

## Companies turn to the cloud to better manage absence and reduce costs

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Managing absence in the workplace, whether for sickness, holiday planning, maternity/paternity leave or from flexible working patterns can be a real challenge for HR professionals without the right systems in place.

Keeping track of an employee's whereabouts is even harder for companies still using spreadsheets, as it can become a huge administrative burden. Manually updating a spread sheet with every individual's holiday request or sick day, as well as tracking maternity and paternity leave and increasingly, flexible working days, is hugely time consuming. Companies in this situation also lack visibility of where their employees are at any given time, and it can cause confusion and impact productivity levels.

With flexible working on the rise, it is becoming even more imperative that companies have robust systems for knowing where their employees are at any one time. In client-facing organisations, it can lead to some awkward situations if a client expects to be able to get hold of a particular person, but no one is sure where they are. It can also make introducing policies such as flexible working more difficult, as to do this successfully employers need to know who is due in when, and if someone is absent or if they are actually working from home.

This is leading more companies to take up cloud-based HR solutions, which are not only helping to manage absence but are also reducing costs by 20-30 per cent.

By introducing HR systems to manage absence, companies not only see an improvement in their absence rates and cost reductions but also begin to understand why absences are taking place and identify the root causes. Such intelligence enables them to have visibility of their employees on a day-to-day basis and improve HR policies and working procedures.

Managing absence due to sickness is probably one of the main areas where companies can make real gains. Workforce sickness and absence is costing the UK £29 bn a year, and having better ways to tackle it could go a long way in reducing this. Implementing a strategic absence management system can help monitor sickness levels, and if necessary introduce policies for dealing with patterns of sickness.

For example, with such systems, it is easy to see how often someone is off sick and if there is a pattern, such as them being off sick every Monday. A formal recording system allows managers to recognise if someone is frequently off sick and take them aside to find out if anything is wrong. Also, with stress in the workplace on the rise, this can help companies tackle it head on.

For the past two years, stress has been cited as the top reason for long-term sick leave according to the Health and Safety Executive (HSE)[1], with most businesses reporting a rise in staff stress levels. According to HSE, 11.3 million

working days were lost to stress, depression and anxiety in 2013/14, an average of 23 days per case, and the Centre for Economics and Business Research[2] has suggested the cost of work-related stress to the economy is £6.5 bn.

More recently, the CIPD's Absence Management Report 2015[3] says that the average level of employee absence has increased slightly compared with last year, from 6.6 days to 6.9 days per employee. In the public sector, average incidences of sickness however are now 50 per cent higher than in the private sector. The reports highlights that stress absence was one of the top five reasons for absence in the workplace.

One of the most cost effective and quickest solutions for HR departments to introduce an absence management system is through the cloud. This means that companies can get up and running very quickly and the system does not need to integrate with other workplace systems.

One company that has recently benefitted from introducing Activ Absence's software through the cloud this year is Irish company Fleetmatics, the leading global provider of mobile workforce solutions that provides fleet operators with visibility into the location of their vehicles, fuel usage, speed and mileage.

The company has experienced fast growth since it launched in 2004 and has served over 29,000 fleet management customers, with approximately 625,000 subscribed vehicles worldwide. In 2012, it floated on the New York Stock Exchange, and since then, its share price has grown by 52 per cent. The company's head count has also grown by 69 per cent, and new offices have been added in France, Italy and The Netherlands.

## The challenges

Until last year, Fleetmatics did not have an automated system in place for managing employee leave or absences. The HR team relied on a spreadsheet system to record leave and did not have any central

visibility of when employees were sick or on holiday.

HR was unable to gain any tangible metrics about absence management or produce meaningful data and reports for the board. The process of managing and updating the system was time consuming for HR and costly. With 300 employees and offices now in nine different locations, an automated system was needed.

## The solution

Michael Arkins, the company's new HR manager had used cloud-based, absence management software Activ Absence from Codel Software in his previous company to manage holiday and sickness absence. He had been impressed by its ease of use and extensive functionality, and it had saved the business significant time and money.

Michael explained, "Activ Absence is a very simple to use, but it is an incredibly sophisticated and powerful sickness and absence management system. It requires no staff training and enables holiday planning and sickness and absence to be managed in one place.

Once I understood the system could be customised for different countries, I didn't hesitate to introduce it. The change to our business has been phenomenal – transforming the way we manage absence and reducing our costs and absence rates".

Activ Absence has been introduced in six Fleetmatics locations including the UK, Ireland, France, Italy, The Netherlands and Australia.

Customised for each region, the system records the different public holidays in different countries and various kinds of leave. In Australia, for example, employees are allowed "personal" days on top of holiday and bank holidays, and in The Netherlands and Italy, there are different kinds of statutory leave – all are accommodated in Activ Absence.

Using Activ Absence, the company can also manage flexible working, and employees can all see exactly who is working and when – making

the process seamless. The system will also records who is working reduced hours, part time or overtime.

## The benefits

Michael Arkins said: "Previously, managing leave was complex and a big hassle. Since using Activ Absence the company is compliant, and completely on top of all our absence metrics.

We have an employee HR dashboard and at a glance we can view our entire workforce, making it so much easier to plan our resources. We have insight into our absence rates and can analyse them to spot trends in absenteeism and any potential issues with employees before they escalate. We can also put an accurate cost on our employee absence".

Using the system, HR can produce accurate reports regularly to chart absence trends and as employees also have visibility of their absence rates; the incidences of absence and unplanned leave have reduced.

The company monitors how much holiday people are taking and can now proactively approach people to ensure they take their full entitlement. Another benefit is that with one calendar that is accessible to everyone, there are no longer holiday clashes.

Michael said, "We have far better business continuity now as we no longer have situations where too many people are off at the same time. There are no surprises, we can plan our resourcing far more effectively which helps us better serve our clients and saves money. It has transformed the way we work and how we manage absence".

## Notes

1 Available at: [www.telegraph.co.uk/sponsored/business/unum-employees-roundtable/10881871/work-stress-health.html](http://www.telegraph.co.uk/sponsored/business/unum-employees-roundtable/10881871/work-stress-health.html)

2 Available at: [www.unum.co.uk/media/long-term-sick-leave-costs-uk-businesses-around-three-point-one-billion-each-year](http://www.unum.co.uk/media/long-term-sick-leave-costs-uk-businesses-around-three-point-one-billion-each-year)

3 Available at: [www.cipd.co.uk/binaries/absence-management\\_2015.pdf](http://www.cipd.co.uk/binaries/absence-management_2015.pdf)