

Sickness at work: the big story

Why do smaller companies have fewer absences? And what can the big corporations do?

By David Bolchover

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It's a lovely, snug life, being employed by a large organisation. You stroll in to the office, you have a chat and a coffee and a couple of pointless meetings, all in the secure knowledge that your benevolent employer is going to put the same amount of cash in your bank account at the end of this month that it did last time.

But for society as a whole, this languid complacency is a disaster. Never mind the culture of welfare dependency. What about the culture of employer dependency? Britain needs a fundamental cultural shift away from the corporate beehive in favour of entrepreneurship and self-employment.

This week Dame Carol Black, the national director for health and work at the NHS Institute for Innovation and Improvement, produced a report revealing that ill-health costs the British economy more than £100 billion a year in benefit and health expenditure, forgone taxes and lost productivity. According to the report, the annual economic cost of absence due to sickness is greater than the entire NHS budget and equivalent to the gross domestic product of Portugal.

Dame Carol proposed a number of reforms, including replacing the traditional sick note with a "fit note", in which a doctor focuses on what the worker can still do, rather than what he or she cannot. But these tackle the symptoms of the problem, not its underlying cause. What prompts all but the chronically incapacitated to take unnecessary time off ill is not pushover GPs, but a deep-rooted sickness in attitudes towards work.

BACKGROUND

- Sick note that will tell you're fit to work
- In search of a cure for the sick-note culture
- The sick-note season opens
- 'Back to work' teams to steer people from benefits

Long-term unemployment may be destructive, but long-term employment can be too. At a very basic level, it shifts responsibility for putting food on the family's table away from the individual to a third party. Not the State, but an employer. And the debilitating effects of this fundamental shunning of self-sufficiency is all too evident in the available statistics.

A 2007 study by the EU-funded European Foundation for the Improvement of Living and Working Conditions, based on face-to-face interviews with about 30,000 people across Europe in different fields of work, revealed just how much mass employment in large organisations has sapped our drive and turned us into a bunch of dependent stuffed suits.

The gulf between the self-employed and the employed in their response to sickness is stark. Whereas the self-employed actually report higher levels of work-related health problems than the employed (45 per cent to 33 per cent), such as backache and stress, they take far fewer days off sick.

Here are the report figures on average annual sickness absence for the various categories of worker, in ascending order: one-person enterprise, 2.5 days; self-employed, 2.8 days; micro-enterprise (2-9 workers), 3.2 days; small enterprise (10-49 workers), 4.6 days; medium-sized enterprise (50-249 workers), 5.6 days; large enterprise (250+ workers), 7.4 days. Anyone see a pattern?

There are many on the Right who closely associate the public sector with higher levels of sickness absence. They are right, but only up to a point. According to a Health and Safety Executive report of 2006 that looked at the UK workplace, the average annual sickness absence per worker for a public sector organisation employing more than 250 people was 8 days, whereas for a similar-sized private company it was 6.9 days.

The study attributed some of this difference to the greater proportion of older people and women working in the public sector, both of whom report higher rates of absence in general. But the far more striking difference in absence rates was not between private and public, but once again, between large and small. For businesses with fewer than 25 employees, the average was 3.9 days.

What explains this discrepancy? The answer surely lies in a powerful cocktail of need and desire, most keenly experienced by the self-employed and gradually weakening for employees as their organisation becomes larger. The one-person band knows that the work will stay undone unless they themselves do it, and that they will only eat what they themselves kill. Necessity is the mother of all invention, and the avowed enemy of all malingering.

The self-employed also like their work more, making them more determined to ignore their ailments so they can devote attention to their source of pride and satisfaction. A 2005 global survey by the Career Innovation Group reported a significantly greater sense of achievement among self-employed workers compared with the employed. The content of their work may be identical to their employed counterparts, but they feel a much closer connection to the fruit of their labour and have a natural incentive to make their business as successful as possible.

The motivating consequences of connection and incentive then wane as the worker's organisation grows. An able employee in a company of five knows that he is verging on the indispensable. An able employee in a company of 5,000 knows that he can drop dead tomorrow and corporate performance will register about as much movement as his corpse.

But the combination of ill-conceived government policy and the recent boom years has expanded the employment featherbed, making it all too easy to turn up, clock on and skive off. Since Labour took power in 1997, there has been a rise of almost 12 per cent in public sector employment.

Why bother putting yourself out and going through all the trials and tribulations of setting up on your own when a government-sponsored sinecure is up for grabs? Whereas the percentage of self-employed within the overall workforce grew from 11.4 per cent to 13.4 per cent in the ten years before 1997, it fell in the next ten back to 12.9 per cent. As well as a significant reduction in public sector employment, we need more far-reaching tax incentives for self-employment. How can the Government afford to do this? In the light of the sickness statistics, how can it afford not to?

Dame Carol's "fit note" and "work-related health support" will add new layers of bureaucracy without challenging the root cause of rampant sickness absence. Fortunately, we have the credit crunch and global economic downturn to help us to forget about all those nasty little aches and pains. It may be the right moment for the employed to forget about "stress", and learn instead about stress.

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