Your absenteeism rate is about 1 percent, and half of your employees have consistently perfect attendance. Are you elated, or are you concerned?

Based solely on the numbers, you would probably strain your arm trying to pat yourself on the back. But numbers alone are not all that indicative, particularly in the area of absenteeism. Unless you have an extremely small work force, you must look beyond the typical statistics and analyze exactly where the numbers are rooted.

For example, in a company of 250 employees, a 1 percent absentee rate (which is well below the accepted national average of 2 to 2.5 percent), equates to each employee's missing about three days per year, unexcused. This would be quite acceptable in most, if not all, organizations. But rarely, if ever, does absenteeism spread itself evenly across the organization, which means a 1 percent rate of absenteeism could be cause for concern.

Take the same 250 employee scenario with the same 1 percent rate of absenteeism, but this time it is the result of 50 employees each missing 15 days per year, while everyone else has absolutely perfect attendance. Same statistic, much different meaning! Granted, these are extreme examples for the point of illustration, but the reality of the situation is that a 1 percent absentee rate in one company could be cause for celebration while that same rate...
in another may be cause for concern.

Why should one care how those 750 days of absence are distributed, as long as the bottom-line figure is below the national average? Because, in the first example, there is uniformity across the organization in the perception of absenteeism. The work force is cohesive and no one is perceived as a blatant abuser of the system. In the second example, the great majority of employees is demonstrating the highest level of dependability and productivity, while a minority is taking advantage of the company and of their fellow employees.

The company that looks merely at the percentages and gives itself accolades one year eventually finds the numbers slipping until one day they are asking themselves, how did this happen? By that time, the cultural influences are quite solidified, the winners have probably lost their dedication (if they’re still there at all), and the so-called attendance management program is now an entitlement program.

There are some catch-22s, when efforts are made to correct this problem. Most employers look more at controlling absenteeism than at rewarding presenteeism, which means that in order to catch the abusers, you may end up penalizing a winner.

For example, almost any purely quantitative policy runs the risk of defeating its own purpose when it began to analyze the problem and brainstorm some creative solutions. Ironically, Drakenfeld had a population of about 250 employees with an absenteeism rate of only 0.89 percent. In fact, a full 44 percent of its employees had perfect attendance records in 1987. So, what’s the problem?

Just as was outlined at the beginning, a relative handful of employees make up the bulk of their absenteeism. With so many good attendees, a main issue was “How do we isolate and correct the problem without heavy-handed tactics at one end of the spectrum and giving away the ship at the other?”

Together, these issues were addressed, and the statistics were analyzed. It was decided that, if something was not done soon to reinforce the values of the winners at Drakenfeld, this impressive rate of attendance could be meaningless in the long run.

To best characterize the approach, neither the carrot nor the stick were counted on. Both were merely made a little bigger and a lot more visible. In addition to stiffer penalties for abuse and defining abuse within a five-year context, incentives were also developed for the people who were maintaining perfect attendance. One of the key features, however, was the visibility of both the carrot and the stick. It is not just important for Drakenfeld employees to see the program in action, but also for consequences to be visible, both positive and negative.

First, the carrot. Because of the significant population of perfect attendees, it was decided to capitalize upon the strengths and to not only reward these people but to showcase them to the organization-at-large. This included a monetary bonus of $50 at six months and again at 12, with an additional $25 bonus for a full-calendar year of perfect attendance. Such an incentive alone may not sound as though it would induce someone to crawl out of bed on a day he or she might not otherwise do so, but the majority of the work force already had

Incentives were also developed for people who were maintaining perfect attendance.

is interpreted in terms of “how many days am I allowed to miss?” Conversely, if such a policy is tightened up to the extent necessary to avoid this, it then runs the risk of penalizing otherwise dependable employees who may have had an honest streak of bad luck.

One solution is to remove some of the purely quantitative features of the policy and to allow more supervisory discretion to accommodate the difference between habitual abuse and uncharacteristic bad luck. As you know, the result of this approach is usually a perception of favoritism, not to mention the risk of inconsistency from one supervisor to another, which is natural. No system is perfect.

The HR professional at Drakenfeld Colors, Ciba-Geigy Corp., in Penn., along with an outside consultant,

John Putzier is president of FirStep, a consulting firm specializing in personal and organizational development in Pittsburgh, Penn.

Frank Nowak is manager, human resources for Drakenfeld Colors in Washington, Penn.

Illustration: Bill Firestone
a strong work ethic and that root behavior was still dominant.

In order to make the program visible and exciting, employees with perfect attendance were entered into a sweepstakes drawing to take place at a special awards banquet with employees, spouses and management. The winner would receive an all-expenses paid trip for two to a resort location. The cost/benefit ratio of this incentive is obvious.

Also, by tracking perfect attendance on a six-month basis, rather than just annually, employees could set attainable goals; it was more frequent in their minds, and one did not have to wait another full year in the event of an absence.

Response to the carrot aspect of the program was extremely well received, with perfect attendance increasing from an already impressive 44 percent to a new high of 62 percent in the first year (1988).

Should the carrot not be effective for a few, one may have to apply the stick approach. In addition to creating incentives for perfect attendance, this other phase of the program was designed to address the relatively small group of problem employees who, it appeared, would not want to change their behavior, even for personal recognition, monetary incentives or a trip to "club paradise."

The purpose of Drakenfeld’s program was stated as follows: "To maximize continuity of operations while keeping administrative burden to a minimum by clarifying expected behaviors, correcting the behavior of those who do not meet minimum expectations, and removing those employees who choose not to correct their behavior within a reasonable time period."

The next challenge was to define absence in such a way that would allow for legitimate situations without opening the door to continued abuse by a few. An absence was defined as "any time away from work not otherwise authorized by existing company policy: e.g., vacation, personal holiday, bereavement, jury duty, military duty and community emergency volunteer activity. All other absences will be recordable against the Attendance Control Program unless the absence includes a period of hospital confinement; or in- or out-patient surgery has been performed; and the employee submits documentation of either #1 or #2 above."

In order to allow for legitimate personal illness not requiring a hospital stay or surgery, the following disclaimer was inserted: "There may be, in rare circumstances, serious, disabling medical problems which may preclude attendance. These cases may be exempted with the approval of the department head, manager of human resources and/or a review by the company physician."

The language regarding outpatient surgery was included due to the increase in out-patient procedures in recent years, and we did not want to encourage people to be admitted to a hospital unnecessarily, thus having one cost savings offsetting the other.

A key provision of the control side of the program involved tracking attendance on a rolling five-year basis. Even though the new program did not have a retroactive provision (i.e., everyone started with a clean slate on January 1, 1988), the five-year concept better identifies continual abuse and minimizes the catch-22 mentioned earlier for occasional, legitimate absences by otherwise dependable employees.

There was some philosophical debate about allowing past abusers "amnesty" by starting clean in the new program, but the decision to do so was considered most beneficial for several reasons. First, no one could accuse management of changing the rules in mid-stream just to catch less-favored people off guard. Second, no one could claim the program was targeting any particular group or individual; and finally, the psychological benefit of starting with a clean slate in a new program truly allows employees to turn over a new leaf voluntarily. Remember, our objective is to correct behavior, not to penalize people.

Specifically, the five-year program is designed as follows:

- When an employee misses eight days in any calendar year, the employee will receive a formal written warning.
- The second time this occurs within a five-year period, the employee will receive a formal written warning and be placed on three months’ probation.
- The third time this occurs within a five-year period, the employee will be terminated. (Note: the employee will first be issued a final formal written warning and placed on six-months’ probation after the fourth absence in that calendar year.)

A provision was created to address cumulative absenteeism. This was added to combat the highly creative absentee who figures how to pattern his/her absence to maximum advantage with minimum retribution. Regardless of the pattern, the employee is subject to progressive discipline up to and including discharge at 20, 25, 30 and 35 days. Again, this is tracked over a five-year period.

As mentioned previously, visibility of an attendance control program is essential for it to have credibility. That is easy to address on the positive reinforcement side (i.e., recognition and awards banquets, bulletin boards, etc.). But, in most traditional attendance management programs, the good employees do not see anything happening to the
abusers, and, therefore, perceptually conclude that they are merely getting away with it. No one really sees the warning except the supervisor, the employee and human resources. All the other employees see is someone coming to work at his or her leisure and still picking up a paycheck just like they do. This contributes to the decline in morale and, as mentioned, eventually causes a slippage by otherwise dependable employees.

Although public ridicule is not being advocated, there are ways to make the stick as visible as the carrot, where necessary. By applying a probationary provision, the problem employee is dealt with fairly, equitably and visibly. The challenge is in defining probation.

In this program, probation is defined as follows: "Probation is not just a word, it is an action. Employees designated as 'on probation' will fall into an 'ineligibility' category for the following privileges:

- Voluntary overtime.
- Acting supervisor assignments.
- Job posting program.

This means that, unless other non-probationary employees are unavailable or unwilling to accept overtime, sub-supervisor duties, or posted vacancies, probationary employees will be ineligible until their probationary period has expired."

Granted, each organization would have to come up with its own definitions depending upon their culture and policies, but the main point is to clearly communicate expectations.

The probationary aspect of the program does not come into play until an employee has missed 16 days, unexcused, within a five-year period, or, in the cumulative schedule, after the 30th day. So, how does one make the stick visible in the meantime without being accused of overkill?

Just as many employees need incentives for coming to work, there need to be ongoing and visible disincentives for not coming to work. In the past, employees who worked a Saturday or Sunday received overtime pay, regardless of their attendance record that week or any other week. Again, this served as a visible irritant to those who are coming in for their sixth or seventh consecutive day, while someone else less dedicated and dependable rakes in the bucks right next to them.

Under the new program, an

The winners in your organization need to be recognized and rewarded for their positive behavior.

employee does not receive overtime pay unless the Saturday or Sunday represents their sixth or seventh day worked that week. No loss of overtime would occur if the employee was off on vacation, etc., during the week.

Another important piece to the attendance puzzle was found that has been unattended. That piece is called disability management. Drakenfeld is an all-salaried manufacturing facility, and employees get 100 percent of their pay (whether they came to work or not) for up to 16 weeks of disability. When private physicians evaluate an employee's ability to return to work, they do so with their primary occupation in mind.

An effective disability management program that contains provisions for temporary light-duty work educates both employees and physicians to the availability of these temporary assignments and allows employees to continue to earn their pay without jeopardizing their rehabilitation program. This has an obvious impact on both attendance and productivity.

The results
This program was initiated on January 1, 1988, after having two large training meetings for all supervisors as well as sending a letter to all employees and providing opportunities for questions and answers. After we reviewed the first full year under the new program, we found the results to be impressive. As mentioned before, the perfect attendance aspect of the program resulted in an improvement from an already impressive 44 percent to a new high of 62 percent or, put another way, better than six out of every ten employees did not miss a day in 1988.

In 1987, there were 10 people who missed eight days (or who would have been eligible for a warning under the new program). This past year, there was only one employee in this same category.

Overall, absenteeism went from an average of 2.4 days missed per employee in 1987 to 0.97 days missed in 1988, which translates into a reduction of absenteeism from 0.89 percent to 0.35 percent in one year! This is a record for which employees can truly be proud.

Again, every organization is different, but people's reaction to inequities is not. The lesson to be learned is not just that positive reinforcement works but that there is a place for both the carrot and the stick. One without the other results in attacking the problem only halfway. Properly designed, one complements the other. The winners in your organization need to be recognized and rewarded for their positive behavior, and those who do not respond need to understand that they have two choices: to demonstrate the values that are important to the organization and its workers, or to find a new work environment where this type of expectation doesn't exist. Fortunately for Drakenfeld, the winners far outnumber the non-conformers, and, for that, we are exceptionally pleased.