



Helping staff back to work

Guidance for senior executives

airmic

CBI
THE VOICE OF BUSINESS
40 YEARS

Senior executives in all types of organisation like to describe the people who work for them as their greatest assets. It is, therefore, in the interests of businesses to help sick and injured staff back to work.

Recent research has found that employers might save more than £3 billion p.a. in absence costs alone if they put effective rehabilitation schemes into place.

There is strong evidence that any organisation benefits by taking a proactive interest in the well-being of its staff, especially when ill-health forces them to be off for any length of time. The workforce is happier, fitter and motivated by the knowledge that they matter to their employer.

You will have a more productive team, with reduced absence and less need to find temporary cover. If an injury has taken place at work, prompt action may lead to lower legal and compensation expenses, and ultimately to cheaper insurance premiums.

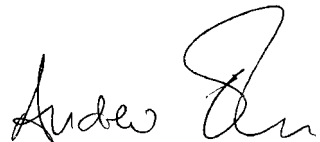
This booklet provides an introduction to the subject of workplace rehabilitation. It does not claim to have all the answers, because all organisations are different, but it does set out some key principles. It also highlights some examples of organisations that have been successful in implementing back-to-work programmes.

The accompanying practical guide is intended for distribution to line managers and others with front-line responsibilities. We commend both publications.

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Sir Digby Jones
Director-General
Confederation of British Industry



Andrew Cornish
Chairman
Association of Insurance
and Risk Managers

THE BUSINESS BENEFITS OF REHABILITATION

UK employers could save between £3 billion and £4.3 billion annually by implementing effective rehabilitation, according to research conducted by Greenstreet Berman on behalf of the Association of British Insurers.

These figures do not take into account the 'soft' benefits of rehabilitation, such as improved relations with staff and increased motivation.

Early rehabilitation can prevent:

- Minor injury becoming serious
- Acute injury becoming chronic
- Serious injury becoming disabling

Fewer serious injuries mean:

- Fewer Employers' Liability (EL) claims
- Reduced absence
- Lower or contained EL costs
- Fewer injuries to report under RIDDOR regulations

Numerous other studies have consistently reported that return-to-work and vocational rehabilitation can have benefits for businesses, perhaps reducing absence by 50% or more.

- One UK case study found that each £1 spent on rehabilitation saved the employers £12.
- US research indicates savings ratios of between 4 to 1 and 9.5 to 1.
- An Australian report found savings of more than \$3.844 million to the Queensland Department of Education from rehabilitation services that cost \$82,050.
- A New Zealand study indicated that rehabilitation could cut absence by up to a half.

Rehabilitation schemes can, in addition, help firms to comply with the Disability Discrimination Act. This places a duty on the employer to make reasonable adjustments to the work or to the workplace to prevent a disabled person being disadvantaged.

WHERE DO I START?

Rehabilitation requires planning and genuine commitment, and you will need the understanding and support of your colleagues.

There is no one right way to provide rehabilitation services in the workplace. Broadly speaking, there are three routes you can go down to help reduce absence:

- In-house care provision;
- External provision (mainly private sector, but also the NHS);
- Through insurers – all major Employers' Liability providers are publicly committed to the use of rehabilitation.

In practice, you are likely to 'mix and match', depending on circumstances.

1. Encourage a rehabilitation culture

Involve everyone.

Discuss your ideas with line managers, HR and other management.

Involve the trade unions at an early stage – they have a vital role to play. Work with them to develop an approach that has widespread understanding.

Ensure rehabilitation is integrated into standard procedures, that it is discussed whenever appropriate and that your colleagues understand its benefits.

Get buy-in from the Board.

2. Respond swiftly, be proactive

Remember that rehabilitation is at its most effective the sooner it is applied.

If an employee is off through injury or long-term sickness, don't wait for them to contact you.

3. Work with the injured person

Rehabilitation is a collaborative process.

Listen to the injured or ill person, discuss with them and their union representatives what they want.

Offer them support.

Consider all possible ways of helping them back to work (e.g. a different role, help with access, private medical help).

4. Maintain proportionality

The amount of resources devoted to any individual will depend on how bad the illness or injury is.

Do not forget, however, that psychological factors cause apparently minor injuries to develop into serious physical disabilities in approximately 5-10% of cases.

5. Take a broad view

Although you may not be responsible for what happens away from the workplace, all absent staff are a cause for concern. No matter how or where they acquired their illness or injury, you have an interest in their recovery.

Whenever an illness or injury might be work-related, inform your Employers' Liability insurers immediately. They may have their own rehabilitation procedures in place, and they need to know as early as possible for these to be effective.

AIRMIC and the CBI have produced "Helping staff back to work - Guidance for line managers" a booklet designed to assist front-line managers.

Rolls-Royce

Rolls-Royce plc employs around 21,000 staff in the UK in its aerospace, defence, marine and energy divisions. Their sickness absence management policy has benefited employees and the company by reducing absence and costs.

Business benefits:

- A reduction in staff absence of approximately 15%
- More staff contribute to Rolls-Royce's business activities at any one time
- Employees feel managers are positively interested in their contribution
- The company has a better understanding of what causes absence and the necessary preventative measures. Stress-related absence, for example, has fallen from 20% to 16%
- As employees return to work more quickly, management time spent on each absence is more effective

**"This initiative
has had a positive effect
on both the businesses and
individuals by enhancing
mutual respect and
reducing absence."**

John Rivers, Director –
Human Resources,
Rolls-Royce

The cost benefits:

One staff month was spent developing the policy and procedures at a cost of approximately £7,800. Briefing managers and HR specialists on the new procedures cost about £200,000. The time managers spend managing staff absence is largely unchanged, but is used earlier in the period of absence.

As a result of this one-off investment, the company saved £11 million through reduced absence in the first year alone.

How does Rolls-Royce manage absence?

The company expects managers to take appropriate interest in the well-being of employees and has allocated specific responsibilities. The trade unions have been fully consulted.

Line managers' duties include maintaining contact with the employee from the outset. If absence lasts longer than two weeks, the manager is expected to offer support. After four weeks they should set up a long-term action plan, taking advice from the location occupational health adviser and HR and exploring all options to encourage a return to work.

**Anglian Water
spent £90,000 on the
physical and psychosocial
rehabilitation of 85
individuals, suffering from
musculo-skeletal disease,
and recorded a saving of
£270,000 in direct
absence costs.**

Electrolux and Zurich Global Corporate

As an enlightened employer, Electrolux has long had resident doctors and nurses at its UK factories, but in 2002 its approach to absence management moved to a new level. Prompted by Zurich Global Corporate, its long-term insurer, Electrolux agreed to participate in a scheme that puts rehabilitation centre-stage.

The company has a policy of Total Risk Management, incorporating rigorous, independently audited systems to guarantee quality management, environment protection, health and safety and business continuity. Rehabilitation is a natural component of this approach.

Any injury at work is reported promptly to Zurich, which in appropriate cases alerts its health centre at Birmingham. Timing is vital, because the quicker you respond, the more effective the treatment.

Although no two incidents are the same, health centre staff will typically recommend treatment and then monitor its progress. Employees do not have to co-operate, but more than 90% choose to do so. In many cases this involves private consultation; psychological support is also available. All private medical costs are borne by the insurer and added to Electrolux's claims record when it comes to renewal.

**“Buy-in from
the workforce
has been tremendous”**

Ron Robinson
UK Risk Manager
Electrolux

Both parties feel that the system reduces overall costs. “We’d much rather pay up front for treatment than have someone stuck at home for weeks with a doctor’s note,” says senior Employers’ Liability underwriter Steve Tucker.

“Even if the injured person cannot return to their old job, Electrolux will try hard to find an alternative role for them,” according to UK Risk Manager Ron Robinson.

“Buy-in from the workforce has been tremendous,” he says. “They can see we’re doing it for their benefit as well as ours.”

“Our rehabilitation strategy developed with Zurich has cost us nothing as we already had the necessary systems in place.”

The hard financial benefits of Electrolux’s Total Risk Management approach are tricky to measure at this stage. In the last three years, however, the company has bucked the upward trend in EL costs by achieving lower premiums.

To quote Mr Tucker, “When you see these systems in place demonstrating good all-round risk management, it gives you confidence. You are more sympathetic when it comes to renewal.”

Sunderland City Council

Over a period of almost five years Sunderland City Council went through a cultural change with rehabilitation at its heart. Like most large employers, the council had traditionally taken a passive, restrictive approach towards absence management.

A review of employment practices identified a number of shortcomings. These included inflexible hours, overwork, variable relationships with managers, inability to delegate and inadequate communication.

In addition, staff had nowhere to go for help with their health problems, many of them stress-related. Sick leave was inadequately monitored and there was no system to assist people who were off for extended periods.

This has now changed with a thorough overhaul of how staff are managed, including more family-friendly policies. There is a seamless medical and psychological support infrastructure for staff which helps to prevent absence and encourage return to work.

Facilities include:

- A retained physio and counselling service;
- An in-house occupational physician;
- An employee assistance programme providing immediate psychological, legal and financial support.

Staff who come forward typically have musculo-skeletal problems, though other ailments include neurological, cardiac and psychological. The council's medical team will sometimes recommend a private referral to reduce time away. Because this involves cost, the employee's chief officer has to authorise such a move. Dr Stuart Lyndon, the council's occupational physician, says there is increasing acceptance that this can be money well spent.

Monitoring of absences has now improved and staff are routinely contacted after four weeks and offered support. No one is obliged to accept medical help, but most are happy to do so.

Many of the benefits of the new culture, such as improved staff relations and morale, are relatively hard to measure. In addition, however, the policy has resulted in a huge cost saving in terms of Employers' Liability premiums. The overall approach is gaining support internally, with buy-in from all departments and the strong backing of the new chief executive

FURTHER INFORMATION

The Health and Safety Executive has published several useful documents on the subject of workplace rehabilitation and absence management. These include case histories.

<http://www.hse.gov.uk/sicknessabsence/downloads.htm#flowchart>

AIRMIC and the CBI have produced a sister publication to this guide, aimed mainly for the benefit of line managers. To obtain a copy, contact Nisha Lathigra, 020 7480 7610, nisha.lathigra@airmic.co.uk
Email Nisha if you wish to be sent details of future workplace rehabilitation or absence management events organised by AIRMIC.


The Rehabilitation Code sets out voluntary procedures for all personal injury claims, which put the injured person and his needs at the heart of the process. The Code has the support of the Association of British Insurers, Association of Personal Injury Lawyers, the Forum of Insurance Lawyers and International Underwriting Association. The vast majority of UK non-life insurers and more than five hundred firms of personal injury lawyer have publicly supported the Code, which also has the backing of the Civil Justice Council.

The Code can be downloaded from www.iaa.co.uk

The IUA-ABI Rehabilitation Working Party, which produced the Code, has published a report on the Psychology of Injury. This can also be downloaded from www.iaa.co.uk

For further information on their work, contact Deborah Finch, 020 7617 4451, deborah.finch@iaa.co.uk

The Association of British Insurers, www.abi.org.uk has published several papers and reports on the subject of workplace rehabilitation.



The information and advice in this booklet was compiled
by AIRMIC, which represents Risk Managers in the UK
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