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## Cost of Presenteeism Surpasses Absenteeism

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The cost of presenteeism has now surpassed the cost of absenteeism. Presenteeism, which refers to sick employees who come to work instead of staying at home, now surpasses \$180 billion annually. Absenteeism, where the employee does not report to work, costs \$118 billion annually and medical expenses and lost productivity.

Employee "illness" can be grouped into five different categories. The Society for Human Resource Management (SHRM) breaks down the impact in this way:

1. Personal illnesses account for 35%
2. Family issues make up 21%
3. Personal needs combine for 18%
4. An entitlement mentality accounts for 14%
5. Stress makes up the final 12%

The SHRM figures refer to absenteeism alone, therefore may not be applicable in the same percentages to presenteeism. However some presenteeism will fall in each of the categories. This occurs when, for example, an employee has family issues to deal with however they do not feel the entire day needs to be taken off of work. They will make the necessary phone calls to resolve the family issues on company time. In the case of the entitlement mentality, when employees see other employees taking long lunches or breaks or making personal phone calls on company time they feel they are also entitled to do the same.

It is important to note that in some cases presenteeism contributes to the cost of absenteeism. This occurs when an employee is contagious and spreads germs to other employees in the workplace. These newly infected employees will elect to deal with their illness through either absenteeism or presenteeism.

A likely culprit in the increase of presenteeism is a lack of "no-fault" sick time. No-fault sick time refers to allowing employees to take their sick time without having to provide an explanation of why the time is taken. This reduces the amount of presenteeism as employees no longer feel they must act sick to qualify for a sick day. However once an employee begins to run out of sick time, or is only allowed minimal sick time during the year, presenteeism becomes a manner of choice when dealing with the five areas identified by SHRM.

According to Multicultural Business Council (MBC), a cultural empowerment organization based near Detroit, Michigan, absenteeism policies are creating specific cultures within the larger corporate

culture. When an employee changes jobs from a company that has a restrictive absenteeism policy to a company with a less restrictive absenteeism policy, they will quickly learn to adapt to the new culture. However, employees moving in the opposite direction, from less restrictive to more restrictive absenteeism policies will take longer to adopt to the culture of the company.

It seems an entitlement mentality is a key player as employees look at sick pay policies at their company versus the policies at companies have previously worked with or have friends or family working for. Understanding the motivational factors of a team of employees can reduce the negative impact from presenteeism and absenteeism.

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Rick Weaver is an accomplished business executive with a wealth of experience in retail, market analysis, supply chain enhancement, project management, team building, and process improvement.

Rick career began in retailing as a stockclerk, eventually becoming the Director of Vendor Development at Kmart Corporation during it's heyday. In this position he worked with hundreds of Kmart's suppliers to improve mutual processes, procedures, and profits.

As a consultant, Rick has worked with companies in various industries to develop leadership and business strategies.

As an entrepreneur, Rick has founded or co-founded six successful organizations, including non-profit and for profit.

Now in his role as president of MaxImpact, Rick uses his vast experience helping individuals connect to their dreams and teams connect to a common vision.

Rick's presentation style of blending humor, real life examples, and easy to implement ideas has made him a popular speaker at seminars, workshops, and conferences in in 43 states, Canada, and Puerto Rico.

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