Harry Franzheim—an HR/OD Practitioner for over 30 years—has published this newsletter to bring you careful insight into reducing costs and unlocking employee potential.

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Keeping Costs Down and Productivity Up

AT ISSUE

Employees that consistently arrive late, leave early or just blow off work can be symptoms of problems within your company. When employees feel needed and their work matters, time performance isn't an issue.

Managing the Usual (Time) Suspects

WILL ARRIVE WILL LEAVE IT'S NICE OUT

HR Fact:

Absenteeism adds approximately 36% more to base payrolls every year. Unplanned absences result in the highest net lost productivity per day (work not completed because the employee did not show). The average number of incidental unplanned absences per employee per year was 5.3 days. (2008 World at Work)

Zero. That's the number of days an employee is allowed to miss work. Anything else and we are on a slippery slope. I know, I know, "what about FMLA, parental leave, military leave, etc.…?" Blah, Blah, Blah. Of course there are the laws; there are always the laws, but what about setting a standard? What about setting an expectation? What about creating a culture where people just come to work?

I am not an idiot; of course people will miss work. But let's have an understanding that missing work, being late, leaving early, and taking extended breaks are all unacceptable. Absenteeism, just like a quality standard, is nonnegotiable. Being a little late is still late. When 8:00 is the start time, 8:01 is late! We don't allow a certain number of defects to be shipped to the customer, do we? Certainly not, but we know that it occasionally happens. And managing attendance should be handled exactly the same way.

Interesting and Challenging Work

Of course, the first step is to provide meaningful work that an employee finds interesting and somewhat challenging. Even if the work is menial, redundant, and requires little cognitive functioning, it can still be made meaningful when connected to the bigger picture. Unless you are over-staffed, every job has a purpose that helps the aim of the organization. When employees are needed and their work matters, they are more likely to show up.

Properly Staffed

What if you were absent for three days and no one noticed? That happened to an employee for a client I was working with. When organizations are so bloated with people in poorly designed jobs and sloppy organizational structure, it is impossible to connect meaning to work. If there is not enough work to structure effective jobs, then the organization is likely overstaffed.

Employees don't show at companies where they are not needed.

In-Touch Leadership

What if you were celebrating your fifth anniversary on the job, and you met your department manager for the first time? That actually happened too! Granted, the employee worked the night shift and the manager worked the day shift, but obviously this manager was not in touch with her people. She was likely a manager of things and not a leader of people. Employees don't show at companies where their managers don't care about them.

Point Systems Don't Work

The goal isn't to weed people out because of attendance. The goal is to get people to come to work. In this state, we don't need a reason to terminate employment, which means we can terminate for a good reason, a bad reason, or no reason at all. So playing the point system where the

object is to terminate is a waste of time.

The point system for managing attendance is a game in which the employer always loses. The theory of the point system is that employees will be motivated to come to work if you punish them for not showing to work. Miss a day of work and get 1 point. Come in late or leave early and get ½ point. Accumulate enough points and certain negative consequences occur. At 4 points in a 12-month period you receive a verbal warning. Get 6 points in 12 months and get a written warning. Get 8 points and get terminated. Effectively, then, an employee could be late 8 times and earn a tongue lashing. Imagine if every employee accepted that performance as a standard for acceptable attendance.

But the game doesn't stop there. Employees quickly learn how to rack up the points, wait until enough time goes by to lower the point count, and then skip work once again—always on the edge of avoiding significant discipline.

Everyone Knows Who the Offenders Are

I see it time and again: companies deploy elaborate policies on the entire workforce to "catch" the few offenders. My experience is that when it comes to attendance, a handful of employees have trouble meeting expectations and everybody knows who they are. Point systems, idle threats, and incentive programs do nothing to help these people get to work more often and on time.

The Solution—Inquire and Record

An employee typically has 240 opportunities in a year to get it right. Missing work, being late, leaving early is a defect. A 95% acceptance rate (5% allowable defects) means it's okay to miss work 12 days during the year or once a month. A 100% acceptance rate (zero tolerance for defects) means it is not okay to miss work at all. Let's set the bar and the expectations there. When defects occur, they get recorded. When an employee misses a day, is late or leaves early, we inquire of the employee if every-


TIP FOR KEEPING

Costs Down.
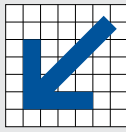
To keep absenteeism costs down, don't play games like using incentives or punishments. Such games just add costs, create fear, and give rise to the feeling of favoritism. Don't waste your time issuing points. The point system is a game in which the employer always loses. Instead, inquire and record the facts for each missed occurrence. Find root causes and put countermeasures in place. Gain commitment from your employees to solve the problems causing them to miss work. The cheapest solution to absenteeism is to make it clear from the beginning that ZERO is the acceptable level.

TIP FOR KEEPING

Productivity Up.
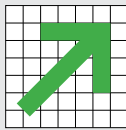
Great employees will get the wind blown out of their sails when they see management failing to address attendance issues of other employees. Most employees are on the job every day as scheduled. There always seems to be a handful of folks that routinely take advantage of the system. It is so obvious to the "floor personnel" what is going on that they will lose faith in their leaders when they continue to bury their heads in the sand. And when these employees lose faith, we have lost their productivity as well. Leaders that identify and confront patterns of poor performance early and compassionately will build trust among the employees.

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thing is okay, we ask the reason and we record it in our log.

As attendance defects continue, we continue to inquire and record. And as we record, we begin to look for patterns and trends. We also engage the employee in an interactive, problem-solving dialogue about the importance of being at work and the reasons for the defects and the possible countermeasures that the employee (and employer) are willing to take to resolve the problem. Once the problem and possible solutions are identified, we write an action plan spelling out exactly who will do what by when. This plan becomes a "commitment contract."

Missing a day, arriving late once, or an early out once may not be cause for any action other than inquiry and recording. We should have more patience and more understanding with those employees that have years of great service under their belt and have not shown historical patterns of attendance issues.

Accountability

If the employee executes his plan and the defects go away, the employee gets recognized for his problem-solving skills. If the employee executes his plan but the defects continue, then the contract needs to be amended and improved. If the defects go away, but we discover that the employee did not execute his plan, then we move to terminate. Clearly the employee violated his agreement and despite no further defects, we acknowledge that he is simply "lucky." And we do not use luck as a viable business strategy.

Reducing absenteeism is about properly designed work, meaningful challenges, and effective leadership. Even more so it is about tone, expectations, and commitment. Employers cannot make the necessary improvements and innovate in a culture where coming to work is optional. **ne**