475</td>
<td>301</td>
<td>36</td>
</tr>
<tr>
<td>Public sector</td>
<td>753</td>
<td>593</td>
<td>18</td>
</tr>
<tr>
<td>Workforce size (no. of employees)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-99</td>
<td>593</td>
<td>380</td>
<td>28</td>
</tr>
<tr>
<td>100-249</td>
<td>592</td>
<td>229</td>
<td>32</td>
</tr>
<tr>
<td>250-499</td>
<td>366</td>
<td>321</td>
<td>30</td>
</tr>
<tr>
<td>500-999</td>
<td>633</td>
<td>670</td>
<td>17</td>
</tr>
<tr>
<td>1,000+</td>
<td>681</td>
<td>553</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: XpertHR.

Our research

This report is based on original research on employers' 2014 sickness absence rates and also formed part of our 2014 sick pay survey, carried out online in May and June 2015. Responses were received from 719 organisations, employing 1,960,000 people. The breakdown by economic sector is as follows:

- 441 (61%) are in private-sector services;
- 177 (25%) are in manufacturing and production; and
- 101 (14%) are in the public sector.

Broken down by workforce size, the respondent organisations comprise:

- 329 (46%) with between one and 249 employees;
- 220 (30%) employing between 250 and 999; and
- 170 (24%) with 1,000 or more.

The smallest organisation employs six employees and the largest employs 310,000 people. The average number employed is 2,720.

Among the 719 employers, 670 were able to provide sickness absence data.
What should I do now? (subscription required)

- See Line manager briefings > Short-term sickness absence to brief line managers on managing short-term sickness absence.
- Refer to this How to > How to deal with an employee with a poor sickness record to help line managers deal with an employee who has a high level of sickness absence.
- Read Good practice manual > Attendance management for guidance on improving employee attendance.

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