

## Combatting high absenteeism in SA retail

South Africa's retail trade sector employs almost <u>900,000 individuals</u>. The sector is extremely competitive, occupying some <u>23.4-million square metres</u> of gross lettable area across 1,959 malls traversing the country - not to mention online operations like Superbalist and Takealot.



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With a daily absenteeism average of 15 to 30%, big retailers of +1000 employees have 300 staff absent at a time. This has major cost implications that retailers can potentially curb by offering employees more access to primary healthcare.

Martin Neethling, head of Sanlam Health Insurance and Distribution says, "There's a massive emphasis on employee wellness right now that focuses on 360-degree health, from a psychological, emotional and physical perspective. With the World Health Organisation (WHO) officially recognising burnout as an 'occupational phenomenon', there's increasing awareness of the impact of stress.

"By offering access to affordable primary healthcare at early intervention stage, employers can alleviate employees' stress and treat small issues before they evolve into bigger ones."

## Psychological conditions

Neethling says stress, burnout, depression and anxiety cause 40% of workplace illnesses. "Sanlam Primary Healthcare works closely with Dimanage. They shared insights from their Disease & Incapacity Management System (DIMS), which suggests most employees take 1.8 sick days a month, with gastro, flu and 'non-disclosed' reasons being the common causes."

DIMS's data shows that psychological conditions (burn-out falls in this category) form the largest number of longer-term incapacity cases. Neethling continues, "Stress is among the top four conditions causing absenteeism. If payroll costs are about 2.8% for all absenteeism on average, then stress accounts for about a third of this cost. These are direct costs. Indirect costs can be three to seven times the direct costs."

Retail has a reputation for being stressful. High customer contact jobs (like a call centre, for example) are known to have higher absenteeism rates. The indirect costs of absenteeism include lost productivity, increased payroll costs from having to plug gaps with temps, overtime pay, admin costs, and impaired customer service, which can affect a business's reputation and put off returning clients. Diminished staff morale due to an increased workload is another issue.

More access to primary healthcare – including counselling and therapy – can play a significant role in reducing absenteeism, says Neethling.

"Productivity is usually contingent on someone's state of mind. A happy employee who feels well taken care of inevitably works better than a stressed individual. Retail employers do have a challenge in that many staff are employed on a temporary or contractual basis. However, they usually also have myriad permanent team members to whom they can offer medical aid, disability, life and sickness cover on the one hand, and subsidised doctor, specialist and counselling consultations on the other."



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Neethling believes it's about understanding the underlying causes of absenteeism and treating these issues head-on.

"Flu accounts for a large proportion of sick days – so offer free flu injections. Stress accounts for a third of retail absenteeism payroll costs, so consider how to improve psychological wellness through early interventions and regular workshops on mental wellbeing. Use technology to monitor workloads and employee satisfaction, so you can anticipate in advance when someone isn't coping. And see how you can alleviate financial stress and promote peace of mind through benefits, like subsidised insurance cover and medical aid."

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