ARGYLL AND BUTE COUNCIL

Improvement and HR

Audit Committee

11 December 2009

TITLE: Absenteeism and Stress and Recruitment and Retention

1. Summary

1.1. This report has been produced in response to a request from the Audit Committee of 26th June 2009 to report on HR policies and procedures relating to absenteeism and stress and recruitment and retention of staff.

2. Recommendations

2.1. The contents of this report are noted and approved by the Audit Committee for submission to the Council.

3. Details

3.1. Attendance Management – Current Situation

3.1.1.   The Council first introduced a Managing Attendance Policy in 1997 to ensure that levels of employee absence were monitored and reviewed. A major review of the Policy was conducted in 2007 with more guidance provided for staff and managers. The next major review is scheduled for 2010.

3.1.2.   Attendance figures are recorded by departments in Pyramid and monitored at a department and Council wide level. More detailed returns are provided to Strategic HR to allow for further analysis. These figures are broken down by Department, Head of Service, area and staffing group (APT & C, Manual, Craft and Teaching staff). The figures are analysed annually on a Council wide basis.

3.1.3.   The present Statutory Performance Indicator (SPI) is based on the average number of days lost per full time employee. A target of 7.6 days lost per employee has been set in Pyramid and the traffic light system has been set up to reflect this. This allows for easy identification of problems. This target is based on the difference between the Council's absence levels in the 2008/09 financial year and the average absence in the private sector using the figures supplied by the Chartered Institute of Personnel and Development (CIPD). This has been set as the target to support/drive a reduction in the absence level and help move these closer to private sector levels. Attendance figures are available from Q1 2008/09 onwards in Pyramid.

3.1.4.   A percentage figure in terms of working days lost (the previous SPI) has also been recorded for historical comparisons. The table below shows the trend over the previous five financial years in Argyll and Bute and across the other 32 Scottish local authorities. Figures for 2008/09 have not yet been published.

Period	03-04	04-05	05-06	06-07	07-08	08-09
ABC %	4.96%	4.82%	4.58%	4.81%	4.98%	4.23%
Average %	5.27%	5.16%	5.14%	5.30%	5.42%	-
Lowest %	3.14%	2.95%	3.19%	3.88%	3.76%	-
Highest %	6.41%	6.45%	6.29%	6.45%	6.51%	-
Rank	13	11	7	5	10	-

3.1.5. The data gathered is reported to Audit Scotland on an annual basis for the national statutory performance indicator. The 2008/09 figures have not yet been published, but in previous years, Argyll and Bute Council has performed relatively well being in the top 10 from 2005/06. Apart from slight rises between 2006 and 2008, the figures show a general positive trend.

3.1.6. Absence is also analysed based on the reasons for absence. The Categories for absence reasons have been supplied by the Council's occupational health service provider. Based on the tables below, the two main areas to focus attention on to reduce absence are "Musculoskeletal problems" and "Stress, depression, mental health and fatigue syndromes". The tables only show the top three reasons for long and short term absence.

Occurrences (Long Term)	%age
Stress, depression, mental health & fatigue syndromes	28.02%
Other musculoskeletal problems	21.15%
Unknown	19.23%

Occurrences (Short Term)	%age
Stomach, liver, kidney & digestion	21.36%
Infections	18.23%
Other musculoskeletal problems	12.38%

Days Lost (Long Term)	%age
Stress, depression, mental health & fatigue syndromes	27.20%
Other musculoskeletal problems	21.33%
Unknown	18.13%

Days Lost (Short Term)	%age
Other musculoskeletal problems	17.11%
Stress, depression, mental health & fatigue syndromes	16.86%
Stomach, liver, kidney & digestion	12.47%

3.2. Attendance Management – Services and Future Initiatives

3.2.1. The Council has an occupational health service provided by Serco. This allows the Council to receive advice on how best to deal with each case referred to them. Regular meetings take place between HR representatives and Serco to feed back on service delivery and to get updates on new services or initiatives being offered.

3.2.2. Musculoskeletal absence accounts for 25% of the Council's overall sick pay costs (not including additional costs such as paying staff to cover absent colleagues etc). Physiotherapy services are being provided by other local authorities and it is proposed that Argyll and Bute implement their own service. Research is underway to examine the best approach for a physiotherapy service within the Council. Costs for this are currently being obtained and a paper will be brought before the SMT in the near future.

3.2.3. The Council introduced a Stress Reduction Policy in 1999. Stress-related absence figures are collected on a Council wide basis as well as at departmental level. Support is available to employees through the Employee Counselling Service. This provides employees with 24 hour access to counsellors who are trained in areas such as bereavement, addiction, bullying and harassment and other personal difficulties. Information is readily available on this service through the Council's intranet and posters on notice boards in departments.

3.2.4. Further work on workplace stress is ongoing within Corporate Services with a pilot survey based on the Health and Safety Executive (HSE) Management Standards for Stress. Strategic HR will also be involved in this. The exit questionnaire has been amended to include more questions about work-related stress and this will be used from September 2009 onwards.

3.2.5. The Council's Learning and Development section provides courses in the Management of Stress, again based around the HSE management standards.

3.2.6. Following a national review of the Scottish Government Healthy Working Lives Policy, Argyll and Bute Council have started a project to work towards the bronze level award. As part of this, the forthcoming Employee Attitude Survey will include questions about health and well-being.

3.3. Attendance Management – HR and Payroll System

3.3.1. The Resourcelink HR and Payroll system is currently being reviewed to provide more accurate and detailed sickness absence information. This should assist the management of absence within the Council.

3.3.2. Resourcelink has a self service module which enables line managers to enter sickness absence data directly into the system. This, combined with the use of open-ended absence for those on long-term sick leave, will allow for up-to-date absence statistics to be reported. The whole project is due to be completed by September 2011.

3.3.3. There are plans to upgrade the reporting tool used with Resourcelink so that reports are made more readily available e.g. if an employee reaches a trigger point then a report may be sent automatically to their line manager. Line managers will also be able to view absence information through the Self Service module enabling them to identify any particular patterns of absence.

3.3.4. Following the identification of inconsistencies in the categories used for absence recording, a new categorisation system has been developed in conjunction with the Council's occupational health provider. This will allow for the data to be analysed more closely and accurately, and for more targeted initiatives to be developed to achieve the Healthy Working Lives Bronze Award.

3.4. Recruitment and Retention – Current Situation

3.4.1. A recruitment manual detailing the policies and procedures to be followed when recruiting employees was first introduced in April 2001. Over the years, this has been updated in accordance with amendments to employment legislation as well as changes to Council practices including the introduction of the Vacancy Management System (VMS).

3.4.2. In 2009, guides were developed by Strategic HR and incorporated into the Manual in response to new legislation on employing migrant workers. Guidelines on obtaining and giving references on new and existing/former employees have also been developed.

3.4.3. Recruitment and Selection training has been updated and HR policies and procedures are widely available in hard copy format, communicated to HR Business Partners to be cascaded throughout their department, and on the Council's intranet.

3.5. Recruitment and Retention – Initiatives

3.5.1. The Council is in the early stages of migrating to "myjobscotland", the new national shared recruitment portal for Scotland's 32 local authorities. The Council's recruitment policies and procedures will be amended as necessary to reflect this.

3.5.2. The ability to recruit and retain employees can be influenced by a number of internal and external factors including pay and reward, job satisfaction, working relationships with line managers and colleagues, career advancement opportunities, a good work-life balance etc. Whilst the overall level of pay is unlikely to play a major role unless it is way below the market rate, perceived unfairness in the distribution of rewards is very likely to lead to resignations. The Council has undertaken an extensive job evaluation exercise in order to ensure that employees are not discriminated against, particularly on the grounds of gender. A new pay and grading structure was introduced in February 2008 and this will be subject to an Equal Pay Audit at the conclusion of the Job Evaluation Appeals process currently estimated to be completed in April 2011.

3.5.3. A separate project on Workforce Deployment is currently being carried out as part of the "Process for Change". This will look at when and where employees work which could result in an improved work-life balance for some employees. Research has shown that the provision of flexible work options is one of the most important elements of a job to most people, second only to salary.

3.5.4. Opportunities for individual employees to develop their skills and move on in their careers should be maximised. This can be achieved in a number of ways including training, formal qualifications, secondments and permanent promotions. The Council regularly funds and/or runs a number of courses including SVQ's, Advanced European Computer Driving Licence, HNC in Business Administration, Institute of Leadership and Management Award etc. Secondments are currently utilised although there is no formal policy in place. In order to ensure consistency, a policy has been drafted and this is going through the consultation process at present; the next stage in which is to submit a report to the Strategic Management Team. Proposals for a work shadowing scheme are also in the early stages. This would enable employees to spend a short period of time shadowing another employee so as to gain a greater understanding and experience of a job, or a part of a job, in order to develop their own skills and knowledge. These initiatives could be brought together and promoted under the banner of "Growing Our Own".

3.5.5. Over the years and as part of "Growing Our Own", roadshows have been held across Argyll and Bute both in schools, and at various community venues to make people aware of the career opportunities available to them, and to

promote the Council as an employer of choice. As a result of this, work experience placements for school pupils have become more focused in an attempt to provide work experience in jobs or occupations which pupils are interested in pursuing. Unpaid work experience may also be available to university and college students upon request.

3.5.6.   The Council has had a Student Sponsorship Scheme for many years although at present this is little used. It allows the Council to sponsor a student by awarding them £1,500 as a sponsorship payment and up to £1,000 for fees for their final year of study and for the post qualifying diploma year. Summer vacation work between June and September can also be provided by mutual agreement. This could be used for posts which have proved difficult to fill and fulfils a number of functions. It is a way of promoting the Council as an employer, and also a way of bringing new ideas and up-to-date knowledge and thinking into the Council. The Scheme is currently available on the Council's website but could be promoted as a feature article around May/June time, and publicised by universities and colleges if departments had the budget to sponsor students.

3.5.7.   In addition, the Council offers apprenticeships for certain posts and has a well established procedure for the appointment of trainees. The Trainee's Conditions of Service and Salary Scales were revised as a result of Single Status and are a way of bringing people into the Council who may not necessarily have the qualifications or experience required immediately, but who can develop into jobs by undertaking the relevant training. It is particularly useful for occupations where there is a national or local shortage of fully qualified applicants. The Council currently employs 8 apprentices and 20 trainees in range of occupations.

3.5.8.   In order to ensure the ongoing delivery of services, the Council requires to have the right people, with the right skills, in the right jobs, at the right time. This is commonly termed "workforce planning" and links the business strategy to the HR Strategy. It requires knowledge of future service needs and pressures and through plans and approaches to recruitment and retention, employee development and training, determines how the Council gets to where it wants to be. Workforce planning is about "trying to predict the future demand for different types of staff and seeking to match this with supply"

Reliable, up-to-date information is crucial for workforce planning. As a minimum this includes job title and job description, location and length of service, personal employee details and figures on vacancies, turnover, reasons for leaving, qualifications and skills. The Council's HR system does not currently deliver all of the data required for workforce planning and this requires to be addressed as part of the review of the system. Some qualitative data is however available through the initiatives outlined in section 3.6 below, and these require to be built upon.

3.6 Recruitment and Retention – Statistical Evidence

3.6.1   Whilst some turnover may be desirable in order to bring new ideas into the organisation, the same levels of turnover can have a substantially different impact in one section compared to another. Where skills are scarce, recruitment is costly, or where customers or clients have developed strong working relationships with particular employees then any level of turnover could be problematic. Two measures are widely recognised as being useful

measurements of turnover and both are used within the Council. The first, voluntary turnover, measures the number of employees who leave the Council voluntarily. The second, the stability index, measures the number of employees who leave within the first twelve months of their employment.

3.6.2   A high number of staff leaving within their first year could indicate problems with the recruitment process such as unrealistic expectations of the job or a poor induction process, and longer term could lead to the employer having a poor reputation in local labour markets. Both indicators are reported in Pyramid and are broken down by service so that retention difficulties in particular areas can be easily identified.

3.6.3   Council employees have a number of mechanisms through which they can provide feedback. These include the Grievance and Disputes Procedure which has just been reviewed to ensure that it remains complaint with the recently revised ACAS Code of Practice: Discipline and grievances at work.

3.6.4   Both the Grievance and Disputes Procedure, and the Code of Disciplinary Procedures will be subject to a major review early next year in conjunction with plans to provide training to HR staff and line managers on workplace mediation. Conflict between staff can lead to grievances, absences and loss of valuable employees. Mediation can help people who don't see eye to eye to sort out their differences as quickly as possible which is why the Council is seeking to train its own workplace mediators in order to mediate in workplace disputes between individuals.

3.6.5   Employees can also raise issues through their trade union representatives, and through consultative bodies such as the Employee Joint Consultative Committee and Departmental EJCC's.

3.6.6   It is Council Policy that all eligible staff undergo a Performance Development Review (PDR) at least once per year. A target of 80% of all eligible employees has been set and this is monitored at a service, departmental and Council level on a quarterly basis in Pyramid. If employees have concerns then they should be encouraged to speak to their line manager about these at any time, but the PDR ensures that staff are given a formal opportunity to discuss their career aspirations, training needs or any other workplace issues at least once a year.

3.6.7   Departmental HR sections are responsible for issuing Exit Questionnaires to employees transferring to other posts, or leaving the Council altogether. Not all employees complete and return them although maximum participation is encouraged by guaranteeing confidentiality. Exit Questionnaires are returned to Strategic HR who provide anonymous feedback to HR Business Partners on any material issues including positive responses as well as bad. If trends are highlighted then the reasons for these should be investigated.

3.6.8   A full staff attitude survey was carried out approximately two years ago and a follow-up to this is planned for December 2009. External consultants will be used to ensure maximum participation, and impartiality of findings. The survey will include questions about job satisfaction, access to training and development opportunities, communications (both at a department level and across the Council) and, for the first time, questions relating to the forthcoming Healthy Working Lives initiative.

3.6.9　Tools such as these ensure that dissatisfied employees have a number of mechanisms available to them in order to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning may be the only option.

3.6.10　The Council is also monitoring equal opportunities data both for national audit purposes and for internal monitoring. The information gives the Council the opportunity to examine how people of different groups are employed, or can be employed within the Council, as well as the uptake by these different groups of HR certain policies. Equal Opportunities monitoring may also help to improve social inclusion and enhance the Council's ability to provide services to a diverse community by having a representative workforce at all levels.

4. Conclusions

4.1.1. In terms of attendance management, Argyll and Bute Council's absence figures have been relatively low in the past compared with other Scottish Local Authorities and the Policy closely matches that of the best performing Councils.

4.1.2. Proposals on the revision of policies and the reconfiguration of Resourcelink will enable the Council to better examine and manage attendance and recruitment and retention of staff by providing more in depth and accurate data.

4.1.3. It is important to have an understanding of employee turnover rates and how these may affect the Council's performance and ability to achieve strategic goals. An appreciation of turnover levels and absence rates/reasons across occupations, locations and particular groups of employees can help inform a comprehensive HR strategy.

4.1.4. Making sure that new employees have realistic expectations of their job and receive sufficient indication training will help to minimise the number of people leaving within the first twelve months of their employment and help ensure that the Council is an employer of choice in the local community. Tools such as confidential exit questionnaires, monitoring of grievances and staff attitude surveys can help the Council to understand why staff are leaving and enable appropriate action to be taken.

5. Implications

Policy　　　　　　Policies and procedures require to be kept-up-to date

Financial　　　　Budget to be identified for new initiatives (such as physiotherapy provision) which should lead to enhanced service provision and, where appropriate, reduced costs.

Personnel　　　　The initiatives outlined above can help with recruitment and retention and overall absence management.

Legal　　　　　　HR Policies and procedures ensure the Council complies with it's legal obligations.

Equal Opportunities HR Policies and procedures apply to all employees and are Equality Impact Assessed when reviewed, or as new policies or procedures are introduced.

Jane Fowler
Head of Improvement and Strategic HR