

How much do distracted employees cost your company?

New research by Momentum Corporate has revealed that presenteeism - the phenomenon when employees are at work but not productive due to distractions - is costing South African businesses an estimated R89bn per year.



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Elaine Wright, wellness strategist at Momentum Corporate, says that South African companies, already reeling from the rising cost of absenteeism on employee productivity, are losing much more due to presenteeism.

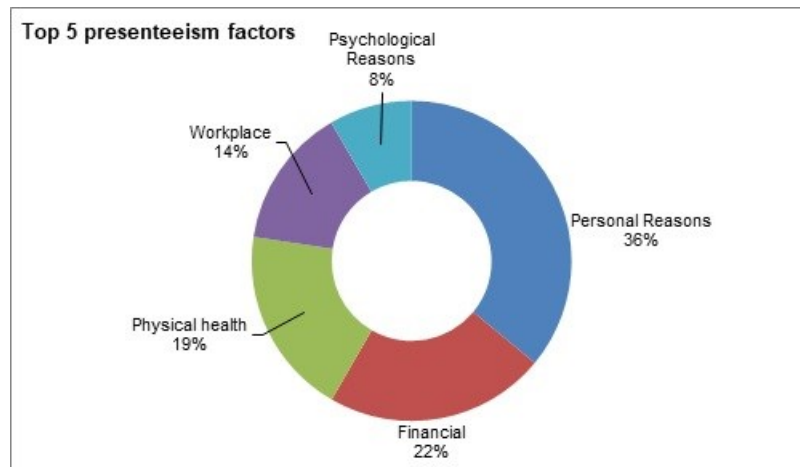
She goes on to say that the Momentum Effective Employee Index – a first of its kind in South Africa - shows that local companies lose an estimated R25bn per year to absenteeism. Around half of this can be considered to be excessive absenteeism, an amount over and above the reasonable amount expected for companies based on their size. However, this latest research suggests presenteeism is costing employers a lot more.

These results will be invaluable in helping employers to understand why employees become distracted at work, quantify the costs of presenteeism and take proactive measures to intervene and reduce its impact.

Using the South African average day rate of R405.051, it is estimated that employers are losing an average R596,566 per 100 employees per annum due to presenteeism. The results show that, on average, 27% of employees go to work but don't always work effectively because they are distracted at some point. Plus, 33% of employees that were absent indicated they had been distracted on days they were at work prior to being absent, suggesting presenteeism can be a lead indicator of

absenteeism in some cases.

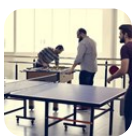
Wright says that the research uncovered five key presenteeism drivers, which were ranked according to prevalence (number of employees impacted) as well as the average time that they were distracted per reason. The results are depicted below:



“Personal reasons, including sick family members, bereavement and family/relationship problems, is the top driver of presenteeism followed by financial matters, such as over-indebtedness and lack of savings for unplanned expenses. Physical and mental health distractors, such as hypertension, headaches, flu as well as depression, burnout and mental exhaustion, are also serious distractors in the workplace.”

Finance and other business services and Agricultural are the industry sectors most heavily impacted by presenteeism, with a presenteeism prevalence of 30.0% and 29.8% respectively. Employees in the mining and electricity, gas and water supply industries lost the most productive time due to presenteeism, values of 7.0 and 6.8 days per employee per month respectively.

Wright says, “There are a number of proactive measures employers can take to reduce the impact of these presenteeism drivers. For example, an effective Employee Assistance Programme can be instrumental in helping employees to cope better with their personal issues and improving emotional health.



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“Other interventions for reducing presenteeism could include employee debt management interventions, financial education programmes, flexible insurance benefits that reduce over insurance and channel more money towards long-term savings, reward programmes that encourage healthier lifestyles, access to private healthcare cover and telehealth services for health issues that do not require a face-to-face consultation.”

Wright concludes, “Presenteeism is a major contributor to lost employee productivity in South African companies. Our research highlights the extent to which employees’ financial wellness and physical, mental and emotional health drives lost employee productivity due to presenteeism. Proactive, targeted interventions in these areas can significantly reduce the impact of presenteeism on productivity.”

